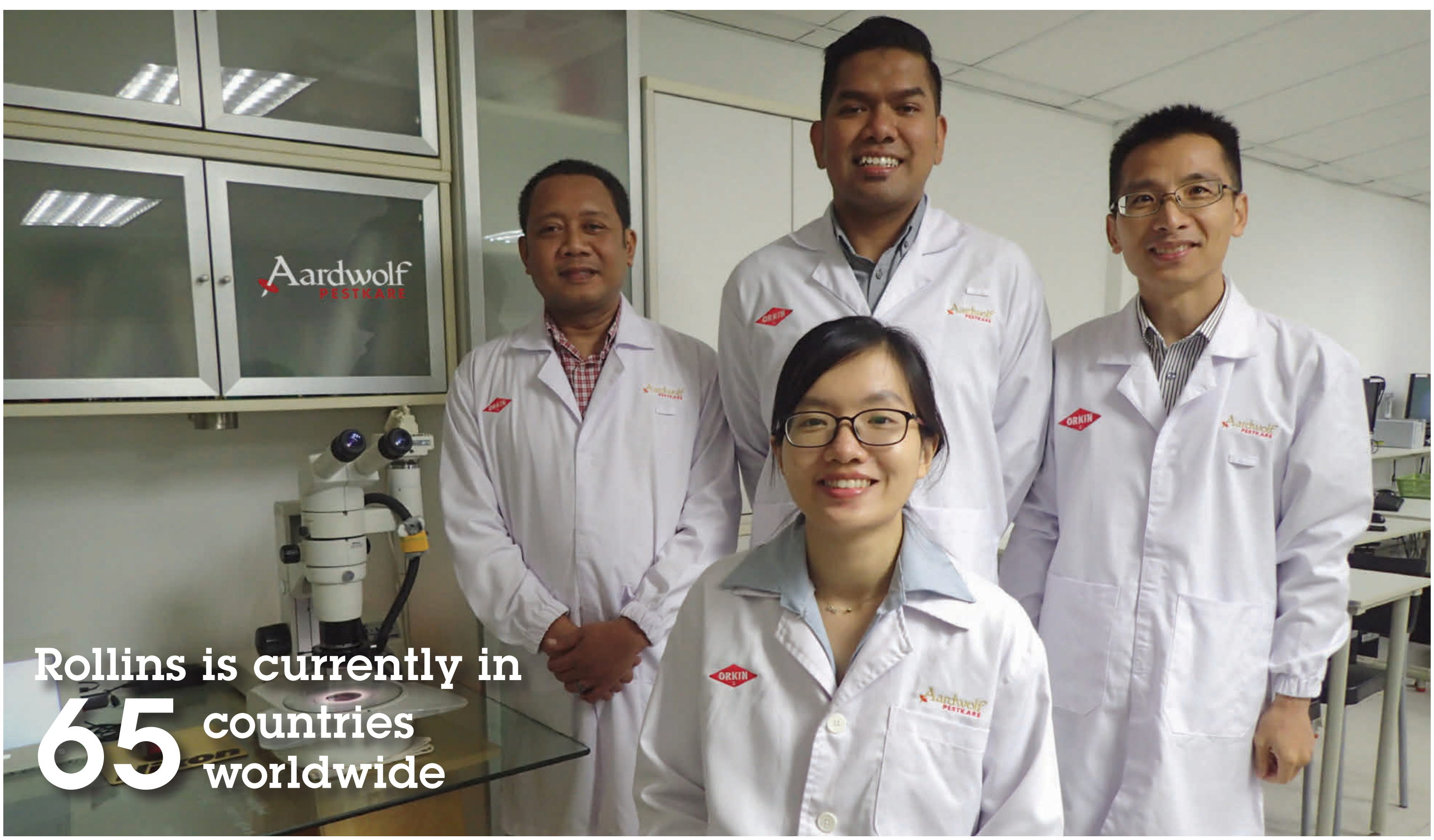
ROLLINS®

ROL LISTED NYSE

2019

ANNUAL REPORT | 2020 PROXY STATEMENT

Creating the World's Best Service Company



Rollins is currently in **65** countries worldwide

STATEMENT OF OPERATIONS DATA

(in thousands except per share data)

YEARS ENDED DECEMBER 31	2019	Increase/ Decrease	2018	2017	2016	2015
Revenues	$2,015,477	10.6%	$1,821,565	$1,673,957	$1,573,477	$1,485,305
Income before income taxes	261,160	-16.0%	310,733	294,502	260,636	243,178
Net income	203,347	-12.2%	231,663	179,124	167,369	152,149
Earnings per share – Basic	0.62	-12.7%	0.71	0.55	0.51	0.47
Earnings per share – Diluted	0.62	-12.7%	0.71	0.55	0.51	0.47
Dividends paid per share	0.47	0.0%	0.47	0.37	0.33	0.28

OTHER DATA:						
Net cash provided by operating activities	$309,188	8.0%	$286,272	$236,773	$226,525	$196,356
Net cash used in investing activities	($455,107)	348.9%	($101,375)	($154,175)	($76,842)	($69,942)
Net cash provided by / (used in) financing activities	$127,655	-178.7%	($162,283)	($130,263)	($136,371)	($97,216)
Depreciation	$36,646	20.7%	$30,364	$27,381	$24,725	$19,354
Amortization of intangible assets	$44,465	22.1%	$36,428	$29,199	$26,177	$25,168
Capital expenditures	($27,146)	-0.1%	($27,179)	($24,680)	($33,081)	($39,495)

BALANCE SHEET DATA AT END OF YEAR:						
Current assets	$309,787	8.3%	$286,021	$262,795	$290,171	$269,434
Total assets	$1,744,376	59.4%	$1,094,124	$1,033,663	$916,538	$848,651
Stockholders' equity	$815,750	14.6%	$711,908	$653,924	$568,545	$524,029
Number of shares outstanding at year-end	327,431		327,308	326,988	326,688	327,830
Closing stock price at December 31	$33.16	-8.1%	$36.10	$31.02	$22.52	$17.27
Shares acquired					1,254	29

All share and per share data have been restated for the three-for-two stock splits effective March 10, 2015 and December 10, 2018.


More than
14,000
employees worldwide
ORKIN
ORKIN
2019
REVENUE
+10.6%
2019
NET INCOME
10.1%
2019
DILUTED EPS
62¢
PER SHARE
2019
DIVIDENDS
47¢
PER SHARE

ROLLINS®

A SUSTAINABLE COMPANY
FOR THE FUTURE

To our SHAREHOLDERS

The Past Helps to Create Our Future

Our past experiences have prepared us well to provide for the long-term sustainability of our company. This will benefit our customers, our employees and stakeholders for the future. Rollins' experiences during our first 50 years established a strong and progressive platform for our future growth while we attain our Mission of being the "World's Best Service Company."

In 2019, we eclipsed the $2 billion revenue mark while growing to over 2.4 million customers, which reside in 65 countries. It took us 107 years to grow to the $1 billion revenue mark and only an additional 11 years to grow to over $2 billion in revenue. Ironically, large acquisitions played a key role in each of these milestones as we acquired HomeTeam in 2008 which helped achieve the first $1 billion in revenue and the purchase of Clark Pest Control in California this past year helped us over the $2 billion mark. During the past 11 years, we had solid industry leading Organic growth between 5-6% that helped attain these revenue levels.

The past 50 years created opportunities for innovation, change and learnings – all which made the company better for all involved. Part of our evolution has helped us determine what businesses make the most sense for a long-term sustainable company. We learned many good lessons with Rollins Broadcasting, Dwoskin Wallpaper and the Rollins Protective Services businesses, just to mention a few. Ultimately we applied many of these lessons that have contributed to our becoming – the World's Largest Pest Control and Wildlife Company.

In 1964, Orkin became our first Pest Control acquisition. The years that followed offered opportunities to learn about the Pest Control business and to incorporate management principles and business lessons learned from our previous investments. In the early 2000's, we expanded by purchasing other US Pest Control companies while building our North American network. Lastly, we expanded our International footprint as we moved to Central and South America, Asia and Europe.

Specifically, the early large acquisitions enabled us not only to accelerate our growth, but also to diversify our Pest Control business with quality companies in different geographic areas such as Orkin Canada, Western Pest Control in New York and New Jersey and Waltham in the Boston area and Northeast. The subsequent years provided opportunities for the purchase of Permatreat and HomeTeam followed by Trutech and Critter Control (in the Wildlife Industry) while building leading brands. These companies brought access to fantastic Management Teams and the opportunity to share best business practices.

Simultaneously, we began investing in smaller, tuck-in Pest Control companies which enabled us to grow our market density and launch multi-year margin expansion. Our common theme and focus during these years provided continual learning and sharing opportunities with each company that joined our family of brands.

Rollins, Inc.

Leading Pest Brands Worldwide

Orkin, the largest pest control company in the U.S., has over 115 years of experience, specializing in protection against common pests, including termites, rodents, and insects.

OPC Services was founded in 1972 in Okolona, a suburban area of Louisville, and is the premier pest management company based in Kentucky.

Established in 1937, IFC is a market leader providing consistent, reliable and high quality pest management and sanitation services and products to the food and commodity industries.

Established in 1954, Orkin Canada is Canada's largest pest control provider and a leader in the development of fast, effective and environmentally responsible pest control solutions.

Since 1951, Northwest has provided pest control, termite, and wildlife services for customers in Georgia, South Carolina, Tennessee, Alabama, and North Carolina.

Waltham Services has been providing peace of mind from pests since 1893, giving personalized attention to solving and preventing pest infestations throughout New England.

Orkin Australia combines international expertise with the local experience of our four regional brands, Orkin Australia delivers unmatched quality, reliability and safety.

Critter Control, the nation's leading wildlife control company, has provided animal control and removal services since 1983, with a focus on vertebrate pests such as squirrels, raccoons, bats and birds.

Since 1991, Safeguard has had a rich history of providing superior pest control, bird control, and specialist services to residential and commercial customers in the United Kingdom.

Established in 1996, HomeTeam Pest Defense is the number one pest management company providing service to home builders with its unique Taexx tubes in the wall pest control system.

Established in 1984, Trutech is one of the largest animal control and removal and wildlife removal companies in the U.S., ensuring animals are removed in a humane and ethical manner.

Aardwolf Pestkare, founded in 1997 in Singapore, is a long established pest control company with a history of providing superior pest control and specialty services to residential and commercial customers.

Many things in our industry have changed over the last 50 years. New technology, target pests, competition, and general business circumstances to name a few. But one thing has been consistent: the quality of our people and our commitment to excellent customer service. Because of the efforts of our employees, we are able to celebrate accomplishments that were initiated over the past 50 years.

Perma Treat, founded in 1967, is a leader in general pest and termite control, real estate inspections, new construction pretreatment, outdoor pest control for Central and Northern Virginia.

Established in 1930, Crane Pest Control, Inc. is a leading commercial pest control provider serving Northern California and the Reno/Tahoe Basin.

Established in 1950, Clark Pest Control has provided the finest pest control and turf-and-ornamental care located in 26 locations that serve residents and businesses throughout California and Northwestern Nevada.

Since 1928, Western has provided quality residential and commercial pest control in the Northeast, employing a full staff of field supervisors, quality control, and entomologists.

Continuing our Growth in 2019

While "Mother Nature" did not fully cooperate with the "bug business" during the early part of the year, and Organic growth lagged in the first half, the 3rd Quarter showed the resilience of our workforce and management teams. This resilience is the clear reason that we consider our team the best in the industry. Our Q3 Organic revenue grew faster than we have seen in the past 7 years. The pent up demand, coupled by our operational execution, drove the growth across all of our business lines with Termite and Ancillary providing the most significant gains. Many of our management principles incorporated through the years allowed us to adjust and effectively execute during this transitional time.

The growth of our Mosquito service continued at greater than 30% in 2019. This offering provides not only great benefits to our customers but also opportunities for cross selling and improved efficiency providing financial benefits. We believe there is opportunity to grow this service much faster than our overall growth rate, for many years to come. From our customer's perspective, we enable homeowners to regain the use of their outdoor space during peak mosquito times of the year, and make this time outdoors much more enjoyable. In fact, of all of our services, our mosquito service has the highest retention rate, at over 90%.

> "…she (mosquito) is expanding the battlefield by opening new fronts and penetrating areas of operation formerly free of her mosquito-borne diseases."
>
> **– *Timothy C. Winegard***

But equally as important, as Timothy C. Winegard outlined in his 2019 book, *"The Mosquito - A Human History of Our Deadliest Predator,"* keeping humans away from the diseases that mosquitoes carry is an important benefit as well.

Financially, our data shows that customers that add mosquito to an existing service remain twice as long as customers with only one service. This will support our continued Organic revenue expansion for years to come. Additionally, when we add mosquito to an existing Residential Pest Control customer, the synergies between the two enhance the overall margin of the customer.

Although the Pest Control Industry grew at a slower than normal pace during 2019, we experienced accelerated growth with the largest acquisition in our history. To be sustainable for the future, growing our business both organically and through acquisition is paramount. We have enjoyed a rich history of acquiring companies of all sizes and our track record of Top 10 Company acquisitions is unmatched in the industry.

This past year, we benefited from the acquisition of Clark Pest Control of Stockton, Inc. in Lodi, California. At the time, Clark was the 8th Largest Pest Control Company in the U.S. Clark's founder, Charlie Clark, grew his West Coast Business during the time that Orkin was expanding the East Coast. Clark is the preeminent pest control brand in California and Northwestern Nevada.

The Clark acquisition provides Rollins an opportunity for both top-line and bottom line growth. While Clark's revenue growth was harmed somewhat by the Paradise, California Wildfires, they are already benefitting from our best practices generated by the knowledge obtained from our other Rollins Brands.

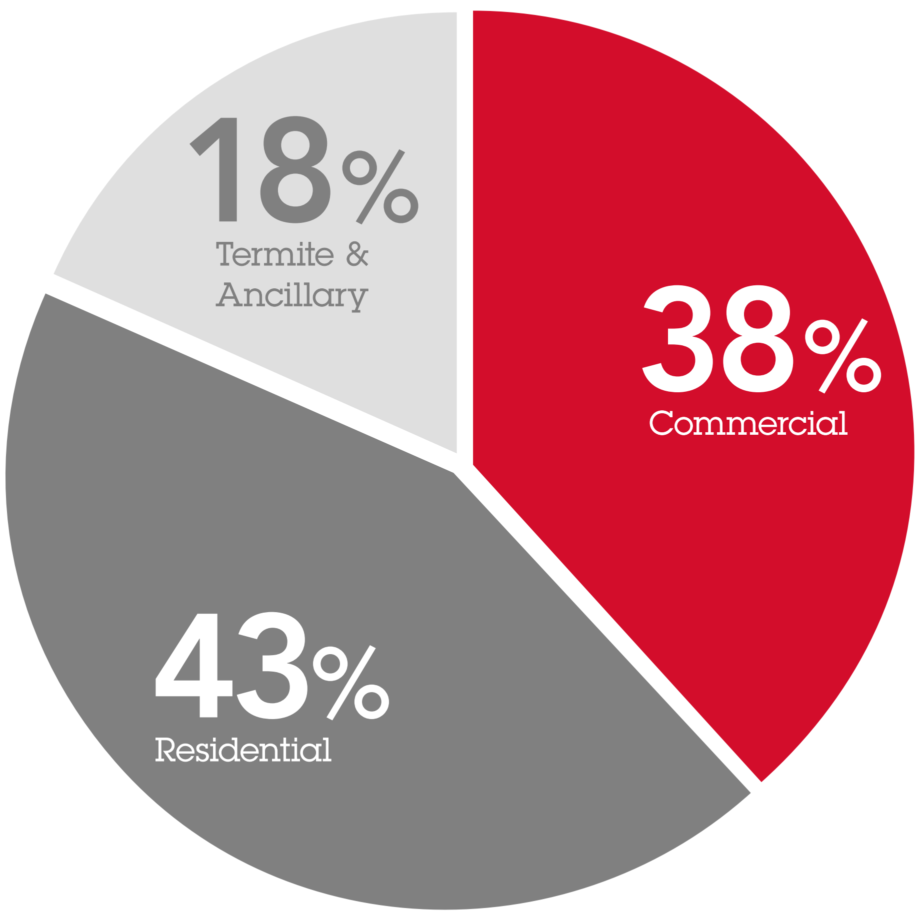
We hosted the Clark Senior Management Team in Atlanta in May to begin sharing our purchasing advantages and other areas of operations opportunity. Specifically, we shared our vehicle vendor arrangements, cell phone providers and employee benefit plans and other areas. We are experiencing early success with the Clark integration through this, and other, Rollins support. We feel that Clark will be accretive in 2020.

WORLD'S LARGEST PEST CONTROL

In Q3, we further enhanced our long-term sustainable financial health by transitioning our pension plan off of our Rollins books. This plan had been frozen since 2005 to new entrants. This Pension transition provided impacted employees and retirees with several new options for their vested benefits. Given this step, Rollins will no longer make our $3-5m annual pension contribution and will avoid the ongoing administrative expenses related to the plan. As a bonus, the pension plan was over-funded at almost 114% and we were able to use a portion of this excess cash to fund our employee 401(k) match from Q2 2019 and into the New Year.

2019 REVENUE BREAKDOWN

(by Service Lines)



Rollins, Inc.

Executive Steering Committee

R. Randall Rollins
Chairman of the Board

Gary W. Rollins
Vice Chairman and Chief Executive Officer

John F. Wilson
President and Chief Operating Officer

Kevin J. Smith
Chief Marketing Officer

Lee W. Crump
Chief Information Officer

Paul E. Northen
Chief Financial Officer

Elizabeth Chandler
Corporate Secretary & Chief Legal Officer

Freeman Elliott
President of Orkin

Steven Leavitt
President of Rollins Emerging Markets Group

Jerry E. Gahlhoff Jr.
President of Rollins Specialty Brands

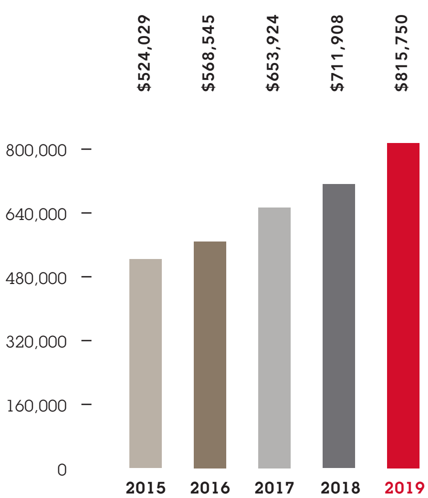
Over **4 million**

technician-driven miles saved through ongoing routing and scheduling enhancements

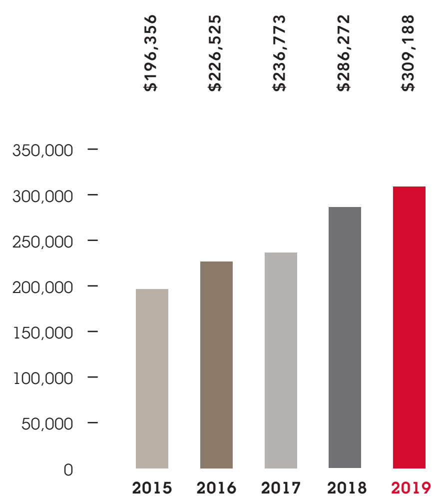

CLARK PEST CONTROL
Rollins protects health and property while servicing more than
2.4M customers worldwide

Rollins, Inc.
Financial Results 2019

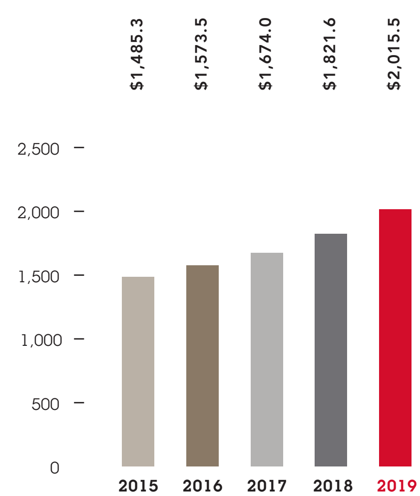
Stockholders' Equity
(in thousands)



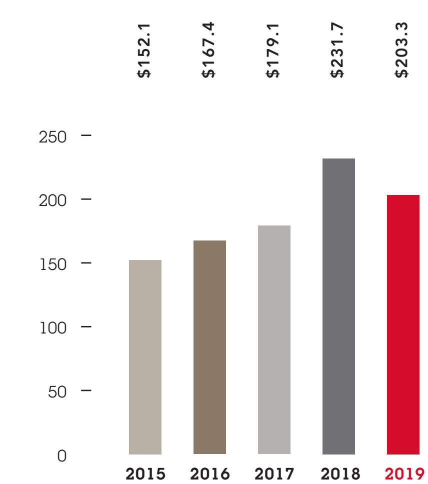
Cash from Operations
(in thousands)



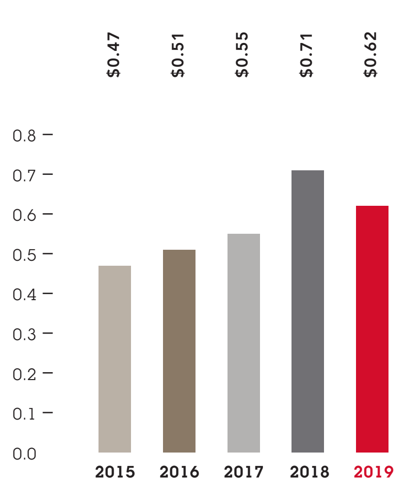
Revenues
(in millions)



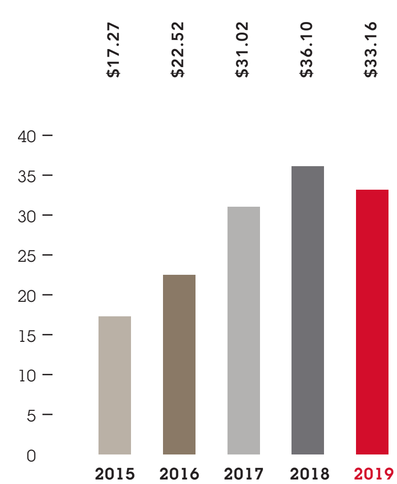
Net Income
(in millions)



Diluted Earnings Per Share
($)

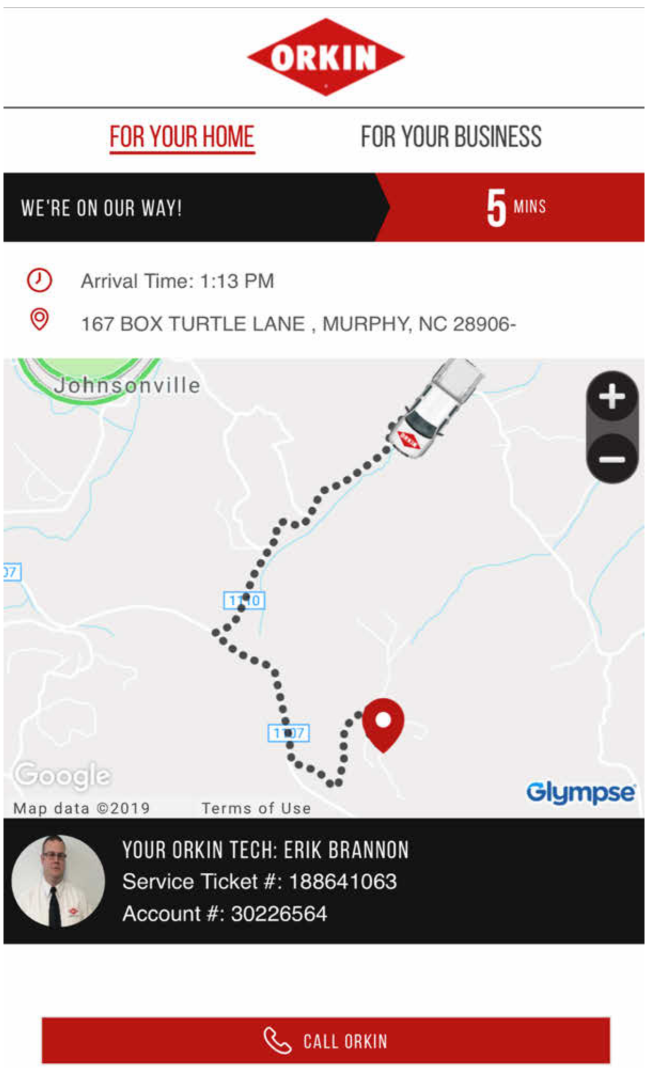


Stock Price
($)



Technology and Customer Experience

Part of our plans for the future involves continuing to improve our business based on the evolving customer's needs. As customers receive their on-line purchases the same day, their expectations for both service and product delivery continue to rise. Our Chief Marketing Officer, Kevin Smith, references this as "Liquid Expectations." This simply means that expectations for customers in one industry "leak" over to expectations in other industries.



Our decision in 2018 to invest in and roll out our customer "Glympse" service notifications program provided our customers with industry leading communication. These text and email communications are provided by our offices and technicians prior to and en-route to the scheduled visit. Over 85% of our Orkin Residential customers benefited from Glympse notifications by the end of 2019, which enabled our customers to better plan their day.

Early indications prove that this technology investment is paying off with an average of over 5% better retention of our pest control service employees. As we know, better employee retention leads to a better customer experience and better customer retention. We will continue to assess and improve our Customer Journey Road-map to better adapt to our customers' changing needs.

Our journey of Routing and Scheduling moved to "Phase 2" at year end. We launched our Ortec scheduling optimization for Pest Control Technicians that continually level-loads our customer visits to give a better, more predictable, customer experience while improving our efficiency. We expect enhanced margin expansion in the coming years as the technology is rolled out, mileage is reduced and customer retention improves.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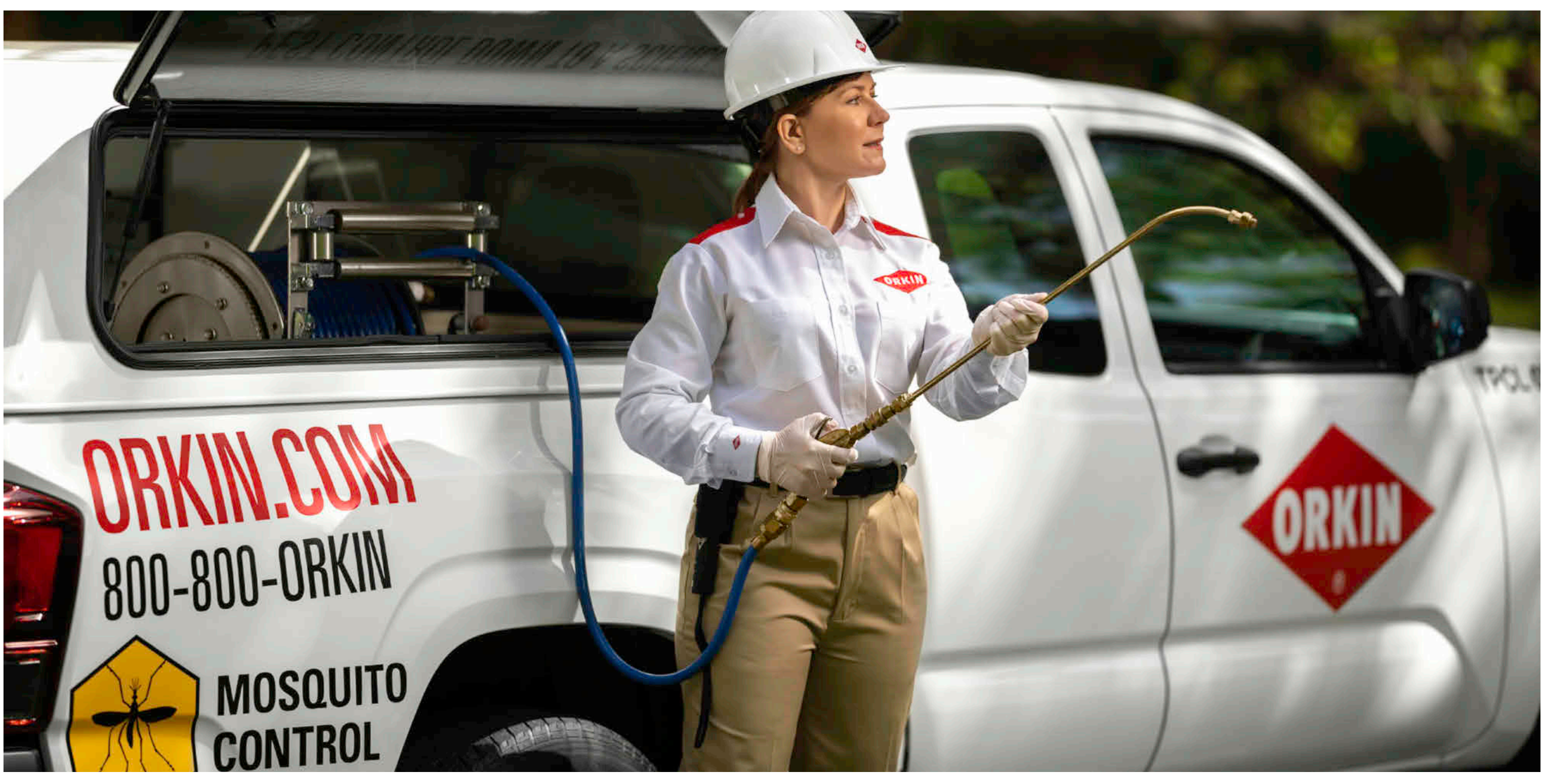
TRUTECH


CRITTER CONTROL.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A Sustainable Company for the Future

Through our culture of continuous improvement, we are constantly looking to the future, testing and trying new processes to ensure that we remain relevant with our customers and employees. Finding, hiring, on-boarding, training and retaining employees at all levels of our organization is the key that drives all other successes at Rollins.

> "The number one contributor to our company's success is the quality of our people"
>
> *– Gary W. Rollins, Vice Chairman and CEO*

The attention to the people part of the business is woven into the fabric and culture of our company, which has been even more important in recent years, with the 40 year historic low unemployment rates. We continue to look for ways to improve our best in class training at all levels in our organization. When this was coupled in 2019 with enhanced service technology and better employee benefits, this resulted in the best employee retention rates experienced in the past several years.

With our People and our Customers being our two most important assets, "Our Culture is a close number three." The Rollins Culture that has provided success in the past, will be the same element that will enable our success in the future.

The key components of our Culture that continues to make us successful in all levels of our organization are 1) Professionalism, 2) High Ethical Standards and 3) Customer Driven Service.

Professionalism includes things such as character, collaboration in our decision-making, and a commitment to continuous improvement, which always looks for ways to get better in all areas of our business.

High Ethical Standards includes respect for the individual, being honest and straight-forward and being modest. In all interactions with our customers, we don't mislead and we let our deeds speak for themselves.

And finally, Customer Driven Service includes execution and always having a bias for action. In every interaction, we want to delight the customers and "Never disappoint!"

Environmental, Social and Governance

The concept of Environmental, Social, and Governance (ESG) investing continues to become more mainstream in both domestic and international markets, as shareholders share a common fiduciary duty to maintain a sustainable company and environment. As such, we feel it is necessary to provide our shareholders with transparency into our efforts related to responsible and sustainable business practices.

For 2019, we will release our first Rollins Sustainability Report, which lays the foundation for our sustainability mission, which states:

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

We have several successful initiatives supporting ESG that have been in place for many years, as well as some exciting new ventures that have recently been implemented. Our annual Sustainability Report will highlight some of these initiatives, such as increasing volunteer efforts where we work, supporting ecological sustainability, and building our family of brands as we integrate newly acquired businesses. We strive to provide our customers, employees, suppliers, communities, environment, and shareholders with sustainability, while remaining transparent with our efforts in doing so. Looking to 2020, it is our objective to create and drive this long-term sustainability strategy, with specific goals related to sustaining our people and communities, our environment, and our business.

Specifically, we have positively impacted the Environment through our ongoing mileage reduction. Since 2015, we have reduced over 4 million technician driven miles through our technology enhancements and our Routing and Scheduling efforts. We expect to have an opportunity for further mileage reductions for years to come.

Rollins benefits from a very experienced Board of Directors that share their years of Business and Community involvement with our management team while guiding our strategic decisions. Our Audit Committee provides oversight of Enterprise Risk Management, Audit Controls, and guidance on the ever changing "Cyber" environment.

Last year, our Chief Information Officer, Lee Crump, updated the Board on the Cyber-Security topic and shared extensive details related to our continued preparedness. Specifically, he outlined external assessments, penetration testing, patch maintenance and other topics. We take this threat very seriously, and will remain vigilant with the safety of our data.

And finally, the creation of "Rollins United" allows us to consolidate and unify our community volunteer efforts. Our Atlanta based employees have enjoyed working "hands on" with our neighbors at the Grove Park Foundation on yard cleanups, holiday decorations and planting community garden boxes. More opportunities to engage with this community and others are planned for the future. We remain a corporate leader with United Way of Greater Atlanta, donating over $1.1 million dollars this past year. Internally, our family of coworkers remains a focus of our support, and when those on our team are hurting and in need, our employees pitch in to help each other through donations to our Rollins Employee Relief Fund. More than $127,000 in grants were provided to impact 78 family members suffering personal tragedy or hardship this past year.

Looking Forward

We are building on our momentum from 2019 and benefitting from the technology enhancements that are improving our Customer Experience. Investments in these areas are paying healthy dividends and will sustain our growth throughout the future.

With the achievement of the $2 billion level of revenue behind us, we continue our focus on our growth through our existing customer expansion and quality acquisitions. We have a healthy pipeline of good, quality companies that would be a tremendous addition to the Rollins Family of Brands. We look forward to these, and other, opportunities in 2020.

Gary W. Rollins
Vice Chairman and
Chief Executive Officer

R. Randall Rollins
Chairman of the Board

John F. Wilson
President and
Chief Operating Officer

2019 Rollins Volunteerism

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Commission file No. 1-4422

ROLLINS, INC.

(Exact name of registrant as specified in its charter)

Delaware	51-0068479
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2170 Piedmont Road, N.E., Atlanta, Georgia	30324
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code:
(404) 888-2000

Securities registered pursuant to Section 12(b) of the Act:		
Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1 Par Value	ROL	The New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act:
None.

Indicate by check mark	YES	NO
• Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.	☑	☐
• Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.	☐	☑
• Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.	☑	☐
• Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).	☑	☐
• Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and emerging growth company in Rule 12b-2 of the Exchange Act.		
Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐		
• If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act.	☐	
• Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).	☐	☑

The aggregate market value of Rollins, Inc. Common Stock held by non-affiliates on June 30, 2019 was $5,063,827,695 based on the reported last sale price of common stock on June 30, 2019, which is the last business day of the registrant's most recently completed second fiscal quarter.

Rollins, Inc. had 327,779,714 shares of Common Stock outstanding as of January 31, 2020.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the 2020 Annual Meeting of Stockholders of Rollins, Inc. are incorporated by reference into Part III, Items 10–14.

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ROLLINS, INC.
Form 10-K
For the Year Ended December 31, 2019

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2019 Form 10-K

Part I

Item 1.

Business

General

Rollins, Inc. (the "Company") was originally incorporated in 1948 under the laws of the state of Delaware as Rollins Broadcasting, Inc.

The Company is an international service company with headquarters located in Atlanta, Georgia, providing pest and termite control services through its wholly-owned subsidiaries to both residential and commercial customers in the United States, Canada, Australia, Europe, and Asia with international franchises in Mexico, Canada, Central and South America, the Caribbean, Europe, the Middle East, Asia, Africa, and Australia. Our pest and termite control services are performed through a contract that specifies the pricing arrangement with the customer.

For a listing of the Company's Subsidiaries, see Note 1 – Summary of Significant Accounting Policies in the Notes to the Financial Statements (Part II, Item 8, of this Form 10-K).

The Company has only one reportable segment, its pest and termite control business. Revenue, operating profit and identifiable assets for this segment, which includes the United States, Canada, Mexico, Central and South America, the Caribbean, Europe, the Middle East, Asia, Africa, and Australia are included in Item 8 of this document, "Financial Statements and Supplementary Data" on pages 42 and 28. The Company's results of operations and its financial condition are not reliant upon any single customer or a few customers or the Company's foreign operations.

Three-for-Two Stock Split

All share and per share data presented have been adjusted to account for the three-for-two stock split effective December 10, 2018.

Common Stock Repurchase Program

At the July 24, 2012 Quarterly Board of Directors' meeting, the Board authorized the purchase of 11.3 million shares of the Company's common stock. During the years ended December 31, 2019 and 2018, the Company did not repurchase shares on the open market. In total, there are 7.6 million additional shares authorized to be repurchased under prior Board approval. The repurchase program does not have an expiration date.

Backlog

Backlog services and orders are usually provided within the month following the month of order receipt, except in the area of prepaid pest control and bait monitoring services, which are usually provided within twelve months of order receipt. The Company does not have a material portion of its business that may be subject to renegotiation of profits or termination of contracts at the election of a governmental entity.

December 31,	2019	2018	2017
Backlog	$ 7,137	$ 5,837	$ 4,875

Franchising Programs

Orkin Franchises

The Company, through its wholly-owned subsidiary Orkin Systems, LLC, began its Orkin franchise program in the U.S. in 1994, and established its first international franchise in 2000. It has since expanded to Mexico, Central and South America, the Caribbean, Europe, the Middle East, Asia, and Africa. The Company continues to expand its growth through the franchise program of its Orkin brand. This program is primarily used in smaller markets where it is currently not economically efficient to locate a company-owned Orkin branch. Domestic franchisees are subject to a contractual buyback provision at Orkin's option with a pre-determined purchase price using a formula applied to revenues of the franchise; however, the franchisee has the prior right of renewal of the agreement. International franchise agreements also contain an optional buyback provision, subject to the franchisee's renewal option.

	At December 31,		
Orkin Franchises	2019	2018	2017
Domestic Franchises	50	47	47
International Franchises	97	86	81
Total Orkin Franchises	147	133	128

Critter Control Franchises

The Company expands its animal control growth through the franchise program of its Critter Control brand. The Company has purchased several Critter Control locations from its franchise owners while renaming and converting several previous Trutech locations to Critter Control. The majority of Critter Control's locations are franchised. Critter Control has franchises in the United States and had two in Canada as of December 31, 2017, one of which was repurchased in 2018 to bring the international count to one at December 31, 2019 and 2018, respectively.

	At December 31,		
Critter Control Franchises	2019	2018	2017
Critter Control Franchises	84	80	89

Orkin Australia Franchises

The Company has Australian franchises through Orkin Australia's wholly-owned subsidiaries, Murray Pest Control and Scientific Pest Management.

	At December 31,		
Australia Franchises	2019	2018	2017
Total Australia Franchises	10	10	11

Seasonality

The business of the Company is affected by the seasonal nature of the Company's pest and termite control services. The increase in pest presence and activity, as well as the metamorphosis of termites in the spring and summer (the occurrence of which is determined by the timing of the change in seasons), has historically resulted in an increase in the revenue of the Company's pest and termite control operations during such periods as evidenced by the following chart.

	Total Net Revenues		
(in thousands)	2019	2018	2017
First Quarter	$ 429,069	$ 408,742	$ 375,247
Second Quarter	523,957	480,461	433,555
Third Quarter	556,466	487,739	450,442
Fourth Quarter	505,985	444,623	414,713
Years Ended December 31,	$2,015,477	$1,821,565	$1,673,957

Inventories

The Company has relationships with a national pest control product distributor and other suppliers for pest and termite control treatment products. The Company maintains a sufficient level of chemicals, materials and other supplies to fulfill its immediate servicing needs and to alleviate any potential short-term shortage in availability from its national network of suppliers.

Competition

The Company believes that Rollins, through its wholly-owned subsidiaries Orkin, Orkin Canada, HomeTeam Pest Defense, Clark Pest Control of Stockton, Inc. ("Clark Pest Control"), Western Pest Services, The Industrial Fumigant Company, Crane Pest Control, Waltham Services, Trutech, PermaTreat, Orkin Australia, Critter Control, Safeguard Pest Control, Northwest Pest Control, OPC Services, and Aardwolf Pestkare competes favorably with competitors as the world's largest pest and termite control company. The Company's major competitors include Terminix, Ecolab, Rentokil and Anticimex.

The principal methods of competition in the Company's pest and termite control markets are quality of service, customer proximity, guarantee terms, reputation for safety, technical proficiency, and price.

Research and Development

Expenditures by the Company on research activities relating to the development of new products or services are not significant. Some of the new and improved service methods and products are researched, developed and produced by unaffiliated universities and companies. Also, a portion of these methods and products are produced to the specifications provided by the Company.

The Company maintains a close relationship with several universities for research and validation of treatment procedures and material selection.

The Company conducts tests of new products with the specific manufacturers of such products. The Company also works closely with leading scientists, educators, industry consultants and suppliers to improve service protocols and materials.

Environmental and Regulatory Considerations

The Company's pest control business is subject to various legislative and regulatory enactments that are designed to protect the environment, public health and consumers. Compliance with these requirements has not had a material negative impact on the Company's financial position, results of operations or liquidity.

Federal Insecticide Fungicide and Rodenticide Act ("FIFRA")

This federal law (as amended) grants to the states the responsibility to be the primary agent in enforcement and conditions under which pest control companies operate. Each state must meet certain guidelines of the Environmental Protection Agency in regulating the following: licensing, record keeping, contracts, standards of application, training and registration of products. This allows each state to institute certain features that set their regulatory programs in keeping with special interests of the citizens' wishes in each state. The pest control industry is impacted by these federal and state regulations.

Food Quality Protection Act of 1996 ("FQPA")

The FQPA governs the manufacture, labeling, handling and use of pesticides and does not have a direct impact on how the Company conducts its business.

Environmental Remediation

The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), also known as Superfund, is the primary Federal statute regulating the cleanup of inactive hazardous substance sites and imposing liability for cleanup on the responsible parties. Responsibilities governed by this statute include the management of hazardous substances, reporting releases of hazardous substances, and establishing the necessary contracts and agreements to conduct cleanup. Customarily, the parties involved will work with the EPA and under the direction of the responsible state agency to agree and implement a plan for site remediation. Consistent with the Company's responsibilities under these regulations, the Company undertakes environmental assessments and remediation of hazardous substances from time to time as the Company determines its responsibilities for these purposes. As these situations arise, the Company accrues management's best estimate of future costs for these activities. Based on management's current estimates of these costs, management does not believe these costs are material to the Company's financial condition or operating results.

Employees

The number of persons employed by the Company as of January 31, 2020 was approximately 15,000.

December 31,	2019	2018	2017
Employees	14,952	13,734	13,126

Available Information

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to these reports, are available free of charge on our website at www.rollins.com, under the heading "Investor Relations – Filings and Reports – SEC Filings," as soon as reasonably practicable after those reports are electronically filed with or furnished to the Securities and Exchange Commission.

Item 1.A.

Risk Factors

Our business depends on our strong brands, and failing to maintain and enhance our brands and develop a positive client reputation could hurt our ability to retain and expand our base of customers.

Our strong brands, Rollins, Orkin, HomeTeam Pest Defense, Clark Pest Control, Western Pest Services, Northwest Pest Control, The Industrial Fumigant Company, Crane Pest Control, Waltham Services, Trutech, PermaTreat, Critter Control, Safeguard Pest Control, Aardwolf Pestkare, OPC Services, and other strong brands have significantly contributed to the success of our business. Maintaining and enhancing our brands increases our ability to enter new markets and launch new and innovative services that better serve the needs of our customers. Our brands may be negatively impacted by a number of factors, including, among others, reputational issues and product/technical failures. Further, if our brands are significantly damaged, our business, operating results, and financial condition may be materially and adversely affected. We continue to develop strategies and innovative tools to gain a deeper understanding of customer acquisition, retention and client replacement in order to more effectively expand and retain our customer base. Maintaining and enhancing our brands will depend largely on our ability to remain a service leader and continue to provide high-quality pest control services that are truly beneficial and play a meaningful role in people's lives.

Economic conditions may adversely affect our business.

Pest and termite services represent discretionary expenditures to many of our residential customers. If consumers restrict their discretionary expenditures, we may suffer a decline in revenues from our residential service lines. Economic downturns can also adversely affect our commercial customers, including food service, hospitality and food processing industries whose business levels are particularly sensitive to adverse economies. For example, we may lose commercial customers and related revenues because of consolidation or cessation of commercial businesses or because these businesses switch to a lower cost provider.

Expanding into international markets presents unique challenges, and our expansion efforts with respect to international operations may not be successful.

An element of our strategy includes further expansion into international markets. Our ability to successfully operate in international markets may be adversely affected by political, economic and social conditions beyond our control, local laws and customs, and legal and regulatory constraints, including compliance with applicable anti-corruption and currency laws and regulations, of the countries or regions in which we currently operate or intend to operate in the future. Risks inherent in our existing and future international operations also include, among others, the costs and difficulties of managing international operations, difficulties in identifying and gaining access to local suppliers, suffering possible adverse tax consequences from changes in tax laws or the unfavorable resolution of tax assessments or audits, maintaining product quality and greater difficulty in enforcing intellectual property rights. Additionally, foreign currency exchange rates and fluctuations may have an adverse effect on the financial results of our international operations.

Our inability to attract and retain skilled workers may impair growth potential and profitability.

Our ability to remain productive and profitable will depend substantially on our ability to attract and retain skilled workers. Our ability to expand our operations is in part impacted by our ability to increase our labor force. The demand for skilled employees is high, and the supply is very limited. A significant increase in the wages paid by competing employers could result in a reduction in our skilled labor force, increases in wage rates paid by us, or both. If either of these events occurred, our capacity and profitability could be diminished, and our growth potential could be impaired.

We may not be able to maintain our competitive position in the pest control industry in the future.

We operate in a highly competitive industry. Our revenues and earnings may be affected by changes in competitors' prices, and general economic issues. We compete with other large pest control companies, as well as numerous smaller pest control companies, for a finite number of customers. We believe that the principal competitive factors in the market areas that we serve are service quality, product availability, terms of guarantees, reputation for safety, technical proficiency and price. Although we believe that our experience and reputation for safety and quality service are excellent, we cannot assure investors that we will be able to maintain our competitive position.

Our operations could be affected by pending and ongoing litigation.

In the normal course of business, we and some of our subsidiaries are defendants in a number of lawsuits or arbitrations, which allege that plaintiffs have been damaged. The Company does not believe that any pending claim, proceeding or litigation, either alone or in the aggregate, will have a material adverse effect on the Company's financial position; however, it is possible that an unfavorable outcome of some or all of the matters, however unlikely, could result in a charge that might be material to the results of an individual year.

Our operations could be affected if there is unauthorized access of personal, financial, or other data or information about our customers, employees, third parties, or of the Company's proprietary of confidential information. We could be subject to interruption of our business operations, private litigation, reputational damage and costly penalties.

Our information technology systems, as well as the information technology systems of our third-party business partners and service providers, can contain personal, financial, health, or other information that is entrusted to us by our customers and employees. Our information technology systems also contain the Company's and its wholly-owned subsidiaries' proprietary and other confidential information related to our business, such as business plans and product development initiatives. We rely on, among other things, commercially available vendors, cyber protection systems, software, tools and monitoring to provide security for processing, transmission and storage of this information and data. The systems currently used for transmission and approval of payment card transactions, and the technology utilized in payment cards themselves, all of which can put payment card data at risk, meet standards set by the payment card industry ("PCI"). We have also implemented policies and procedures to comply with consumer privacy laws in the areas in which we operate. We continue to evaluate and modify our systems and protocols for data security compliance purposes, and such standards may change from time to time. Activities by third parties, advances in computer and software capabilities and encryption technology, new tools and discoveries and other events or developments may facilitate or result in a compromise or breach of our systems. Any compromises, breaches or errors in applications related to our systems or failures to comply with applicable standards could cause damage to our reputation and interruptions in our operations, including our customers' ability to pay for our services and products by credit card or their willingness to purchase our services and products and could result in a violation of applicable laws, regulations, orders, industry standards or agreements and subject us to costs, penalties and liabilities which could have a material adverse impact on our reputation, business, financial position, results of operations and cash flows. Also, a breach of data security or failure to comply with rigorous consumer privacy requirements could expose us to customer litigation, regulatory actions and costs related to the reporting and handling of such a violation or breach.

Our operations may be adversely affected if we are unable to comply with regulatory and environmental laws.

Our business is significantly affected by environmental laws and other regulations relating to the pest control industry and by changes in such laws and the level of enforcement of such laws. We are unable to predict the level of enforcement of existing laws and regulations, how such laws and regulations may be interpreted by enforcement agencies or court rulings, or whether additional laws and regulations will be adopted. We believe our present operations substantially comply with applicable federal and state environmental laws and regulations. We also believe that compliance with such laws has had no material adverse effect on our operations to date. However, such environmental laws are changed frequently. We are unable to predict whether environmental laws will, in the future, materially affect our operations and financial condition. Penalties for noncompliance with these laws may include cancellation of licenses, fines, and other corrective actions, which would negatively affect our future financial results.

We may not be able to identify, complete or successfully integrate acquisitions.

Acquisitions have been and may continue to be an important element of our business strategy. We cannot assure investors that we will be able to identify and acquire acceptable acquisition candidates on terms favorable to us in the future. We cannot assure investors that we will be able to integrate successfully the operations and assets of any acquired business with our own business. Any inability on our part to integrate and manage the growth from acquired businesses could have a material adverse effect on our results of operations and financial condition.

Our operations are affected by adverse weather conditions.

Our operations are directly impacted by the weather conditions worldwide. The business of the Company is affected by the seasonal nature of the Company's pest and termite control services. The increase in pest presence and activity, as well as the metamorphosis of termites in the spring and summer (the occurrence of which is determined by the timing of the change in seasons), has historically resulted in an increase in the revenue and income of the Company's pest and termite control operations during such periods. The business of the Company is also affected by extreme weather such as drought which can greatly reduce the pest population for extended periods.

Our franchisees, subcontractors, and vendors could take actions that could harm our business.

Our franchisees, subcontractors, and vendors are contractually obligated to operate their businesses in accordance with the standards set forth in our agreements with them and applicable laws and regulations. Each franchising brand also provides training and support to franchisees. However, franchisees, subcontractors, and vendors are independent third parties that we do not control, and who own, operate and oversee the daily operations of their businesses. As a result, the ultimate success of any franchise operation rests with the franchisee. If franchisees do not successfully operate their businesses in a manner consistent with required standards, royalty payments to us will be adversely affected and our brands' image and reputation could be harmed. This could adversely impact our business, financial position, results of operations and cash flows. Similarly, if subcontractors, vendors and franchisees do not successfully operate their businesses in a manner consistent with required laws, standards and regulations, we could be subject to claims from regulators or legal claims for the actions or omissions of such third-party distributors, subcontractors, vendors and franchisees. In addition, our relationship with our franchisees, subcontractors, and vendors could become strained (including resulting in litigation) as we impose new standards or assert more rigorous enforcement practices of the existing required standards. These strains in our relationships or claims could have a material adverse impact on our reputation, business, financial position, results of operations and cash flows.

From time to time, we receive communications from our franchisees regarding complaints, disputes or questions about our practices and standards in relation to our franchised operations and certain economic terms of our franchise arrangements. If franchisees or groups representing franchisees were to bring legal proceedings against us, we would vigorously defend against the claims in any such proceeding. Our reputation, business, financial position, results of operations and cash flows could be materially adversely impacted, and the price of our common stock could decline.

Our brand recognition could be impacted if we are not able to adequately protect our intellectual property and other proprietary rights that are material to our business.

Our ability to compete effectively depends in part on our rights to service marks, trademarks, trade names and other intellectual property rights we own or license, particularly our registered brand names and service marks, Orkin®, Orkin Canada®, HomeTeam Pest Defense®, TAEXX®, Clark Pest Control®, Western Pest Services®, Northwest Exterminating®, Critter Control®, IFC®, Trutech®, Waltham Pest Services®, OPC Services®, Perma Treat Pest and Termite Control®, Crane Pest Control®, Safeguard the Pest Control People®, Aardwolf Pest Control® and others. We have not sought to register or protect every one of our marks either in the United States or in every country in which they are or may be used. Furthermore, because of the differences in foreign trademark, patent and other intellectual property or proprietary rights laws, we may not receive the same protection in other countries as we would in the United States. If we are unable to protect our proprietary information and brand names, we could suffer a material adverse impact on our reputation, business, financial position, results of operations and cash flows. Litigation may be necessary to enforce our intellectual property rights and protect our proprietary information, or to defend against claims by third parties that our products, services or activities infringe their intellectual property rights.

The Company's management has a substantial ownership interest; public stockholders may have no effective voice in the Company's management.

The Company has elected the "Controlled Company" exemption under Section 303A of the New York Stock Exchange ("NYSE") Listed Company Manual. The Company is a "Controlled Company" because a group that includes the Company's Chairman of the Board, R. Randall Rollins, and his brother, Gary W. Rollins, who is the Vice Chairman and Chief Executive Officer, and a director of the Company, and certain companies under their control, controls in excess of fifty percent of the Company's voting power. As a "Controlled Company," the Company need not comply with certain NYSE rules.

Rollins, Inc.'s executive officers, directors and their affiliates hold directly, or through indirect beneficial ownership, in the aggregate, approximately 57 percent of the Company's outstanding shares of common stock. As a result, these persons will effectively control the operations of the Company, including the election of directors and approval of significant corporate transactions such as acquisitions and approval of matters requiring stockholder approval. This concentration of ownership could also have the effect of delaying or preventing a third party from acquiring control of the Company at a premium.

Our management has a substantial ownership interest, and the availability of the Company's common stock to the investing public may be limited.

The availability of Rollins' common stock to the investing public would be limited to those shares not held by the executive officers, directors and their affiliates, which could negatively impact Rollins' stock trading prices and affect the ability of minority stockholders to sell their shares. Future sales by executive officers, directors and their affiliates of all or a portion of their shares could also negatively affect the trading price of our common stock.

Provisions in Rollins, Inc.'s certificate of incorporation and bylaws may inhibit a takeover of the Company.

Rollins, Inc.'s certificate of incorporation, bylaws and other documents contain provisions including advance notice requirements for stockholder proposals and staggered terms for the Board of Directors. These provisions may make a tender offer, change in control or takeover attempt that is opposed by the Company's Board of Directors more difficult or expensive.

Item 1.B.

Unresolved Staff Comments

None.

Item 2.

Properties

The Company's administrative headquarters are owned by the Company, and are located at 2170 Piedmont Road, N.E., Atlanta, Georgia 30324. The Company owns or leases over 550 branch offices and operating facilities used in its business as well as the Rollins Training Center located in Atlanta, Georgia, the Rollins Customer Service Center located in Covington, Georgia, and the Pacific Division Administration and Training Center in Riverside, California. None of the branch offices, individually considered, represents a materially important physical property of the Company. The facilities are suitable and adequate to meet the current and reasonably anticipated future needs of the Company.

Item 3.

Legal Proceedings

In the normal course of business, certain of the Company's subsidiaries are defendants in a number of lawsuits, claims or arbitrations which allege that the subsidiaries' services caused damage. In addition, the Company defends employment related cases and claims from time to time, which may include claims on a representative or class action basis alleging wage and hour law violations. We are involved in certain environmental matters primarily arising in the normal course of business. We are actively contesting each of these matters.

Management does not believe that any pending claim, proceeding or litigation, either alone or in the aggregate, will have a material adverse effect on the Company's financial position, results of operations or liquidity; however, it is possible that an unfavorable outcome of some or all of the matters, however unlikely, could result in a charge that might be material to the results of an individual quarter or year.

Item 4.

Mine Safety Disclosures

Not applicable.

Item 4.A.

Information about our Executive Officers

Each of the executive officers of the Company was elected by the Board of Directors to serve until the Board of Directors' meeting immediately following the next Annual Meeting of Stockholders or until his or her earlier removal by the Board of Directors or his or her resignation. The following table lists the executive officers of the Company and their ages, offices within the Company, and the dates from which they have continually served in their present offices with the Company.

Name	Age	Office with Registrant	Date First Elected to Present Office
R. Randall Rollins[1]	88	Chairman of the Board of Directors	10/22/1991
Gary W. Rollins[1][2]	75	Vice Chairman and Chief Executive Officer	7/24/2001
John F. Wilson[3]	62	President and Chief Operating Officer	1/23/2013
Paul E. Northen[4]	55	Senior Vice President, Chief Financial Officer and Treasurer	1/26/2016
Elizabeth B. Chandler[5]	56	Vice President, General Counsel and Corporate Secretary	1/1/2018

(1) R. Randall Rollins and Gary W. Rollins are brothers.

(2) Gary W. Rollins was elevated to Vice Chairman of Rollins, Inc. in January 2013. He was elected to the office of Chief Executive Officer in July 2001. In February 2004, he was named Chairman of Orkin, LLC.

(3) John Wilson joined the Company in 1996 and has held various positions of increasing responsibility, serving as a technician, sales inspector, branch manager, region manager, vice president and division president. His most senior positions have included Vice President of Rollins, Inc., Southeast Division President, Atlantic Division Vice President and Central Commercial region manager. Mr. Wilson was elevated to President and Chief Operating Officer in January 2013.

(4) Paul E. Northen joined Rollins in 2015 as Chief Financial Officer and Treasurer. He was promoted to Vice President of Rollins, Inc. in January 2016, and Senior Vice President of Rollins, Inc. in April 2018. He began his career with UPS in 1985 and brings a wealth of tax, risk management and audit experience as well as strong international exposure to Rollins. Prior to joining Rollins, Mr. Northen was Vice President of International Finance and Accounting-Global Business Services for UPS. He previously held the positions of Chief Financial Officer of UPS' Asia Pacific Region based in Hong Kong, and as Vice President of Finance in UPS' Pacific and Western Regions.

(5) Elizabeth (Beth) Brannen Chandler joined Rollins in 2013 as Vice President and General Counsel. In 2017, Beth assumed responsibility for the Risk Management and Internal Audit groups. She was appointed to Corporate Secretary in January 2018. Before joining Rollins, Mrs. Chandler was Vice President, General Counsel and Corporate Secretary for Asbury Automotive. Prior to working with Asbury, Mrs. Chandler served as city attorney for the City of Atlanta; and she served as Vice President, Assistant General Counsel and Corporate Secretary for Mirant Corp.

Part II

Item 5.

Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Common Stock of the Company is listed on the New York Stock Exchange and is traded on the Philadelphia, Chicago and Boston Exchanges under the symbol ROL.

As of January 31, 2020, there were 7,852 holders of record of the Company's common stock. However, a large number of our shareholders hold their shares in "street name" in brokerage accounts and, therefore, do not appear on the shareholder list maintained by our transfer agent.

Issuer Purchases of Equity Securities

During the years ended December 31, 2019 and 2018, the Company did not repurchase shares on the open market. In total, there remain 7.6 million additional shares authorized to be repurchased under prior Board approval. The repurchase program does not have an expiration date.

Period	Total Number of Shares Purchased(1)	Weighted Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Repurchase Plans(2)	Maximum Number of Shares that May Yet Be Purchased Under the Repurchase Plans
October 1 to 31, 2019	—	$ —	—	7,610,416
November 1 to 30, 2019	848	38.79	—	7,610,416
December 1 to 31, 2019	1,210	33.18	—	7,610,416
Total	2,058	$ 35.49	—	7,610,416

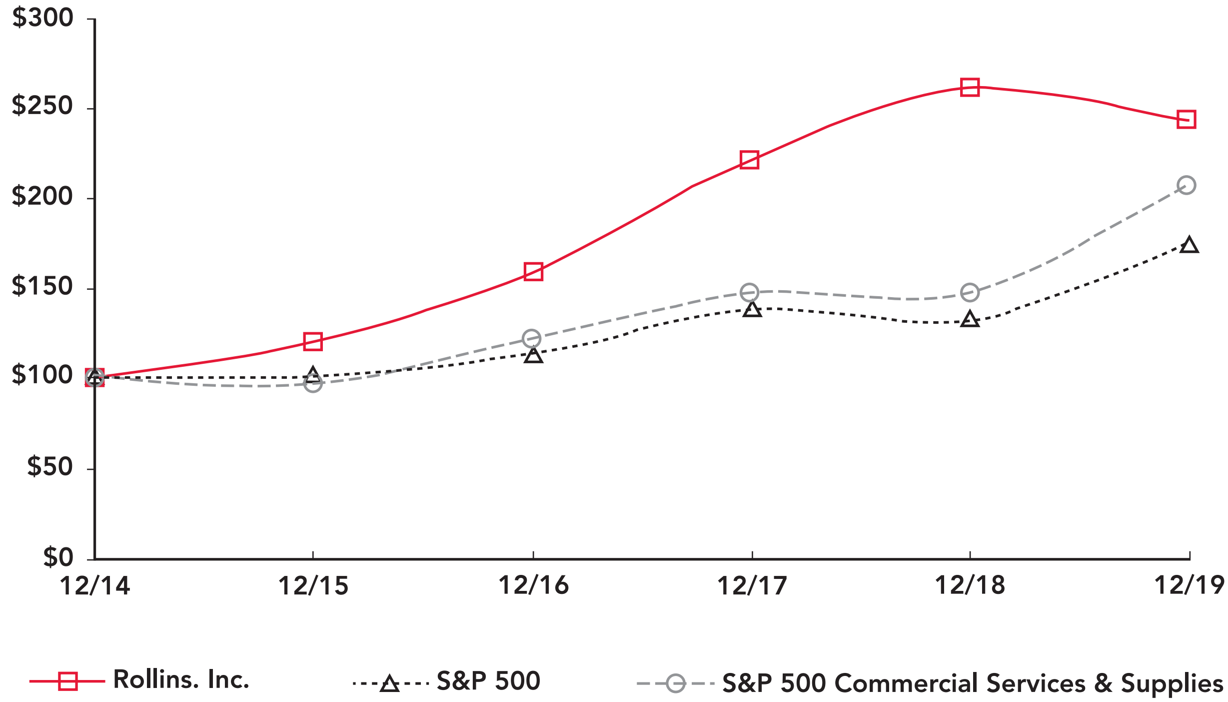
(1) Includes repurchases from employees for the payment of taxes on vesting of restricted shares in the following amounts: October 2019: 0; November 2019: 848; and December 2019: 1,210.

(2) The Company has a share repurchase plan adopted in 2012, to repurchase up to 11.25 million shares of the Company's common stock.

PERFORMANCE GRAPH

The following graph sets forth a five-year comparison of the cumulative total stockholder return based on the performance of the stock of the Company as compared with both a broad equity market index and an industry index. The indices included in the following graph are the S&P 500 Index and the S&P 500 Commercial Services Index.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
Among Rollins Inc., the S&P 500 Index and the S&P 500 Commercial Services & Supplies Index



*$ 100 invested on 12/31/14 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

COMPARISON OF FIVE YEAR CUMULATIVE TOTAL RETURN*

	12/14	12/15	12/16	12/17	12/18	12/19
Rollins Inc.	100.00	119.30	158.37	221.12	260.67	242.52
S&P 500	100.00	101.38	113.51	138.29	132.23	173.86
S&P 500 Commercial Services & Supplies	100.00	96.70	121.62	146.98	147.70	207.01

ASSUMES INITIAL INVESTMENT OF $100
***TOTAL RETURN ASSUMES REINVESTMENT OF DIVIDENDS**
NOTE: TOTAL RETURNS BASED ON MARKET CAPITALIZATION

Item 6.

Selected Financial Data

The following summary financial data of Rollins highlights selected financial data and should be read in conjunction with the audited financial statements and related notes included elsewhere in this document.

All share and per share data presented in the following table have been adjusted for the three-for-two stock split effective December 10, 2018.

FIVE-YEAR FINANCIAL SUMMARY

STATEMENT OF OPERATIONS DATA

(in thousands except per share data)

Years ended December 31,	2019	2018	2017	2016	2015
Revenues	$ 2,015,477	$ 1,821,565	$ 1,673,957	$ 1,573,477	$ 1,485,305
Income before taxes	261,160	310,733	294,502	260,636	243,178
Net income	$ 203,347	$ 231,663	$ 179,124	$ 167,369	$ 152,149
Earnings per share – Basic	$ 0.62	$ 0.71	$ 0.55	$ 0.51	$ 0.47
Earnings per share – Diluted	$ 0.62	$ 0.71	$ 0.55	$ 0.51	$ 0.47
Dividends per share	$ 0.47	$ 0.47	$ 0.37	$ 0.33	$ 0.28
OTHER DATA:					
Net cash provided by operating activities	$ 309,188	$ 286,272	$ 235,370	$ 226,525	$ 196,356
Net cash used in investing activities	$ (455,107)	$ (101,375)	$ (154,175)	$ (76,842)	$ (69,942)
Net cash provided by/(used in) financing activities	$ 127,655	$ (162,283)	$ (130,263)	$ (136,371)	$ (97,216)
Depreciation	$ 36,646	$ 30,364	$ 27,381	$ 24,725	$ 19,354
Amortization of intangible assets	$ 44,465	$ 36,428	$ 29,199	$ 26,177	$ 25,168
Capital expenditures	$ (27,146)	$ (27,179)	$ (24,680)	$ (33,081)	$ (39,495)
BALANCE SHEET DATA AT END OF YEAR:					
Current assets	$ 309,787	$ 286,021	$ 262,795	$ 290,171	$ 269,434
Total assets	$ 1,744,376	$ 1,094,124	$ 1,033,663	$ 916,538	$ 848,651
Stockholders' equity	$ 815,750	$ 711,908	$ 653,924	$ 568,545	$ 524,029
Number of shares outstanding at year-end	327,431	327,308	326,988	326,688	327,830

Item 7.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Presentation

This discussion should be read in conjunction with our audited financial statements and related notes included elsewhere in this document. Discussions of 2017 items and year-to-year comparisons of 2018 and 2017 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 on our Annual report on Form 10-K for the year ended December 31, 2018. The following discussion (as well as other discussions in this document) contains forward-looking statements. Please see "Cautionary Statement Regarding Forward-Looking Statements" for a discussion of uncertainties, risks and assumptions associated with these statements.

The Company

Rollins, Inc. (the "Company"), was originally incorporated in 1948, under the laws of the state of Delaware as Rollins Broadcasting, Inc. The Company is an international service company with headquarters located in Atlanta, Georgia, providing pest and termite control services through its wholly-owned subsidiaries to both residential and commercial customers in the United States, Canada, Australia, Europe, and Asia with international franchises in Mexico, Canada, Central and South America, the Caribbean, the Middle East, Asia, Europe, and Africa. Services are performed through a contract that specifies the treatment and the pricing arrangement with the customer.

The Company has only one reportable segment, its pest and termite control business. The Company's results of operations and its financial condition are not reliant upon any single customer or a few customers or the Company's foreign operations.

Overview

RESULTS OF OPERATIONS

	(in thousands)			% Better/(worse) Compared to Prior Year	
Years ended December 31,	**2019**	**2018**	**2017**	**2019**	**2018**
Revenues	$2,015,477	$ 1,821,565	$ 1,673,957	10.6	8.8
Cost of services provided	993,593	894,437	819,943	(11.1)	(9.1)
Depreciation and amortization	81,111	66,792	56,580	(21.4)	(18.0)
Pension settlement loss	49,898	—	—	N/M	N/M
Sales, general and administrative	623,379	550,698	503,433	(13.2)	(9.4)
Gain on sales of assets, net	(581)	(875)	(242)	(33.6)	261.6
Interest expense/(income), net	6,917	(220)	(259)	N/M	(15.1)
Income before income taxes	261,160	310,733	294,502	(16.0)	5.5
Provision for income taxes	57,813	79,070	115,378	26.9	31.5
Net income	$ 203,347	$ 231,663	$ 179,124	(12.2)	29.3

General Operating Comments

2019 marked the Company's 22nd consecutive year of improved revenues. Revenues for the year rose 10.6 percent to $2.015 billion compared to $1.822 billion for the prior year. Income before income taxes decreased 16.0% to $261.2 million compared to $310.7 million the prior year. Net income decreased 12.2% to $203.3 million, with earnings per diluted share of $0.62 compared to $231.7 million, or $0.71 per diluted share for the prior year.

All of the Company's business lines experienced growth for the year, with residential pest control revenues up 11.3%, commercial pest control revenues up 8.9% and termite and ancillary services revenues up 11.6%, each compared to 2018.

Results of Operations—2019 Versus 2018

Overview

The Company's revenues increased to $2.015 billion in 2019, a 10.6% increase compared to 2018. Gross margin decreased to 50.7% for 2019 from 50.9% in 2018. Service salaries and personnel related expenses for the 401(k) match were impacted by the Clark Pest Control acquisition. Sales, general and administrative expense were 30.9% of revenues in 2019 compared to 30.2% in 2018. The Company's depreciation and amortization expense increased 21.4% to 4.0% in 2019 compared to 3.7% in 2018. Rollins' net income of $203.3 million in 2019 was a decrease of $28.3 million or 12.2% compared to $231.7 million in 2018. Net profit margin declined to 10.1% in 2019 from 12.7% in 2018. Rollins continued to expand our global brand recognition with acquisitions in the United States and Canada as well as expanded our Orkin international franchise program in numerous countries around the globe. In our first 50 years, we have grown to over 2.4 million customers who are served in 65 countries, and those countries represent 73.6% of the world's GDP. The Company continues to seek new international opportunities.

Revenues

Revenues for the year ended December 31, 2019 were $2.015 billion, an increase of $194 million or 10.6% from 2018 revenues of $1.822 billion. Growth occurred across all service lines with our Canadian and Australian companies being hindered by unfavorable foreign currency exchange rates. Growth and pricing accounted for approximately 4.8% of our increase, and our acquisitions contributed the remaining revenue growth. Commercial pest control represented approximately 38% of the Company's revenue in 2019 and grew 8.9%. Acquisitions from foreign companies, which are primarily commercial, contributed to the increase, as well as increases in sales, an emphasis on closing leads, and better cancellation rates. Commercial pest control was negatively impacted by foreign currency exchange rates as our foreign companies are heavily commercial. Residential pest control, which represented approximately 43% of the Company's revenue, increased 11.3% driven largely by the Clark Pest Control acquisition, which is mainly residential. Other factors such as increases in leads received, leads sold, a lower cancellation rate, and pricing, as well as increased TAEXX® homebuilder installations also contributed to the increase in residential pest control revenue. The Company's termite business, which represented approximately 18% of the Company's revenue, grew 11.6% in 2019 due to acquisitions, increases in termite baiting, and ancillary service sales (such as moisture control, insulation and deck and gutter work).

The Company implemented its traditional price increase program in June 2019. Around 1% of the Company's revenue increase is attributable to pricing actions. Approximately 80% of the Company's pest control revenue was recurring in 2019, as well as 2018.

The Company's foreign operations accounted for approximately 8% of total revenues for each of the years ended December 31, 2019 and 2018, respectively. The Company established new franchises in several international countries around the globe in 2019 for a total of 97 Orkin international franchises, one Canadian Critter Control franchise, and ten Australia franchises at December 31, 2019, compared to 86 Orkin international franchises, two Canadian Critter Control franchises and ten Australia franchises at December 31, 2018. The Australia franchises operate under the Murray Pest Control and Scientific Pest Management names.

International and domestic franchising revenue was less than 1% of the Company's revenues for 2019. Orkin had 147 and 133 franchises (domestic and international) at December 31, 2019 and 2018, respectively. The Company had 84 Critter Control franchises at December 31, 2019, up 4 from 2018. Revenue from franchising was up 3.2% in 2019 compared to 2018 as the Company continued to expand Orkin's international footprint and recognition of initial franchise fees.

Cost of Services Provided

For the twelve months ended December 31, 2019, cost of services provided increased $99.2 million or 11.1%, compared to the twelve months ended December 31, 2018. Gross margin for the year decreased to 50.7% for 2019 compared to 50.9% for 2018 due to increased participation rates in our enhanced 401(k) match to employees and an increase in group insurance premiums in 2019. Integration of acquisitions resulted in slight increases in service salaries percentages.

Depreciation and Amortization

For the twelve months ended December 31, 2019, depreciation and amortization increased $14.3 million, or 21.4% compared to the twelve months ended December 31, 2018. The dollar increase was primarily due to depreciation increasing $6.3 million or 20.7% from the depreciation of acquired and purchased assets and depreciation from various IT related projects. Amortization of intangible assets increased $8.0 million or 22.1% for 2019 due to the additional amortization of customer contracts from several acquisitions over the last year, including a full year of OPC Services and Aardwolf Pestkare, acquired in early and mid-2018, respectively, and the 2019 acquisition of Clark Pest Control in April, as well as several smaller foreign and domestic companies.

Sales, General and Administrative

For the twelve months ended December 31, 2019, sales, general and administrative (SG&A) expenses increased $72.7 million, or 13.2% compared to the twelve months ended December 31, 2018. SG&A increased to 30.9% of revenues for the year ended December 31, 2019 compared to 30.2% in 2018. The Company incurred higher than normal expenses in 2019 related to acquisition preparation and integration as well as expenses related to the pension settlement activities. The enhanced 401(k) match enticed more of the Company's workforce to save for their futures. Administrative salaries were up due to increased office headcount and wages. Medical and casualty insurance expenses were up for the year. The Company also had increased use of outside professional services in IT projects as well as other projects.

Gain on Sales of Assets, Net

Gain on sales of assets, net decreased to $0.6 million for the year ended December 31, 2019 compared to $0.9 million in 2018. The Company recognized gains from the sale of owned vehicles and owned property in 2019 and 2018.

Interest Expense, Net

Interest expense, net for the year ended December 31, 2019 was $6.9 million, driven largely by new borrowings to fund acquisitions, among other things. For the year ended December 31, 2018, the Company earned $0.2 million in net interest income on cash balances in the Company's various cash accounts.

Taxes

The Company's effective tax rate was 22.1% in 2019 compared to 25.4% in 2018, due primarily to state and foreign income taxes and beneficial adjustments related to the pension settlement.

Liquidity and Capital Resources

Cash and Cash Flow

Cash from operating activities is the principal source of cash generation for our businesses.

The most significant source of cash in Rollins' cash flow from operations is customer-related activities, the largest of which is collecting cash resulting from services sales. The most significant operating use of cash is to pay our suppliers, employees, tax authorities and others for a wide range of material and services.

The Company's cash and cash equivalents at December 31, 2019, 2018, and 2017 were $94.3 million, $115.5 million, and $107.1 million, respectively.

	(in thousands)		
Years ended December 31,	**2019**	**2018**	**2017**
Net cash provided by operating activities	$ 309,188	$ 286,272	$ 235,370
Net cash used in investing activities	(455,107)	(101,375)	(154,175)
Net cash provided by/ (used in) financing activities	127,655	(162,283)	(130,263)
Effect of exchange rate on cash	(2,945)	(14,179)	13,333
Net increase (decrease) in cash and cash equivalents	$ (21,209)	$ 8,435	$ (35,735)

Cash Provided by Operating Activities

The Company's operations generated cash of $309.2 million for the year ended December 31, 2019 primarily from net income of $203.3 million, compared with cash provided by operating activities of $286.3 million in 2018 and $235.4 million in 2017.

The Company believes its current cash and cash equivalents balances, future cash flows expected to be generated from operating activities, available borrowings under its $175.0 million revolving credit facility and $250.0 million term loan facility will be sufficient to finance its current operations and obligations, and fund expansion of the business for the foreseeable future.

The Company settled its obligations under the Rollins, Inc. Pension Plan without making any additional contributions during the years ended December 31, 2019, 2018 or 2017. The plan was fully funded with a prepaid balance. The plan assets exceeded the plan benefit obligations, and $31.8 million remained after the combination of lump sum payments to participants, the purchase of a group annuity contract, and payments to the Pension Benefit Guaranty Corporation. The Company has evaluated the ERISA allowable opportunities for utilization of the excess pension assets including funding other employee benefits. The Company used $11.0 million of the $31.8 million to fund its 401(k) match obligation during the year ended December 31, 2019, and plans to continue funding future benefit plan obligations, with a possible reversion of any remaining pension assets to the Company per ERISA regulations.

The Company has one small remaining pension in one of its wholly-owned subsidiaries and made a contribution of $0.1 million during the year ended December 31, 2019. No contributions were made during 2018 or 2017. While the Company's management does not expect to make a contribution to its remaining pension plan during fiscal year 2020, additional Plan contributions, if any, will not have a material effect on the Company's financial position, results of operations or liquidity.

Cash Used in Investing Activities

The Company used $455.1 million in investing activities for the year ended December 31, 2019, compared to $101.4 million and $154.2 million during 2018 and 2017, respectively, and of that, invested approximately $27.1 million in capital expenditures during 2019 compared to $27.2 million and $24.7 million during 2018 and 2017, respectively. Capital expenditures for the year consisted primarily of property purchases, equipment replacements and technology related projects. The Company expects to invest between $28 million and $30 million in 2020 in capital expenditures. During 2019, the Company and its subsidiaries acquired Clark Pest Control as well as several other small to mid-sized companies for a total of $430.6 million compared to $76.8 million and $130.2 million in acquisitions during 2018 and 2017, respectively. The expenditures for the Company's acquisitions were funded through existing cash balances, borrowings on our line of credit, a term loan, and other operating cash flows. The Company continues to seek new acquisitions.

Cash From Financing Activities

The Company generated cash of $127.7 million from financing activities for the year ended December 31, 2019, compared to using $162.3 million and $130.3 million during 2018 and 2017, respectively. The Company borrowed $291.5

million throughout 2019, net of repayments, primarily to fund the investing activities notes above. A total of $153.8 million was paid in cash dividends ($0.47 per share) during the year ended December 31, 2019 including a special dividend paid in December 2019 of $0.05 per share, compared to $152.7 million in cash dividends paid ($0.47 per share) during the year ended December 31, 2018, including a special dividend paid in December 2018 of $0.09 per share and $122.0 million paid in cash dividends ($0.37 per share) during the year ended December 31, 2017, including a special dividend paid in December 2017 of $0.07 per share.

The Company did not purchase shares on the open market during the years ended December 31, 2019, 2018 and 2017. There remain 7.6 million shares, adjusted for the December 10, 2018 three-for-two stock split, authorized to be repurchased under prior Board approval. The Company repurchased $10.0 million, $9.5 million, and $8.2 million of common stock for the years ended December 31, 2019, 2018 and 2017, respectively, from employees for the payment of taxes on vesting restricted shares.

The Company's $94.3 million of total cash at December 31, 2019 is primarily cash held at various banking institutions. Approximately $74.1 million is held in cash accounts at international bank institutions and the remaining $20.2 million is primarily held in Federal Deposit Insurance Corporation ("FDIC") insured non-interest-bearing accounts at various domestic banks which at times may exceed federally insured amounts.

The Company's international business is expanding, and we intend to continue to grow the business in foreign markets in the future through reinvestment of foreign deposits and future earnings as well as acquisitions of unrelated companies. Repatriation of cash from the Company's foreign subsidiaries is not a part of the Company's current business plan.

Rollins maintains adequate liquidity and capital resources, without regard to its foreign deposits, that are directed to finance domestic operations and obligations and to fund expansion of its domestic business.

For Information regarding our Revolving Credit Agreement see Note 4 – Debt of the Notes to Financial Statements (Part II, Item 8 of this Form 10-K).

Litigation

For discussion on the Company's legal contingencies, see Note 15 – Commitments and Contingencies to the accompanying financial statements.

Off Balance Sheet Arrangements, Contractual Obligations and Contingent Liabilities and Commitments

The Company has no material off balance sheet arrangements.

The impact that the Company's contractual obligations as of December 31, 2019 are expected to have on our liquidity and cash flow in future periods is as follows:

		Payments due by period			
Contractual Obligations (in thousands)	**Total**	**Less than 1 year**	**2 - 3 years**	**4 - 5 years**	**More than 5 years**
Line of credit	$ 101,500	$ —	$ —	$ 101,500	$ —
Revolver term loan	190,000	12,500	35,938	141,562	—
Acquisition contingent payments	21,434	14,005	7,429	—	—
Acquisition holdbacks	27,697	16,477	11,220	—	—
Non-cancelable operating leases	219,381	72,916	98,134	31,708	16,623
Non compete agreements	323	323	—	—	—
Other notes payable	19	19	—	—	—
Unrecognized tax positions(1)	844	—	844	—	—
Total(2)	$ 561,198	$ 116,240	$ 153,565	$ 274,770	$ 16,623

(1) These amounts represent expected payments with interest for unrecognized tax benefits as of December 31, 2019.

(2) Minimum pension funding requirements are not included as funding will not be required.

Critical Accounting Policies and Estimates

The Company views critical accounting policies and estimates to be those that are very important to the portrayal of our financial condition and results of operations, and that require management's most difficult, complex or subjective judgments. The circumstances that make these judgments difficult or complex relate to the need for management to make estimates about the effect of matters that are inherently uncertain. We believe our critical accounting policies to be as follows:

Accrual for Termite Contracts—The Company maintains an accrual for termite claims representing the estimated costs of reapplications, repairs and associated labor and chemicals, settlements, awards and other costs relative to termite control services. Factors that may impact future costs include termiticide life expectancy and government regulation. It is significant that the actual number of claims has decreased in recent years due to changes in the Company's business practices. However, it is not possible to precisely predict future significant claims. Accruals for termite contracts are included in other current liabilities and long-term accrued liabilities on the Company's consolidated statements of financial position.

Accrued Insurance—The Company retains, up to specified limits, certain risks related to general liability, workers' compensation and vehicle liability. Risks above specified limits are managed through either high deductible insurance or a non-affiliated group captive insurance member arrangement. The estimated costs of existing and future claims under the retained loss program are accrued based upon historical trends as incidents occur, whether reported or unreported (although actual settlement of the claims may not be made until future periods) and may be subsequently revised based on developments relating to such claims. The Company contracts with an independent third-party actuary on a semi-annual basis to provide the Company an estimated liability based upon historical claims information. The actuarial study is a major consideration in establishing the reserve, along with management's knowledge of changes in business practice and existing claims compared to current balances. Management's judgment is inherently subjective as a number of factors are outside management's knowledge and control. Additionally, historical information is not always an accurate indication of future events. The Company continues to be proactive in safety and risk management to develop and maintain ongoing programs to reduce claims. Initiatives that have been implemented include required pre-employment screening and ongoing motor vehicle record review for all drivers, post-offer physicals for new employees, pre-hire, random and post incident drug testing, increased driver training and post-injury nurse triage for work-related injuries.

Revenue Recognition—the Company's Revenue recognition policy is to recognize revenue upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. We enter into contracts that can include various combinations of products and services, each of which are distinct and accounted for as separate performance obligations. Revenue is recognized net of allowances for returns and any taxes collected from customers, which are subsequently remitted to governmental authorities.

More on the Company's revenue recognition policy can be found in the Company's Notes to the Consolidated Financial Statements, Note 1 – Summary of Significant Accounting Policies with the heading Revenue Recognition.

Contingency Accruals—The Company is a party to legal proceedings with respect to matters in the ordinary course of business. In accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 450 *"Contingencies,"* Management estimates and accrues for its liability and costs associated with the litigation. Estimates and accruals are determined in consultation with outside counsel. Because it is not possible to accurately predict the ultimate result of the litigation, judgments concerning accruals for liabilities and costs associated with litigation are inherently uncertain and actual liabilities may vary from amounts estimated or accrued. However, in the opinion of management, the outcome of the litigation will not have a material adverse impact on the Company's financial condition or results of operations. Contingency accruals are included in other current liabilities and long-term accrued liabilities on the Company's consolidated statements of financial position.

Defined benefit pension plans—The Company had two defined benefit pension plans; the Rollins, Inc. Defined Benefit Plan and the Waltham Services, LLC Hourly Employee Pension Plan.

The Company ceased all future benefit accruals under the Rollins, Inc. Defined Benefit Plan, in 2005, but remained obligated to provide employees benefits earned through June 2005. During 2018, the Company initiated the process to transition its pension plan to an insurance provider. At December 31, 2018, the Company utilized a termination liability approach. This approach reflected the estimated impact of the distribution of benefits due to a standard termination. Plan liabilities were to be settled through the purchase of annuities from an insurance provider or through the distribution of lump sum payments to eligible participants that elected to receive such a form of payment. Discount rates of 3.90% per year for participants in pay status and 4.11% per year for participants with deferred benefits were selected by the plan sponsor to determine the benefit obligation resulting from plan termination annuity purchases. The discount rates reflected the single effective interest rate that produced the same present value as that produced when the expected future cash flows for participants expected to elect an annuity were discounted with the FTSE Yield Curve (formerly Citigroup) as of the measurement date. To determine the benefit obligation resulting from plan termination lump sum payments, the expected future cash flows for lump sum eligible participants, determined with the IRC 417(e) Mortality Table for 2019, were discounted with the IRC 417(e) segment interest rates for the month of November 2018 (3.43%, 4.46%, and 4.88%). Only 50% of active, 30% of deferred vested, and 25% of retired participants that were eligible to receive a lump sum distribution of their pension benefit upon plan termination, were assumed to elect this form of payment.

The plan was settled during 2019 through a combination of lump sum payments to participants, the purchase of a group annuity contract, and payments to the Pension Benefit Guaranty Corporation.

The Company's sole remaining defined benefit pension plan is the Waltham Services, LLC Hourly Employee Pension Plan. This Plan was amended, effective September 1, 2018, to freeze future benefit accruals for all participants. The Company accounts for these defined benefit plans in accordance with the FASB ASC Topic 715 "Compensation-Retirement Benefits," and engages an outside actuary to calculate its obligations and costs. With the assistance of the actuary, the Company evaluates the significant assumptions used on a periodic basis including the estimated future return on plan assets, the discount rate, and other factors, and makes adjustments to these liabilities as necessary.

The Company chooses an expected rate of return on plan assets based on historical results for similar allocations among asset classes, the investments strategy, and the views of our investment adviser. Differences between the expected long-term return on plan assets and the actual return are amortized over future years. Therefore, the net deferral of past asset gains or losses ultimately affects future pension expense. The Company's assumption for the expected return on plan assets is 7.0% which is unchanged from the prior year.

Waltham Services, LLC Hourly Employees Pension Plan utilizes a yield curve approach. The approach utilizes an economic model whereby the Company's expected benefit payments over the life of the plans is forecast and then compared to a portfolio of corporate bonds that will mature at the same time that the benefit payments are due in any given year. The economic model then calculates the one discount rate to apply to all benefit payments over the life of the plan which will result in the same total lump sum as the payments from the corporate bonds. The discount rate was 4.70% as of December 31, 2019 compared to 4.05% in both 2018 and 2017. A higher discount rate decreases the present value of benefit obligation.

As set forth in Note 16 to the Company's financial statements, included among the asset categories for the Plan's investments are real estate, tactical composite and alternative investments comprised of investments in real estate and hedge funds. These investments are categorized as investments at net asset value ("NAV") and are valued using significant non-observable inputs which do not have a readily determinable fair value. In accordance with Accounting Standards Update ("ASU") No. 2009-12 "*Investments In Certain Entities That Calculate Net Asset Value per Share (Or Its Equivalent),*" these investments are valued based on the net asset value per share calculated by the funds in which the plan has invested. These valuations are subject to judgments and assumptions of the funds which may prove to be incorrect, resulting in risks of incorrect valuation of these investments. The Company seeks to mitigate against these risks by evaluating the appropriateness of the funds' judgments and assumptions by reviewing the financial data included in the funds' financial statements for reasonableness.

The Waltham Services, LLC Hourly Employee Pension Plan had a net pension liability of $0.8 million and $0.6 million at December 31, 2019 and 2018 respectively. The recorded change within accumulated other comprehensive income increased stockholders' equity by $75.6 million before tax and $45.9 million after tax, driven mainly by the Rollins, Inc. Defined Benefit Plan settlement.

Recent Accounting Guidance

See Note 1 – Summary of Significant Accounting policies of the Notes to Financial Statements (Part II, Item 8 of this Form 10-K) for further discussion.

Forward-Looking Statements

This Annual Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include statements regarding (i) management's belief that the Company competes favorably with competitors; (ii) our belief that our operations' substantially comply with applicable federal and state environmental laws and regulations and that such compliance has had no material adverse effect on our operations to date; (iii) our maintenance of supplies is sufficient to fulfill our immediate needs and to alleviate potential short-term shortages in such supplies; (iv) any environmental remediation costs estimated to be incurred are not material to our financial condition or operating results, (v) the adequacy of our facilities to meet our future needs; (vi) the outcome of litigation, as discussed in the Legal Proceedings section and elsewhere and our belief that such litigation will not have a material adverse effect on our financial condition, results of operations or liquidity; (vii) the belief that we have adequate liquid assets, funding sources and insurance accruals to satisfy any claims; (viii) our expectation to continue our payment of cash dividends; (ix) plans regarding future acquisitions and franchise expansions, including our belief that acquisitions have been and may continue to be an important element of our business strategy; (x) the adequacy of our resources and borrowings to fund operations, obligations, and expansions; (xi) plans to continue funding future defined benefit plan obligations with a possible reversion of any remaining pension assets to us in compliance with ERISA regulations; (xii) our belief that the Company will not make a contribution to its remaining pension plan during fiscal year 2020; (xiii) our belief that any potential additional plan pension plan contributions will not have a material effect on our financial position, results of operations or liquidity; (xiv) our projected 2020 capital expenditures; (xv) the plans to grow the business in foreign markets through reinvestment of foreign deposits and future earnings and through acquisitions of unrelated companies with no expectation of repatriation of cash from our foreign subsidiaries; (xvi) our expectation that we will maintain compliance with the covenants contained in our Revolving Credit Agreement throughout 2020; (xvii) the impact and amount of our contractual obligations; (xviii) our expectations regarding termite claims and factors that impact future costs from those claims; (xix) the expected cost of termite renewals; (xx) the expected collectability of accounts receivable; (xxi) our belief that our tax positions are fully supportable; (xxii) expectations and plans regarding any losses from franchisees; (xxiii) the impact of recent accounting pronouncements; (xxiv) and interest rate risks and foreign exchange rate risk on our financial position, results of operations and liquidity; (xxv) our ability to utilize all of our foreign net operating losses and the possibility that the Company's unrecognized tax benefits will decrease in the next 12 months; (xxvi) our estimation regarding an interest rate reclassification in the next 12 months; (xxvii) our reasonable certainty that we will exercise the renewal options on our operating leases; (xxviii) expectations regarding the recognition of compensation costs related to time-lapse restricted shares; (xxix) our estimation that the allowance for credit losses reported in our consolidated balance sheet will decrease by an immaterial amount upon the adoption of ASU 2016-13; (xxx) the impact of foreign interest and exchange rate fluctuation on the value of our cash receipts and payments in terms of our functional currency; (xxxi) our belief that maintaining and enhancing our brands increases our ability to enter new markets and launch new and innovative services that better serve the needs of our customers (xxxii) the maintenance of adequate liquidity and capital resources, without regard to its foreign deposits, that are directed to finance domestic operations and obligations and to fund expansion of our domestic business; (xxxiii) our ability to be proactive in safety and risk management to develop and maintain ongoing programs to reduce claims; and (xxxiv) our expected return on plan assets. 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; possibility of an adverse ruling against us in pending litigation; general economic conditions; unsuccessful expansion into international markets; general market risk; our inability to attract and retain skilled workers; changes in industry practices or technologies; the unauthorized access of personal, financial, or other data or information about our customers, employees, third parties, or of our proprietary confidential information; the degree of success of our termite process reforms and pest control selling and treatment methods; the unauthorized access of personal, financial, or other data or information about our customers, employees, third parties, or of our proprietary confidential information; our ability to identify and integrate potential acquisitions; climate and weather trends; competitive factors and pricing practices; potential increases in labor costs; changes in various government laws and regulations, including environmental regulations; and any actions taken by our franchisees, subcontractors, and vendors that could harm our business. 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.

Item 7A.

Quantitative and Qualitative Disclosures about Market Risk

Market Risk

The Company maintained an investment portfolio (included in cash and cash equivalents) subject to short-term interest rate risk exposure. The Company is subject to interest rate risk exposure through borrowings on its $175.0 million revolving credit facility and $250.0 million term loan facility. As of December 31, 2019, the revolving commitment had outstanding borrowings of $101.5 million and the term loan had outstanding borrowings of $190.0 million. Additionally, the Company maintained $32.9 million in Letters of Credit. These letters of credit are required by the Company's fronting insurance companies and/or certain states, due to the Company's self-insured status, to secure various workers' compensation and casualty insurance contracts coverage. The Company believes that it has adequate liquid assets, funding sources and insurance accruals to accommodate such claims. The Company is also exposed to market risks arising from changes in foreign exchange rates. The Company believes that this foreign exchange rate risk will not have a material impact upon the Company's results of operations going forward. For a discussion of the Company's activities to manage risks relative to fluctuations in foreign currency exchange rates, see Note 11 to the accompanying financial statements.

Management's Report on Internal Controls Over Financial Reporting

To the Stockholders of Rollins, Inc.:

The management of Rollins, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Rollins, Inc. maintains a system of internal accounting controls designed to provide reasonable assurance, at a reasonable cost, that assets are safeguarded against loss or unauthorized use and that the financial records are adequate and can be relied upon to produce financial statements in accordance with accounting principles generally accepted in the United States of America. The internal control system is augmented by written policies and procedures, an internal audit program and the selection and training of qualified personnel. This system includes policies that require adherence to ethical business standards and compliance with all applicable laws and regulations.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operation of internal controls over financial reporting, as of December 31, 2019 based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. We have elected to exclude our wholly-owned subsidiary, Clark Pest Control of Stockton, Inc, a 2019 acquisition, from Management's evaluation of Internal Controls over Financial Reporting as of December 31, 2019. This acquisition constituted 21.8% of total assets as of December 31, 2019 and 4.7% of revenues for the year then ended. Refer to Notes 1 and 2 in the consolidated financial statements for further discussion of this acquisition and its impact on Rollins, Inc.'s financial statements. Management has commenced evaluation of the design of the internal control environment and expects to include this entity in evaluation of ICFR effective December 31, 2020. Based on this evaluation, management's assessment is that Rollins, Inc. maintained effective internal control over financial reporting as of December 31, 2019.

The independent registered public accounting firm, Grant Thornton LLP has audited the consolidated financial statements as of and for the year ended December 31, 2019, and has also issued their report on the effectiveness of the Company's internal control over financial reporting, included in this report on page 38.

/s/ Gary W. Rollins
Gary W. Rollins
Vice Chairman and Chief Executive Officer

/s/ Paul E. Northen
Paul E. Northen
Senior Vice President, Chief Financial Officer and Treasurer

Atlanta, Georgia
February 28, 2020

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

Board of Directors and Stockholders'

Rollins, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited the internal control over financial reporting of Rollins, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2019, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2019, and our report dated February 28, 2020 expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Controls over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Our audit of, and opinion on, the Company's internal control over financial reporting does not include the internal control over financial reporting of Clark Pest Control of Stockton, Inc., a wholly-owned subsidiary, whose financial statements reflect total assets and revenues constituting 21.8 and 4.7 percent, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2019. As indicated in Management's Report, Clark Pest Control of Stockton, Inc. was acquired during 2019. Management's assertion on the effectiveness of the Company's internal control over financial reporting excluded internal control over financial reporting of Clark Pest Control of Stockton, Inc.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

Atlanta, Georgia
February 28, 2020

Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements And Schedule

Board of Directors and Stockholders'

Rollins, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Rollins, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2019 and 2018, the related consolidated statements of income, comprehensive earnings, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2019, and the related notes and financial statement schedule included under item 15(a) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated February 28, 2020 expressed an unqualified opinion.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Company has changed its method of accounting for leases as of January 1, 2019, due to the adoption of Accounting Standards Codification Topic 842, *Leases*.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Business Combinations – Acquisition of Clark Pest Control of Stockton, Inc.

As described further in Notes 1 and 2 to the Company's consolidated financial statements, the company completed the acquisition of Clark Pest Control of Stockton, Inc. ("Clark") on April 30, 2019. The Company allocated the purchase price to the identifiable intangible assets acquired based on their respective fair values. We identified the Company's determination of the fair value of the identified intangible assets acquired in the Clark acquisition as a critical audit matter.

The principal considerations for our determination that the fair value of identified intangible assets in the acquisition of Clark is a critical audit matter are because of the significant estimates management makes to determine their fair value. This requires a high degree of auditor judgment and an increased extent of effort, including the need to involve our valuation specialists, when performing audit procedures to evaluate the reasonableness of management's assumptions related to the discount rates, customer attrition, and revenue growth projections.

Our audit procedures related to the determination of the fair value of acquired intangible assets in the Clark acquisition included the following, among others. We tested the effectiveness of controls relating to the accounting for the Clark acquisition, which included the models used to determine the fair value of major classes of intangible assets along with any contingent consideration liabilities. We inspected the purchase agreement for this acquisition. We utilized valuation specialists to assess the reasonableness of the significant assumptions utilized by management within the models. We recalculated the calculation and support for the opening entry and subsequent recording of the entry for the Clark acquisition.

Accrued Insurance

As described further in Note 1 to the financial statements, Rollins, Inc. (the "Company") retains, up to certain policy-specified limits, certain risks related to general liability, workers' compensation, and vehicle and equipment liability costs. The estimated costs of existing and future claims under the retained loss program are accrued based upon historical trends as incidents occur, whether reported or unreported (although actual settlement of the claims may not be made until future periods) and may be subsequently revised based on developments relating to such claims. We identified accrued insurance reserves and related expenses ("accrued insurance") as a critical audit matter.

The principal considerations for our determination that accrued insurance is a critical audit matter are that the accrual for accrued insurance has higher risk of estimation uncertainty due to the loss development factors and inherent assumptions in actuarial methods used in determining the required reserves. The estimation uncertainty and complexity of the actuarial methods utilized resulted in auditor judgment when assessing if management's accrual for accrued insurance was determined utilizing a reasonable basis and was materially correct.

Our audit procedures related to the accrued insurance reserves included the following, among others:

- We utilized a specialist in evaluating management's methods and assumptions to ensure the methods provided a reasonable basis for determining reserves including selected loss development factors.
- We performed a retrospective review of prior projections to current projections to validate that changes in estimated ultimate losses were reasonable.
- We reconciled claims data to the actuarial information and tested a sample of underlying claims through review of accident reports, insurance claims and legal records to validate information utilized by management in developing the accrual for accrued insurance was complete and accurate.
- We tested the design and operating effectiveness of key controls relating to accrued insurance, including, but not limited to, controls to (1) validate that claims were reported and submitted accurately and timely, and (2) internal claims data were reconciled to claims data maintained by the third party administrator and submitted to the Company's actuary to validate information utilized by management in developing the accrual for accrued insurance was complete and accurate.

Implementation of ASC 842

As more fully described in Note 1 to the financial statements, the Company adopted ASC 842, Leases, as of January 1, 2019 which resulted in the recognition of a right-of-use asset ("ROU asset") and a lease liability for operating leases (other than leases that meet the definition of a short-term lease), at the commencement of the lease term. The liability is equal to the present value of future lease payments. The asset will be based on the liability, subject to certain adjustments, including initial direct costs and lessor provided incentives. We identified adoption of ASC 842 as a critical audit matter driven primarily by the significant judgment in establishing the lease liability and ROU asset – specifically the discount rate to apply to the future lease payments.

We identified the adoption of ASC 842 as a critical audit matter because it is a substantial change in accounting for leases and as such requires significant auditor judgment in obtaining sufficient and appropriate audit evidence related to management's determination of the lease liability and ROU asset and their selection of a discount rate to be applied to future lease payments.

Our audit procedures related to the adoption of ASC 842 include the following, among others. We tested the design and operating effectiveness of controls relating to the initial adoption of ASC 842 and ongoing accounting for new leases obtained during the period. We evaluated the independent auditor's report on operating effectiveness of controls at the Company's third party lease software vendor, which included testing the design and operating effectiveness of the relevant user controls due to the Company's reliance on the third party software to appropriately calculate the related ROU asset and lease liability. We verified the completeness of the population of leases that management evaluated as part of the initial impact of adoption and the on-going accounting. We inspected a sample of lease contracts, validated the relevant inputs to the lease software, and recalculated the software's calculation of the ROU asset and lease liability. We performed procedures to evaluate the appropriateness of the discount rate used by the Company in establishing the ROU asset and lease liability, which included the use of a specialist to evaluate the reasonableness of the discount rate used by management in the initial measurement of the lease liability.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2004.

Atlanta, Georgia
February 28, 2020

Item 8.

Financial Statements and Supplementary Data

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Rollins, Inc. and Subsidiaries
(in thousands except share information)

December 31,	2019	2018
ASSETS		
Cash and cash equivalents	$ 94,276	$ 115,485
Trade receivables, net of allowance for doubtful accounts of $16,699 and $13,285, respectively	122,766	104,016
Financed receivables, short-term, net of allowance for doubtful accounts of $1,675 and $1,845, respectively	22,267	18,454
Materials and supplies	19,476	15,788
Other current assets	51,002	32,278
Total current assets	309,787	286,021
Equipment and property, net	195,533	136,885
Goodwill	572,847	368,481
Customer contracts, net	273,720	178,075
Trademarks and tradenames, net	102,539	54,140
Other intangible assets, net	10,525	11,043
Operating lease, right-of-use assets, net	200,727	—
Financed receivables, long-term, net of allowance for doubtful accounts of $1,284 and $1,536 respectively	30,792	28,227
Benefit plan assets	21,565	—
Prepaid pension	—	5,274
Deferred income taxes	2,180	6,915
Other assets	24,161	19,063
Total assets	$ 1,744,376	$ 1,094,124
LIABILITIES		
Accounts payable	$ 35,234	$ 27,168
Accrued insurance	30,441	27,709
Accrued compensation and related liabilities	81,943	77,741
Unearned revenues	122,825	116,005
Operating lease liabilities-current	66,117	—
Current portion of long-term debt	12,500	—
Other current liabilities	60,975	50,406
Total current liabilities	410,035	299,029
Accrued insurance, less current portion	34,920	33,867
Operating lease liabilities, less current portion	135,651	—
Long-term debt	279,000	—
Deferred income tax liability	9,927	—
Long-term accrued liabilities	59,093	49,320
Total liabilities	928,626	382,216
Commitments and contingencies		
STOCKHOLDERS' EQUITY		
Preferred stock, without par value; 500,000 shares authorized, zero shares issued	—	—
Common stock, par value $1 per share; 550,000,000 shares authorized, 327,430,846 and 327,308,079 shares issued and outstanding, respectively	327,431	327,308
Paid in capital	89,413	85,386
Accumulated other comprehensive loss	(21,109)	(71,078)
Retained earnings	420,015	370,292
Total stockholders' equity	815,750	711,908
Total liabilities and stockholders' equity	$ 1,744,376	$ 1,094,124

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

Rollins, Inc. and Subsidiaries
(in thousands except share information)

Years ended December 31,	2019	2018	2017
REVENUES			
Customer services	$ 2,015,477	$ 1,821,565	$ 1,673,957
COSTS AND EXPENSES			
Cost of services provided	993,593	894,437	819,943
Depreciation and amortization	81,111	66,792	56,580
Pension settlement loss	49,898	—	—
Sales, general and administrative	623,379	550,698	503,433
Gain on sales of assets, net	(581)	(875)	(242)
Interest expense/(income)	6,917	(220)	(259)
	1,754,317	1,510,832	1,379,455
INCOME BEFORE INCOME TAXES	261,160	310,733	294,502
PROVISION FOR INCOME TAXES			
Current	65,041	71,442	96,742
Deferred	(7,228)	7,628	18,636
	57,813	79,070	115,378
NET INCOME	203,347	231,663	179,124
INCOME PER SHARE - BASIC	$ 0.62	$ 0.71	$ 0.55
INCOME PER SHARE - DILUTED	$ 0.62	$ 0.71	$ 0.55
Weighted average shares outstanding – basic	327,477	327,291	326,982
Weighted average shares outstanding – diluted	327,477	327,291	326,982
DIVIDENDS PAID PER SHARE	$ 0.47	$ 0.47	$ 0.37

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

Rollins, Inc. and Subsidiaries
(in thousands)

Years ended December 31,	2019	2018	2017
NET INCOME	$ 203,347	$ 231,663	$ 179,124
OTHER COMPREHENSIVE EARNINGS/(LOSS)			
Pension and other postretirement benefit plans, net of tax	45,896	(11,050)	14,159
Foreign currency translation adjustments	4,350	(14,072)	9,960
Interest rate swap, net of tax	(277)	—	—
	49,969	(25,122)	24,119
COMPREHENSIVE EARNINGS	$ 253,316	$ 206,541	$ 203,243

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Rollins, Inc. and Subsidiaries
(in thousands)

	Common Stock		Treasury			Accumulated Other		
	Shares	Amount	Shares	Amount	Paid-In-Capital	Comprehensive Income (Loss)	Retained Earnings	Total
Balance at December 31, 2016	326,688	$ 326,688	—	$ —	$ 77,452	$ (70,075)	$ 234,480	$ 568,545
Net Income							179,124	179,124
Other comprehensive income								
Pension liability adjustment, net of tax						14,159		14,159
Foreign currency translation adjustments						9,960		9,960
Cash dividends							(122,017)	(122,017)
Stock compensation	651	651			11,965		(217)	12,399
Employee stock buybacks	(351)	(351)			(8,012)		117	(8,246)
Balance at December 31, 2017	326,988	$ 326,988	—	$ —	$ 81,405	$ (45,956)	$ 291,487	$ 653,924
Net Income							231,663	231,663
Other comprehensive income								
Pension liability adjustment, net of tax						(11,050)		(11,050)
Foreign currency translation adjustments						(14,072)		(14,072)
Cash dividends							(152,742)	(152,742)
Stock compensation	605	605			13,323		(202)	13,726
Employee stock buybacks	(285)	(285)			(9,342)		86	(9,541)
Balance at December 31, 2018	327,308	$ 327,308	—	$ —	$ 85,386	$ (71,078)	$ 370,292	$ 711,908
Impact of adoption of ASC 842							212	212
Net Income							203,347	203,347
Other comprehensive income						46,022		
Pension settlement loss, net of tax						(126)		46,022
Pension liability adjustment, net of tax						4,350		(126)
Foreign currency translation adjustments						(277)		4,350
Interest rate swaps, net of tax								(277)
Cash dividends							(153,836)	(153,836)
Stock compensation	387	387			13,772			14,159
Employee stock buybacks	(264)	(264)			(9,745)			(10,009)
Balance at December 31, 2019	327,431	$ 327,431	—	$ —	$ 89,413	$ (21,109)	$ 420,015	$ 815,750

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Rollins, Inc. and Subsidiaries
(in thousands)

Years ended December 31,	2019	2018	2017
OPERATING ACTIVITIES			
Net Income	$ 203,347	$ 231,663	$ 179,124
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization and other non-cash charges	79,544	64,675	55,533
Pension settlement loss	49,898	—	—
Provision for deferred income taxes	(7,228)	7,628	18,636
Stock based compensation expense	14,159	13,726	12,399
Provision for bad debts	15,145	13,606	10,455
Changes in assets and liabilities:			
Trade accounts receivables and other accounts receivables	(20,151)	(12,549)	(13,661)
Financing receivables	(9,080)	(10,784)	(6,527)
Materials and supplies	(2,151)	(374)	(837)
Other current assets	(14,009)	(7,121)	1,448
Other non-current assets	6,081	11,329	(5,137)
Accounts payable and accrued expenses	(9,925)	(23,820)	(25,691)
Unearned revenue	5,424	4,901	1,222
Accrued insurance	1,915	(686)	4,039
Pension funding	(144)	—	—
Long-term accrued liabilities	(3,637)	(5,922)	4,367
Net cash provided by operating activities	309,188	286,272	235,370
INVESTING ACTIVITIES			
Cash used for acquisitions of companies, net of cash acquired	(430,558)	(76,769)	(130,189)
Capital expenditures	(27,146)	(27,179)	(24,680)
Cash from sale of franchises	617	343	519
Derivative Investments	104	297	(264)
Proceeds from sale of assets	1,758	1,840	370
Investment tax credits	118	93	69
Net cash used in investing activities	(455,107)	(101,375)	(154,175)
FINANCING ACTIVITIES			
Borrowings under term loan	250,000	—	—
Borrowings under revolving commitment	190,000	—	—
Repayments of long term debt	(148,500)	—	—
Payment of dividends	(153,836)	(152,742)	(122,017)
Cash paid for common stock purchased	(10,009)	(9,541)	(8,246)
Net cash provided by/(used in) financing activities	127,655	(162,283)	(130,263)
Effect of exchange rate changes on cash	(2,945)	(14,179)	13,333
Net increase (decrease) in cash and cash equivalents	(21,209)	8,435	(35,735)
Cash and cash equivalents at beginning of year	115,485	107,050	142,785
Cash and cash equivalents at end of year	$ 94,276	$ 115,485	$ 107,050
Supplemental disclosure of cash flow information			
Cash paid for interest	$ 6,452	$ 25	$ —
Cash paid for income taxes, net	$ 75,812	$ 77,351	$ 90,702
Non-cash additions to operating lease right-of-use assets	$ 75,782	$ —	$ —

The accompanying notes are an integral part of these consolidated financial statements

Supplemental Disclosures of Non-Cash Items

Pension—Non-cash decreases/(increases) in the minimum pension liability which were charged/(credited) to other comprehensive income were $75.4 million, ($14.8) million, and $19.0 million in 2019, 2018, and 2017, respectively.

Business Combinations—There were $34.2 million in non-cash acquisitions of assets in business combinations for the year ended December 31, 2019, $18.1 million in 2018 and $34.0 million for 2017.

Notes to Consolidated Financial Statements

Years ended December 31, 2019, 2018, and 2017
Rollins, Inc. and Subsidiaries

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Description—Rollins, Inc. (the "Company"), was originally incorporated in 1948, under the laws of the state of Delaware as Rollins Broadcasting, Inc.

The Company is an international service company with headquarters located in Atlanta, Georgia, providing pest and termite control services through its wholly-owned subsidiaries to both residential and commercial customers in the United States, Canada, Australia, Europe, and Asia with international franchises in Mexico, Canada, Central and South America, the Caribbean, the Middle East, Asia, Europe, Africa, and Australia. Services are performed through a contract that specifies the pricing arrangement with the customer.

Orkin, LLC. ("Orkin"), a wholly-owned subsidiary of the Company founded in 1901, is the world's largest pest and termite control company. It provides customized services from over 400 locations. Orkin either serves customers directly or through franchise operations, in the United States, Canada, Mexico, Central and South America, the Caribbean, the Middle East, Asia, Europe, and Africa providing essential pest control services and protection against termite damage, rodents and insects to homes and businesses, including hotels, food service establishments, food manufacturers, retailers and transportation companies. Orkin operates under the Orkin®, and Orkin Canada® trademarks and the Acurid℠ service mark. The Orkin® brand name makes Orkin the most recognized pest and termite company throughout the United States. The Orkin Canada brand name provides similar brand recognition throughout Canada.

Orkin Canada, a wholly-owned subsidiary of Orkin founded in 1952, was acquired by Orkin in 1999. Orkin Canada is Canada's largest pest control provider and a leader in the development of fast, effective and environmentally responsible pest control solutions.

Western Pest Services ("Western"), a wholly-owned subsidiary of the Company founded in 1928, was acquired by Rollins, Inc. in 2004. Western is primarily a commercial pest control service company and its business complements most of the services Orkin offers, focusing on the northeastern United States.

The Industrial Fumigant Company ("IFC"), a wholly-owned subsidiary of the Company founded in 1937, was acquired by Rollins, Inc. in 2005. IFC is a leading provider of pest management and sanitation services and products to the food and commodity industries.

HomeTeam Pest Defense ("HomeTeam"), a wholly-owned subsidiary of the Company established in 1996, was acquired by Rollins, Inc. in April 2008. At the time of the acquisition, HomeTeam, with its unique Taexx® tubes in the wall pest control system, was recognized as a premier pest control business and ranked as the 4th largest company in the industry. HomeTeam services home builders nationally.

Rollins Australia ("Rollins Australia"), a wholly-owned subsidiary of the Company, acquired Allpest WA ("Allpest"), in February 2014. Allpest was established in 1959 and is headquartered in Perth, Australia. Allpest provides traditional commercial, residential, and termite service as well as consulting services on border protection related to Australia's biosecurity program and provides specialized services to Australia's mining and oil and gas sectors.

Critter Control, a wholly-owned subsidiary of the Company, was acquired by Rollins, Inc. on February 27, 2015. Critter Control was established in 1983 and is headquartered in Traverse City, Michigan. The business is primarily franchised, operating in 40 states and one Canadian province.

Rollins UK was formed as a wholly-owned subsidiary of the Company to acquire Safeguard Pest Control ("Safeguard") in June 2016. Safeguard is a pest control company established in the United Kingdom in 1991 with a history of providing superior pest control, bird control, and specialist services to residential and commercial customers.

Northwest Pest Control, LLC, a wholly-owned subsidiary of the Company founded in 1951, was acquired by Rollins, Inc. in August 2017. Northwest specializes in residential and commercial termite control, pest control, mosquito control, wildlife services, lawn care, insulation, and HVAC services, focusing on the Southeast United States.

On April 30, 2019, the Company acquired Clark Pest Control of Stockton, Inc. ("Clark Pest Control") located in Lodi, CA. At the time of the acquisition, Clark Pest Control was a leading pest management company in California and the nation's 8th largest pest management company according to PCT 100 rankings. Clark Pest Control services its customers from 26 service locations in 2 states. Clark Pest Control recorded revenues of approximately $139.2 million for the fiscal year ended December 31, 2018. The Company's consolidated statements of income include the results of operations of Clark Pest Control for the period beginning April 30, 2019 through December 31, 2019.

The Company has several smaller wholly-owned subsidiaries that in total make up less than 5% of the Company's total revenues.

The Company has only one reportable segment, its pest and termite control business. Revenue, operating profit and identifiable assets for this segment, includes the United States, Canada, Australia, Europe, Asia, Mexico, Central and South America, the Caribbean, the Middle East, and Africa. The Company's results of operations and its financial condition are not reliant upon any single customer, few customers or foreign operations.

Principles of Consolidation—The Company's Consolidated Financial Statements include the accounts of Rollins, Inc. and the Company's wholly-owned subsidiaries and have been prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP"). The Company does not consolidate the financial statements of any company in which it has an ownership interest of 50% or less. The Company is not the primary beneficiary of, nor does it have a controlling financial interest in, any variable interest entity. Accordingly, the Company has not consolidated any variable interest entity. The Company reclassified certain prior period amounts, none of which were material, to conform to the current period presentation. All material intercompany accounts and transactions have been eliminated.

Subsequent Events—The Company evaluates its financial statements through the date the financial statements are issued.

Estimates Used in the Preparation of Consolidated Financial Statements—The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the accompanying notes and financial statements. Actual results could differ from those estimates.

Revenue Recognition—The Company's Revenue recognition policy is to recognize revenue upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. We enter into contracts that can include various combinations of products and services, each of which are distinct and accounted for as separate performance obligations. Revenue is recognized net of allowances for returns and any taxes collected from customers, which are subsequently remitted to governmental authorities.

Nature of Goods and Services and Performance Obligations

The Company contracts with its customers to provide the following goods and services, each of which is a distinct performance obligation:

Pest control services—Rollins provides pest control services to protect residential and commercial properties from common pests, including rodents and insects. Pest control generally consists of assessing a customer's property for conditions that invite pests, tackling current infestations, and stopping the life cycle to prevent future invaders. Revenue from pest control services is recognized as services are rendered.

The Company's revenue recognition policies are designed to recognize revenues upon satisfaction of the performance obligation at the time services are performed. For certain revenue types, because of the timing of billing and the receipt of cash versus the timing of performing services, certain accounting estimates are utilized. Residential and commercial pest control services are primarily recurring in nature on a monthly, bi-monthly or quarterly basis, while certain types of commercial customers may receive multiple treatments within a given month. In general, pest control customers sign an initial one-year contract, and revenues are recognized at the time services are performed. The Company defers recognition of advance payments and recognizes the revenue as the services are rendered. The Company classifies discounts related to the advance payments as a reduction in revenues.

Termite control services (including traditional and baiting)—Rollins provides both traditional and baiting termite protection services. Traditional termite protection uses "Termidor" liquid treatment and/or dry foam and Orkin foam to treat voids and spaces around the property, while baiting termite protection uses baits to disrupt the molting process termites require for growth and offers ongoing protection. Revenue from initial termite treatment services is recognized as services are provided.

Maintenance/monitoring/inspection—In connection with the initial service offerings, Rollins provides recurring maintenance, monitoring or inspection services to help protect consumer's property for any future sign of termite activities after the original treatment. This recurring service is a service-type warranty under ASC 606 as it is routinely sold and purchased separately from the initial treatment services and is typically purchased or renewed annually.

Termite baiting revenues are recognized based on the transfer of control of the individual units of accounting. At the inception of a new baiting services contract, upon quality control review of the installation, the Company recognizes revenue for the installation of the monitoring stations, initial directed liquid termiticide treatment and servicing of the monitoring stations. A portion of the contract amount is deferred for the undelivered monitoring performance obligation. This portion is recognized as income on a straight-line basis over the remaining contract term, which results in recognition of revenue that depicts the Company's performance in transferring control of the service. The allocation of the transaction price to the two deliverables is based on the relative stand-alone selling price. There are no contingencies related to the delivery of additional items or meeting other specified performance conditions. Baiting renewal revenue is deferred and recognized over the annual contract period on a straight-line basis that depicts the Company's performance in transferring control of the service.

Revenue received for conventional termite renewals is deferred and recognized on a straight-line basis over the remaining contract term that depicts the Company's performance in transferring control of the service; and, the cost of reinspections, reapplications and repairs and associated labor and chemicals are expensed as incurred. For outstanding claims, an estimate is made of the costs to be incurred (including legal costs) based upon current factors and historical information. The performance of reinspections tends to be close to the contract renewal date and while reapplications and repairs involve an insubstantial number of the contracts, these costs are incurred over the contract term. As the revenue is being deferred, the future cost of reinspections, reapplications and repairs and associated labor and chemicals applicable to the deferred revenue are expensed as incurred. The Company accrues for noticed claims. The costs of providing termite services upon renewal are compared to the expected revenue to be received and a provision is made for any expected losses.

Miscellaneous services (e.g., cleaning, etc.)—In certain agreements with customers, Rollins may offer other miscellaneous services, including restroom cleaning (e.g., eliminating foul odors, grease and grime which could attract pests), training (e.g., seminars covering good manufacturing practices and product stewardship), etc. Revenue from miscellaneous services is recognized when services are provided.

Products—Depending on customer demand, Rollins may separately sell pest control and/or termite protection products, such as traps. Revenue from product sales is recognized upon transfer of control of the asset.

Equipment rental (or lease)—Depending on customer demand, Rollins may lease certain pest control and/or termite protection equipment. Revenue from equipment rentals are recognized over the period of the rental/lease. Revenue from equipment rentals represent less than 1.0% of the Company's revenues for each reported period.

Right to access intellectual property (Franchise)—The right to access Rollins' intellectual property is an essential part of Orkin's franchising agreements. These agreements provide the franchisee (the customer) a license to use the Rollins' name and trademark when advertising and selling services to end customers in their normal course of business. Orkin franchise agreements contain a clause allowing Orkin to purchase certain assets of the franchisee. This is only an offer for Orkin to re-purchase the assets originally provided by Orkin to the franchisee and is not a performance obligation or a form of consideration. International and domestic franchising revenue was less than 1.0% of the Company's annual revenues.

All Orkin domestic franchises have a guaranteed repurchase clause that the Orkin franchise may be repurchased by Orkin at a later date once it has been established. The Company amortizes the initial franchise fee over the initial franchise term. Deferred Orkin franchise fees were $1.7 million and $1.6 million for the year ending December 31, 2019 and 2018, respectively.

Royalties from Orkin franchises are accrued and recognized as revenues are earned on a monthly basis. Revenue from Orkin franchises was $8.7 million for the year ended December 31, 2019 and $8.8 million and $5.4 million for the years ended December 31, 2018 and 2017, respectively.

Contract Balances

Timing of revenue recognition may differ from the timing of invoicing to customers. We record unearned revenue when revenue is recognized subsequent to billing. Unearned revenue mainly relates to the Company's termite baiting offering, conventional renewals, and year-in-advance pest control services for which we have been paid in advance and earn the revenue when we transfer control of the product or service. For multi-year agreements, we generally invoice customers annually at the beginning of each annual coverage period. Refer to Note 3 – Revenue for further information, including changes in unearned revenue for the year.

The Company extends terms to certain customers on higher dollar termite and ancillary work, as well as to certain franchisees for initial funding on the sale of franchises. These financed receivables are segregated from our trade receivables. The amounts that are due within one year from the balance sheet dates are classified as short-term financed receivables, and are shown, net of allowance for doubtful accounts, at $22.3 million as of December 31, 2019 and $18.5 million at December 31, 2018. The balances of long-term financed receivables, net of allowance for doubtful accounts, were $30.8 million as of December 31, 2019 and $28.2 million at December 31, 2018 and are included in long-term assets on our consolidated statements of financial position. See Note 6 – Financing Receivables for further information.

The allowance for doubtful accounts reflects our best estimate of probable losses inherent in the accounts receivable balance. We determine the allowance based on known troubled accounts, historical experience, and other currently available evidence. Activity in the allowance for doubtful accounts can be found on Schedule II-Valuation and Qualifying Accounts.

Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 to 60 days. In instances where the timing of revenue recognition differs from the timing of invoicing, we have determined our contracts generally do not include a significant financing component. The primary purpose of our invoicing terms is to provide customers with simplified and predictable ways of purchasing our products and services, not to receive financing from our customers or to provide customers with financing.

Practical Expedients and Exemptions

We generally expense sales commissions when incurred because the amortization period would have been one year or less. These costs are recorded within sales and marketing expenses.

We do not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed. All revenues are reported net of sales taxes.

The Company's foreign operations accounted for approximately 8% of revenues for each of the years ended December 31, 2019 and 2018.

Allowance for Doubtful Accounts—The Company maintains an allowance for doubtful accounts based on the expected collectability of accounts receivable. Management uses historical collection results as well as accounts receivable aging in order to determine the expected collectability of accounts receivable. Substantially all of the Company's receivables are due from pest control and termite services in the United States and selected international locations. The Company's allowance for doubtful accounts is determined using a combination of factors to ensure that our receivables are not overstated due to uncollectability. The Company's established credit evaluation procedures seek to minimize the amount of business we conduct with higher risk customers. Provisions for doubtful accounts are recorded in selling, general and administrative expenses. Accounts are written-off against the allowance for doubtful accounts when the Company determines that amounts are uncollectible, and recoveries of amounts previously written off are recorded when collected. Significant recoveries will generally reduce the required provision in the period of recovery. Therefore, the provision for doubtful accounts can fluctuate significantly from period to period. There were no large recoveries in 2019, 2018, and 2017. We record specific provisions when we become aware of a customer's inability to meet its financial obligations to us, such as in the case of bankruptcy filings or deterioration in the customer's operating results or financial position. If circumstances related to customers change, our estimates of the realizability of receivables would be further adjusted, either upward or downward. See Recent Accounting Guidance for discussion of the new FASB, ASU 2016-13 which provides updated guidance on measuring expected credit losses to be implemented in 2020.

Advertising—Advertising costs are charged to sales, general and administrative expense during the year in which they are incurred.

Years ended December 31,	2019	2018	2017
(in thousands)			
Advertising	$ 81,174	$ 69,875	$ 66,115

Cash and Cash Equivalents— The Company considers all investments with an original maturity of three months or less when purchased to be cash equivalents. Short-term investments, included in cash and cash equivalents, are stated at cost, which approximates fair market value.

The Company's $94.3 million of total cash at December 31, 2019, is primarily cash held at various banking institutions. Approximately $74.1 million is held in cash accounts at international bank institutions and the remaining $20.2 million is primarily held in Federal Deposit Insurance Corporation ("FDIC") insured non-interest-bearing accounts at various domestic banks which at times may exceed federally insured amounts.

The Company's international business is expanding, and we intend to continue to grow the business in foreign markets in the future through reinvestment of foreign deposits and future earnings as well as acquisitions of unrelated companies. Repatriation of cash from the Company's foreign subsidiaries is not a part of the Company's current business plan.

Rollins maintains adequate liquidity and capital resources, without regard to its foreign deposits, that are directed to finance domestic operations and obligations and to fund expansion of its domestic business for the foreseeable future.

At December 31,	2019	2018
(in thousands) (in US dollars)		
Cash held in foreign bank accounts	$ 74,094	$ 53,613

Marketable Securities— From time to time, the Company maintains investments held by several large, well-capitalized financial institutions. The Company's investment policy does not allow investment in any securities rated less than "investment grade" by national rating services.

Management determines the appropriate classification of debt securities at the time of purchase and re-evaluates such designations as of each balance sheet date. Debt securities are classified as available-for-sale because the Company does not have the intent to hold the securities to maturity. Available-for-sale securities are stated at their fair values, with the unrealized gains and losses reported as in earnings.

The Company had no marketable securities other than those held in the defined benefit pension plan and the non-qualified deferred compensation plan at December 31, 2019 and 2018. See Note 16 for further details.

Materials and Supplies— Materials and supplies are stated at the lower cost or net realizable value. Cost is determined on the first-in, first-out method.

Income Taxes—The Company provides for income taxes based on FASB ASC topic 740 "Income Taxes", which requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. The Company provides an allowance for deferred tax assets when it determines that it is more likely than not that the deferred tax assets will not be utilized. The Company establishes additional provisions for income taxes when, despite the belief that tax positions are fully supportable, there remain certain positions that do not meet the minimum probability threshold. The Company's policy is to record interest and penalties related to income tax matters in income tax expense.

Equipment and Property—Equipment and Property are stated at cost, net of accumulated depreciation, and are provided principally on a straight-line basis over the estimated useful lives of the related assets. Annual provisions for depreciation are computed using the following asset lives: buildings, 10 to 40 years; and furniture, fixtures, and operating equipment, 2 to 10 years. Expenditures for additions, major renewals and betterments are capitalized and expenditures for maintenance and repairs are expensed as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation and amortization are eliminated from the accounts in the year of disposal with the resulting gain or loss credited or charged to income. The annual provisions for depreciation, below, have been reflected in the Consolidated Statements of Income in the line item entitled Depreciation and Amortization.

Years ended December 31,	2019	2018	2017
(in thousands)			
Depreciation	$ 36,646	$ 30,364	$ 27,381

Goodwill and Other Intangible Assets— In accordance with the FASB ASC Topic 350, *"Intangibles - Goodwill and other"*, the Company classifies intangible assets into three categories: (1) intangible assets with definite lives subject to amortization; (2) intangible assets with indefinite lives not subject to amortization; and (3) goodwill. The Company does not amortize intangible assets with indefinite lives or goodwill. Goodwill and other intangible assets with indefinite useful lives are tested for impairment annually or more frequently if events or circumstances indicate the assets might be impaired. Such conditions may include an economic downturn or a change in the assessment of future operations. The Company performs impairment tests of goodwill at the Company level. Such impairment tests for goodwill include comparing the fair value of the appropriate reporting unit (the Company) with its carrying value. If the fair value of the reporting unit is lower than its carrying value, then the Company will compare the implied fair value of goodwill to its carrying value. Impairment losses are recognized whenever the implied fair value of goodwill is less than its carrying value. The Company performs impairment tests for indefinite-lived intangible assets by comparing the fair value of each indefinite-lived intangible asset unit to its carrying value. The Company recognizes an impairment charge if the asset's carrying value exceeds its estimated fair value. The Company completed its most recent annual impairment analysis as of September 30, 2019. Based upon the results of these analyses, the Company has concluded that no impairment of its goodwill or intangible assets with indefinite lives was indicated.

Impairment of Long-Lived Assets—In accordance with the FASB ASC Topic 360, *"Property, Plant and Equipment"*, the Company's long-lived assets, such as property and equipment and intangible assets with definite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. We periodically evaluate the appropriateness of remaining depreciable lives assigned to long-lived assets, including customer contracts and assets that may be subject to a management plan for disposition.

Accrued Insurance—The Company retains, up to specified limits, certain risks related to general liability, workers' compensation and vehicle liability. Risks above specified limits are managed through either high deductible insurance or a non-affiliated group captive insurance member arrangement. The estimated costs of existing and future claims under the retained loss program are accrued based upon historical trends as incidents occur, whether reported or unreported (although actual settlement of the claims may not be made until future periods) and may be subsequently revised based on developments relating to such claims. The Company contracts with an independent third-party actuary on a semi-annual basis to provide the Company an estimated liability based upon historical claims information. The actuarial study is a major consideration in establishing the reserve, along with management's knowledge of changes in business practice and existing claims compared to current balances. Management's judgment is inherently subjective as a number of factors are outside management's knowledge and control. Additionally, historical information is not always an accurate indication of future events.

Accrual for Termite Contracts—The Company maintains an accrual for termite claims representing the estimated costs of reapplications, repairs and associated labor and chemicals, settlements, awards and other costs relative to termite control services. Factors that may impact future costs include termiticide life expectancy and government regulation. It is significant that the actual number of claims has decreased in recent years due to changes in the Company's business practices. However, it is not possible to precisely predict future significant claims. An accrual for termite contracts is included in other current liabilities and long-term accrued liabilities on the Company's consolidated statements of financial position.

Contingency Accruals—The Company is a party to legal proceedings with respect to matters in the ordinary course of business. In accordance with the FASB ASC Topic 450 *"Contingencies,"* management estimates and accrues for its liability and costs associated with the litigation. Estimates and accruals are determined in consultation with outside counsel. Because it is not possible to accurately predict the ultimate result of the litigation, judgments concerning accruals for liabilities and costs associated with litigation are inherently uncertain and actual liability may vary from amounts estimated or accrued. However, in the opinion of management, the outcome of the litigation will not have a material adverse impact on the Company's financial condition or results of operations. Contingency accruals are included in other current liabilities and long-term accrued liabilities on the Company's consolidated statements of financial position.

Three-for-two stock split—The Board of Directors at its quarterly meeting on October 23, 2018, authorized a three-for-two stock split by the issuance on December 10, 2018 of one additional common share for each two common shares held of record at November 9, 2018. All share and per share data appearing in the consolidated financial statements and related notes are restated for the three-for-two stock split.

Earnings Per Share—the FASB ASC Topic 260-10 *"Earnings Per Share-Overall,"* requires a basic earnings per share and diluted earnings per share presentation. Further, all outstanding unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are considered participating securities and an entity is required to include participating securities in its calculation of basic earnings per share.

The Company has periodically issued share-based payment awards that contain non-forfeitable rights to dividends and therefore are considered participating securities. See Note 17 for further information on restricted stock granted to employees.

The basic and diluted calculations are the same as there were no stock options included in diluted earnings per share as we have no stock options outstanding. Basic and diluted earnings per share are computed by dividing net income by the weighted average number of shares outstanding during the respective periods.

A reconciliation of weighted average shares outstanding along with the earnings per share attributable to restricted shares of common stock (participating securities) is as follows (in thousands except per share data). All share and per share information in the following chart are restated for the stock split effective December 10, 2018:

Years Ended December 31,	2019	2018	2017
Net income available to stockholders	$ 203,347	$ 231,663	$ 179,124
Less: Dividends paid			
Common Stock	(152,793)	(151,458)	(120,930)
Restricted shares of common stock	(1,042)	(1,284)	(1,087)
Undistributed earnings for the period	$ 49,512	$ 78,921	$ 57,107
Allocation of undistributed earnings:			
Common stock	$ 49,144	$ 78,255	$ 56,567
Restricted shares of common stock	368	666	540
Basic and diluted shares outstanding:			
Common stock	325,046	324,529	323,891
Restricted shares of common stock	2,431	2,762	3,091
Basic and diluted shares outstanding (in shares)	327,477	327,291	326,982
Basic and diluted earnings per share:			
Common stock:			
Distributed earnings	$ 0.47	$ 0.47	$ 0.37
Undistributed earnings	0.15	0.24	0.18
	$ 0.62	$ 0.71	$ 0.55
Restricted shares of common stock			
Distributed earnings	$ 0.43	$ 0.47	$ 0.35
Undistributed earnings	0.15	0.24	0.18
	$ 0.58	$ 0.71	$ 0.53

Translation of Foreign Currencies—Assets and liabilities reported in functional currencies other than U.S. dollars are translated into U.S. dollars at the year-end rate of exchange. Revenues and expenses are translated at the weighted-average exchange rates for the year. The resulting translation adjustments are charged or credited to other comprehensive income. Gains or losses from foreign currency transactions, such as those resulting from the settlement of receivables or payables, denominated in foreign currency are included in the earnings of the current period.

Stock-Based Compensation—The Company accounts for its stock-based compensation in accordance with the FASB ASC Topic 718 "*Compensation – Stock Compensation*." Time lapse restricted shares (TLRSs) have been issued to officers and other management employees under the Company's Employee Stock Incentive Plan.

TLRSs provide for the issuance of a share of the Company's Common Stock at no cost to the holder and generally vest after a certain stipulated number of years from the grant date, depending on the terms of the issue. Outstanding TLRSs vest in 20 percent increments starting with the second anniversary of the grant, over six years from the date of grant. During these years, grantees receive all dividends declared and retain voting rights for the granted shares. The agreements under which the restricted stock is issued provide that shares awarded may not be sold or otherwise transferred until restrictions established under the plans have lapsed. The fair value of these awards is recognized as compensation expense, net of forfeitures, on a straight-line basis over six years.

Comprehensive Income (Loss)—Other Comprehensive Income (Loss) results from foreign currency translations, minimum pension liability adjustments and cash flow hedge of interest rate risks.

Franchising Program—Rollins' wholly-owned subsidiary, Orkin, had 50, 47 and 47 domestic franchises as of December 31, 2019, 2018 and 2017, respectively. Transactions with Orkin's domestic franchises involve sales of customer contracts to establish new Orkin franchises, initial franchise fees and royalties. The customer contracts and initial Orkin franchise fees are typically sold for a combination of cash and notes due over periods ranging up to five years. Notes receivable from Orkin franchises were $6.7 million at December 31, 2019 and $6.5 million at December 31, 2018. The Company amortizes the initial domestic franchise fees over the initial franchise term. Deferred domestic Orkin franchise fees were $1.7 million at December 31, 2019 and $1.6 million December 31, 2018. These notes receivable are included as financing receivables and the deferred franchise fees are included in other current liabilities in the accompanying Consolidated Statements of Financial Position. The Company's maximum exposure to loss (notes receivable from franchises less deferred franchise fees) relating to Orkin's domestic franchises was $5.0 million, $4.9 million, and $2.5 million for the years ended December 31, 2019, 2018 and 2017, respectively.

As of December 31, 2019, 2018 and 2017, Orkin had 97, 86, and 81 international franchises, respectively. Orkin's international franchise program began with its first international franchise in 2000 and since has expanded to Mexico, Central and South America, the Caribbean, the Middle East, Asia, Europe, and Africa.

Royalties from Orkin franchises (domestic and international) are accrued and recognized as revenues and are earned on a monthly basis. Revenue from Orkin franchises was $8.7 million for the year ended December 31, 2019 and $8.8 million and $5.4 million for the years ended December 31, 2018 and 2017, respectively.

Rollins' wholly-owned subsidiary, Critter Control, had 84,80 and 89 franchises in the United States and Canada as of December 31, 2019, 2018 and 2017, respectively. Transactions with Critter Control franchises involve sales of territories to establish new franchises, initial franchise fees and royalties. The territories and initial franchise fees are typically sold for a combination of cash and notes. Notes receivable from Critter Control franchises were $ 0.9 million and $0.6 million at December 31, 2019 and 2018, respectively. These notes are not guaranteed. The Company anticipates that should there be any losses from franchisees, these losses would be recouped by terminating the franchisee and re-selling the territory. These amounts are included as financing receivables in the accompanying Consolidated Statements of Financial Position.

Combined domestic and international revenues from Orkin, Critter Control and Australia franchises were $17.1 million for the year ended December 31, 2019 and $14.7 million and $9.7 million for the years ended December 31, 2018 and 2017, respectively. Total franchising revenues were less than 1.0% of the Company's annual revenues.

Right to access intellectual property (Franchise)—The right to access Orkin's and Critter Control's intellectual property is an essential part of Orkin and Critter Control franchising agreements, respectively. These agreements provide the franchisee a license to use the brand name and trademark when advertising and selling services to end customers in their normal course of business. Orkin and Critter Control franchise agreements contain a clause allowing the respective franchisor to purchase certain assets of the franchisee at the conclusion of their franchise agreement or upon termination. This is only an option for the franchisor to re-purchase the assets selected by the franchisor and is not a performance obligation or a form of consideration.

Recent Accounting Guidance

Recently adopted accounting standards

The Company adopted ASU 2016-02, Leases (ASC 842), on January 1, 2019 using the modified retrospective approach and did not restate comparative periods as permitted by ASU 2018-11, Leases (Topic 842): Targeted Improvements. We have elected the transition package of practical expedients, which permitted us not to reassess our prior conclusions regarding lease identification, lease classification and initial direct cost. The new standard also provides practical expedients for an entity's ongoing accounting. We elected the short-term lease recognition exemption. Accordingly, the Company does not recognize right of use assets or lease liabilities, for existing short-term leases of those assets in transition. Upon adoption, the Company recognized operating lease right-of-use assets and liabilities of $195.7 million and $195.5 million, and a $0.2 million adjustment to beginning retained earnings.

The Company adopted ASU 2018-02, "Income Statement—Reporting Comprehensive Income (ASC 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income", which allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act of 2017 ("Tax Reform Act"). The Company adopted ASU 2018-02 effective January 1, 2019 and elected not to recognize a cumulative-effect adjustment.

In August 2017, the FASB issued ASU 2017-12, Derivatives and Hedging (ASC 815), which provides new guidance intended to improve the financial reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. This ASU was adopted by the Company in 2019. The adoption of this ASU did not have an impact on the Company's consolidated financial statements.

Recently issued accounting standards to be adopted in 2020 or later

In June of 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." The updated accounting guidance requires the Company to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets, including trade receivables. Based on our current receivables and forecasts of future macroeconomic conditions, we estimate that the allowance for credit losses reported in our consolidated balance sheet will decrease by an immaterial amount at adoption. We will record the cumulative effect of initially applying the new standard as an adjustment to the opening balance of retained earnings.

In January 2017, the FASB issued ASU No. 2017-04, Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment, which eliminates the requirement to calculate the implied fair value of goodwill (i.e., Step 2 of the current goodwill impairment test) to measure a goodwill impairment charge. Instead, entities will record an impairment charge based on the excess of a reporting unit's carrying amount over its fair value (i.e., measure the charge based on the current Step 1). The standard in this update is effective for the Company's financial statements issued for fiscal years beginning in 2020. Early adoption is permitted for annual and interim goodwill impairment testing dates after January 1, 2017. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, Fair Value Measurement (ASC 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement. The updated accounting guidance modifies the disclosure requirements on fair value measurements by removing certain disclosure requirements related to the fair value hierarchy, modifying existing disclosure requirements related to measurement uncertainty and adding new disclosure requirements. The standard in this update is effective for the Company's financial statements issued for fiscal years beginning in 2020. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

2. ACQUISITIONS

The Company has made 30 and 38 acquisitions during the years ended December 31, 2019, and 2018, respectively, some of which have been disclosed on various press releases and related Current Reports on Form 8-K.

Acquisition of Clark Pest Control:

The Company completed the acquisition of Clark Pest Control on April 30, 2019. Clark Pest Control is a leading pest management company in California and was the nation's 8th largest pest management company according to PCT 100 rankings at the time of the acquisition, making it the largest Rollins acquisition since the Company acquired HomeTeam Pest Defense in 2008. Clark Pest Control services its customers from 26 service locations in 2 states. Clark Pest Control recorded revenues of approximately $139.2 million for the fiscal year ended December 31, 2018. The Company's consolidated statements of income include the results of operations of Clark Pest Control for the period beginning April 30, 2019 through December 31, 2019.

The Company engaged an independent valuation firm to determine the allocation of the purchase price to goodwill and identifiable intangible assets. The valuation resulted in the allocation of $191.9 million to goodwill, $112.7 million to customer contracts, and $49.8 million to other intangible assets, principally tradenames. The finite-lived intangible assets, principally customer contracts, are being amortized over periods principally ranging from 5 to 10 years on a straight-lined basis.

The fair values of Clark Pest Control's assets and liabilities, at the date of acquisition, were as follows:

(in thousands)	at April 30, 2019
Assets and liabilities:	$ 6,974
Trade accounts receivables	900
Materials and supplies	5,367
Other current assets	65,535
Equipment and property, net	191,853
Goodwill	112,700
Customer contracts	49,300
Trademarks & tradenames	500
Non-compete agreements	(1,929)
Accounts payable	(5,678)
Accrued compensation and related liabilities	(879)
Unearned revenues	(6,777)
Contingent consideration, short-term	(5,452)
Other current liabilities	(9,352)
Other long term liabilities	(1,870)
Accrued insurance, less current portion	(5,923)
	$ 395,269

The unaudited pro forma financial information presented below gives effect to the Clark Pest Control acquisition as if it had occurred as of the beginning of our fiscal year 2018. The information presented below is for illustrative purposes only and is not necessarily indicative of results that would have been achieved if the acquisition had actually occurred as of the beginning of such years or results which may be achieved in the future.

(in thousands, except per share amounts)	12 Months Ended December 31,	
	2019	2018
Revenues:		
Customer services	$2,060,280	$1,960,741
Costs and expenses	1,798,984	1,640,120
Income before income taxes	261,296	320,621
Provision for income taxes	57,813	79,070
Net income	$ 203,483	$ 241,551
Net income per share – basic and diluted	$ 0.62	$ 0.74
Dividends paid per share	$ 0.47	$ 0.47
Weighted average participating shares outstanding – basic and diluted	327,477	327,291

Total cash purchase price for the Company's acquisitions in 2019 and 2018 were $430.6 million and $76.8 million, respectively. The fair values of major classes of assets acquired and liabilities assumed along with the contingent consideration liability recorded during the valuation period of acquisition is included in the reconciliation of the total consideration as follows (in thousands):

December 31,	2019	2018
Accounts receivable	$ 7,728	$ 3,558
Materials and supplies	1,378	556
Equipment and property	68,704	7,374
Goodwill	204,162	25,605
Customer contracts	136,344	62,228
Other intangible assets	50,650	6,936
Current liabilities	(18,195)	(21,536)
Other assets and liabilities, net	(7,513)	(3,089)
Total consideration paid	443,258	81,632
Less: contingent consideration liability	(12,700)	(4,863)
Total cash purchase price	$ 430,558	$ 76,769

3. REVENUE

Adoption of ASC 606, "Revenue from Contracts with Customers". On January 1, 2018, the Company adopted ASC 606 using the modified retrospective method applied to those contracts which were not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under ASC 606, while prior period amounts are not adjusted and continue to be reported in accordance with our historic accounting under ASC 605.

There was no material impact on the Company's financial statements as a result of adopting ASC 606 for the twelve months ended December 31, 2018.

The following tables present our revenues disaggregated by revenue source (in thousands, unaudited).

Sales and usage-based taxes are excluded from revenues. No sales to an individual customer or in a country other than the United States accounted for more than 10% of the sales for the periods listed on the following table. Revenue, classified by the major geographic areas in which our customers are located, was as follows:

Years ended December 31,	2019	2018	2017
(in thousands)			
United States	$1,862,698	$ 1,677,116	$ 1,541,336
Other Countries	152,779	144,449	132,621
Total Revenues	$2,015,477	$ 1,821,565	$ 1,673,957

Revenue from external customers, classified by significant product and service offerings, was as follows:

Years ended December 31,	2019	2018	2017
(in thousands)			
Residential revenue	$ 861,636	$ 773,932	$ 705,787
Commercial revenue	770,342	707,386	666,523
Termite completions, bait monitoring, and renewals	371,258	332,573	294,982
Other revenues	12,241	7,674	6,665
Total Revenues	$ 2,015,477	$ 1,821,565	$ 1,673,957

Deferred revenue recognized for the year ended December 31, 2019 and 2018 was $165.0 million and $156.6 million, respectively. Changes in unearned revenue were as follows:

At December 31,	2019	2018
(in thousands)		
Balance at beginning of year	$ 127,075	$ 117,614
Deferral of unearned revenue	174,404	166,053
Recognition of unearned revenue	(164,972)	(156,592)
Balance at end of year	$ 136,507	$ 127,075

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized ("contracted not recognized revenue"), which includes both unearned revenue and revenue that will be billed and recognized in future periods. The Company has no material contracted not recognized revenue as of December 31, 2019 or December 31, 2018.

At December 31, 2019 and December 31, 2018, the Company had long-term unearned revenue of $13.7 million and $11.1 million, respectively. Unearned short-term revenue is recognized over the next 12-month period. The majority of unearned long-term revenue is recognized over a period of five years or less with immaterial amounts recognized through 2025.

4. DEBT

The Company entered into a new Credit Agreement with SunTrust Bank and Bank of America, N.A. for an unsecured Revolving Commitment of up to $175.0 million, which includes a $75.0 million letter of credit subfacility and a $25.0 million swingline subfacility and an unsecured variable rate $250.0 million Term Loan with SunTrust Bank and Bank of America, N.A. Both the Revolving Commitment and the Term Loan have five-year durations commencing on April 29, 2019. In addition, the agreement has provisions to extend the duration beyond the Revolving Commitment Termination date as well as optional prepayments rights at any time and from time to time to prepay any borrowing, in whole or in part, without premium or penalty. As of December 31, 2019, the Revolving Commitment had outstanding borrowings of $101.5 million and the Term Loan had outstanding borrowings of $190.0 million. As of December 31, 2018, there were no outstanding borrowings. The $291.5 million outstanding borrowings value approximated the fair value at December 31, 2019 based upon interest rates available to the Company as evidenced by debt of other companies with similar credit characteristics. Our effective interest rate on the debt outstanding as of December 31, 2019 was 2.66%. The effective interest rate is comprised of the 1-month LIBOR plus a margin of 87.5 basis points as determined by our leverage ratio calculation.

The aggregate annual maturities of long-term debt were as follows:

(in thousands)	Revolving Commitment	Term Loan	Total
2020	$ —	$ 12,500	$ 12,500
2021	—	17,188	17,188
2022	—	18,750	18,750
2023	—	23,437	23,437
2024	101,500	118,125	219,625
Total	$ 101,500	$ 190,000	$ 291,500

The Company maintains approximately $32.9 million in letters of credit. These letters of credit are required by the Company's fronting insurance companies and/or certain states, due to the Company's self-insured status, to secure various workers' compensation and casualty insurance contracts coverage. The Company believes that it has adequate liquid assets, funding sources and insurance accruals to accommodate such claims.

In order to comply with applicable debt covenants, the Company is required to maintain at all times a Leverage Ratio of not greater than 3.00:1.00. The Leverage ratio is calculated as of the last day of the fiscal quarter most recently ended. The Company remained in compliance with applicable debt covenants at December 31, 2019 and expects to maintain compliance throughout 2020.

5. TRADE RECEIVABLES

The allowance for doubtful accounts is principally calculated based on the application of estimated loss percentages to delinquency aging totals, based on contractual terms, for the various categories of receivables. Bad debt write-offs occur according to Company policies that are specific to pest control, commercial and termite accounts.

At December 31,	2019	2018
(in thousands)		
Gross trade receivables	$ 139,465	$ 117,301
Allowance for doubtful accounts	(16,699)	(13,285)
Net trade receivables	$ 122,766	$ 104,016

At any given time, the Company may have immaterial amounts due from related parties, which are invoiced and settled on a regular basis.

6. FINANCING RECEIVABLES

Rollins manages its financing receivables on an aggregate basis when assessing and monitoring credit risks. The Company's credit risk is generally low with a large number of entities comprising Rollins' customer base and dispersion across many different geographical regions. The credit quality of a potential obligor is evaluated at the loan origination based on an assessment of the individual's Beacon/credit bureau score. Rollins requires a potential obligor to have good credit worthiness with low risk before entering into a contract. Depending upon the individual's credit score, the Company may accept with 100% financing or require a significant down payment or turndown the contract. Delinquencies of accounts are monitored each month. Financing receivables include installment receivable amounts which are due subsequent to one year from the balance sheet dates.

At December 31,	2019	2018
(in thousands)		
Gross financing receivables, short-term	$ 23,942	$ 20,299
Gross financing receivables, long-term	32,076	29,763
Allowance for doubtful accounts	(2,959)	(3,381)
Net financing receivables	$ 53,059	$ 46,681

Total financing receivables, net were $53.1 million and $46.7 million at December 31, 2019 and December 31, 2018, respectively. Financing receivables are generally charged-off when deemed uncollectable or when 180 days have elapsed since the date of the last full contractual payment. The Company's charge-off policy has been consistently applied during the periods reported. Management considers the charge-off policy when evaluating the appropriateness of the allowance for doubtful accounts. Gross charge-offs as a percentage of average financing receivables were 5.0% and 3.8% for the twelve months ended December 31, 2019 and December 31, 2018, respectively. Due to the low percentage of charge-off receivables and the high credit worthiness of the potential obligor, the entire Rollins, Inc. financing receivables portfolio has a low credit risk.

The Company offers 90 days same-as-cash financing to some customers based on their credit worthiness. Interest is not recognized until the 91st day at which time it is recognized retrospectively back to the first day if the contract has not been paid in full. In certain circumstances, such as when delinquency is deemed to be of an administrative nature, accounts may still accrue interest when they reach 180 days past due. As of December 31, 2019, there were seven accounts that were greater than 180 days past due, which have been fully reserved.

Included in financing receivables are notes receivable from franchise owners. The majority of these notes are low risk as the repurchase of these franchises is guaranteed by the Company's wholly-owned subsidiary, Orkin Systems, LLC, and the repurchase price of the franchise is currently estimated and has historically been well above the receivable due from the franchise owner. Also included in notes receivables are franchise notes from other brands which are not guaranteed and do not have the same historical valuation.

The carrying amount of notes receivable approximates fair value as the interest rates approximate market rates for these types of contracts. Long-Term Installment receivables, net were $30.8 million and $28.2 million at December 31, 2019 and 2018, respectively.

Rollins establishes an allowance for doubtful accounts to ensure financing receivables are not overstated due to uncollectability. The allowance balance is comprised of a general reserve, which is determined based on a percentage of the financing receivables balance, and a specific reserve, which is established for certain accounts with identified exposures, such as customer default, bankruptcy or other events, that make it unlikely that Rollins will recover its investment. The general reserve percentages are based on several factors, which include consideration of historical credit losses and portfolio delinquencies, trends in overall weighted-average risk rating of the portfolio and information derived from competitive benchmarking.

The allowance for doubtful accounts related to financing receivables was as follows

At December 31,	2019	2018
(in thousands)		
Balance, beginning of period	$ 3,381	$ 2,892
Additions to allowance	2,179	2,161
Deductions, net of recoveries	(2,601)	(1,672)
Balance, end of period	$ 2,959	$ 3,381

The following is a summary of the past due financing receivables:

At December 31,	2019	2018
(in thousands)		
30-59 days past due	$ 1,427	$ 1,566
60-89 days past due	751	777
90 days or more past due	1,412	1,407
Total	$ 3,590	$ 3,750

The following is a summary of percentage of gross financing receivables:

At December 31,	2019	2018
Current	93.7%	92.5%
30-59 days past due	2.5%	3.1%
60-89 days past due	1.3%	1.6%
90 days or more past due	2.5%	2.8%
Total	100.0%	100.0%

7. EQUIPMENT AND PROPERTY

Equipment and property are presented at cost less accumulated depreciation and are detailed as follows:

December 31,	2019	2018
(in thousands)		
Buildings	$ 95,525	$ 53,339
Operating equipment	120,826	103,429
Furniture and fixtures	19,579	18,476
Computer equipment and systems	193,795	177,441
	429,725	352,685
Less: accumulated depreciation	(267,370)	(240,320)
	162,355	112,365
Land	33,178	24,520
Net equipment and property	$ 195,533	$ 136,885

Included in equipment and property, net at December 31, 2019 and 2018, are fixed assets held in foreign countries of $7.7 million, and $7.6 million, respectively.

Total depreciation expense was approximately $36.6 million in 2019, $30.4 million in 2018 and $27.4 million in 2017.

8. FAIR VALUE MEASUREMENT

The Company's financial instruments consist of cash and cash equivalents, short-term investments, trade and notes receivables, accounts payable, and other short-term liabilities. The carrying amounts of these financial instruments approximate their fair values. The Company has financial instruments related to its defined benefit pension plan and deferred compensation plan detailed in Note 16.

The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value. Level 1 refers to fair values determined based on quoted prices in active markets for identical assets. Level 2 refers to fair values estimated using significant other observable inputs, and Level 3 includes fair values estimated using significant non-observable inputs.

At December 31, 2019 and 2018 respectively, the Company had $49.1 million and $30.9 million of acquisition holdback and earnout liabilities with the former owners of acquired companies. The earnout liabilities were discounted to reflect the expected probability of payout, and both earnout and holdback liabilities were discounted to their net present value on the Company's books and are considered level 3 liabilities.

The table below presents a summary of the changes in fair value for these liabilities.

(in thousands)	
Acquisition holdback and earnout liabilities at December 31, 2017	$ 28,848
New acquisitions and revaluations	15,124
Payouts	(13,193)
Interest on outstanding liabilities	1,082
Charge offset, forfeit and other	(935)
Acquisition holdback and earnout liabilities at December 31, 2018	30,926
New acquisitions and revaluations	34,003
Payouts	(15,994)
Interest on outstanding liabilities	1,973
Charge offset, forfeit and other	(1,776)
Acquisition holdback and earnout liabilities at December 31, 2019	$ 49,132

9. GOODWILL

Goodwill represents the excess of the purchase price over the fair value of net assets of businesses acquired. The carrying amount of goodwill was $572.8 million at December 31, 2019 and $368.5 million as of December 31, 2018. Goodwill increased for the year ended December 31, 2019 due to acquisitions and currency conversion of foreign goodwill. The carrying amount of goodwill in foreign countries was $55.8 million as of December 31, 2019 and $54.9 million as of December 31, 2018.

The changes in the carrying amount of goodwill for the twelve months ended December 31, 2019 and 2018 were as follows:

(in thousands)	
Goodwill at December 31, 2017	$ 346,514
Goodwill acquired	25,605
Goodwill adjustments due to currency translation	(3,638)
Goodwill at December 31, 2018	368,481
Goodwill acquired	204,162
Goodwill adjustments due to currency translation	204
Goodwill at December 31, 2019	$ 572,847

10. CUSTOMER CONTRACTS, TRADENAMES AND TRADEMARKS, AND OTHER INTANGIBLE ASSETS

Customer contracts are amortized on a straight-line basis over the period of the agreements, as straight-line best approximates the ratio that current revenues bear to the total of current and anticipated revenues, based on the estimated lives of the assets. In accordance with the FASB ASC Topic 350 "Intangibles - Goodwill and other", the expected lives of customer contracts were reviewed, and it was determined that customer contracts should be amortized over a life of 7 to 20 years dependent upon customer type.

The carrying amount and accumulated amortization for customer contracts were as follows:

December 31,	2019	2018
(in thousands)		
Customer contracts	$ 470,781	$ 339,864
Less: accumulated amortization	(197,061)	(161,789)
Customer contracts, net	$ 273,720	$ 178,075

The carrying amount of customer contracts in foreign countries was $33.5 million as of December 31, 2019 and $37.1 million as of December 31, 2018.

Trademarks and tradenames are amortized on a straight-line basis over the period of its useful life. The Company has determined the assets have useful lives between 7 and 20 years with non-amortizable, indefinite lived tradenames of $94.5 million and $40.5 million as of December 31, 2019 and 2018, respectively.

The carrying amount and accumulated amortization for trademarks and tradenames were as follows:

December 31,	2019	2018
(in thousands)		
Trademarks and tradenames	$ 107,579	$ 58,471
Less: accumulated amortization	(5,040)	(4,331)
Trademarks and tradenames, net	$ 102,539	$ 54,140

The carrying amount of trademarks and tradenames in foreign countries was $3.4 million as of December 31, 2019 and $3.7 million as of December 31, 2018.

Other intangible assets include non-compete agreements and patents. Non-compete agreements are amortized on a straight-line basis over periods ranging from 3 to 20 years and patents are amortized on a straight-line basis over 15 years.

The carrying amount and accumulated amortization for other intangible assets were as follows:

December 31,	2019	2018
(in thousands)		
Other intangible assets	$ 22,023	$ 22,742
Less: accumulated amortization	(11,498)	(11,699)
Other intangible assets, net	$ 10,525	$ 11,043

The carrying amount of other intangible assets in foreign countries was $1.2 million as of December 31, 2019 and $1.6 million as of December 31, 2018.

Included in the table above are non-amortizable, indefinite lived Internet domain names of $2.2 million at December 31, 2019 and 2018, respectively.

Total amortization expense was approximately $44.5 million in 2019, $36.4 million in 2018 and $29.2 million in 2017.

Estimated amortization expense for the existing carrying amount of customer contracts and other intangible assets for each of the five succeeding fiscal years are as follows:

(in thousands)	
2020	$ 44,850
2021	42,638
2022	41,086
2023	36,451
2024	31,460

11. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Risk Management Objective of Using Derivatives

The Company is exposed to certain interest rate risks on our outstanding debt and foreign currency risks arising from our international business operations and global economic conditions. The Company enters into certain derivative financial instruments to lock in certain interest rates, as well as to protect the value or fix the amount of certain obligations in terms of its functional currency, the U.S. dollar.

Cash Flow Hedges of Interest Rate Risk

The Company uses interest rate swap arrangements to manage or hedge its interest rate risk. Notwithstanding the terms of the swaps, the Company is ultimately obligated for all amounts due and payable under the Revolving Commitment and the Term Loan ("Credit Facility"). The Company does not use such instruments for speculative or trading purposes.

On June 19, 2019, the Company entered into a floating-to-fixed interest rate swap for an aggregate notional amount of \$80.0 million in order to hedge a portion of the Company's floating rate indebtedness under the Credit Facility. The Company designated the swap as a cash flow hedge. The swap requires us to pay a fixed rate of 1.94% per annum on the notional amount. The cash flows from the swap began June 30, 2019 and ends on December 31, 2021. As of December 31, 2019, \$0.3 million had been recorded as an Accumulated Loss in Other Comprehensive Income ("AOCI"). Realized gains and losses in connection with each required interest payment are reclassified from AOCI to interest expense during the period of the cash flows. During 2019, \$0.1 million was recorded as interest income to offset the floating rate interest expense on our Credit Facility. On a quarterly basis, management evaluates any swap agreement to determine its effectiveness or ineffectiveness and records the change in fair value as an adjustment to AOCI. Management intends that the swap remains effective. No swaps existed at December 31, 2018.

Hedges of Foreign Exchange Risk

The Company is exposed to fluctuations in various foreign currencies against its functional currency, the US dollar. We use foreign currency derivatives, specifically vanilla foreign currency forward contracts ("FX Forwards"), to manage our exposure to fluctuations in the USD-CAD and AUD-USD exchange rates. FX Forwards involve fixing the foreign currency exchange rate for delivery of a specified amount of foreign currency on a specified date. The FX Forwards are typically settled in US dollars for their fair value at or close to their settlement date. We do not currently designate any of these FX Forwards under hedge accounting, but rather reflect the changes in fair value immediately in earnings. We do not use such instruments for speculative or trading purposes, but rather use them to manage our exposure to foreign exchange rates. Changes in the fair value of FX Forwards recorded in other income/expense and were equal to a net loss of \$0.4 million for the twelve months ended December 31, 2019 and a net gain of \$0.5 million in 2018. The fair value of the Company's FX Forwards was recorded in Other Current Liabilities as a net obligation of \$0.2 million at December 31, 2019 and in Other Assets of \$0.1 million at December 31, 2018.

As of December 31, 2019, the Company had the following outstanding FX Forwards (in thousands except for number of instruments):

(in thousands except for number of instruments)	Number of Instruments	Sell Notional	Buy Notional
FX Forward Contracts			
Sell AUD/Buy USD Fwd Contract	\$ 7	\$ 1,050	\$ 726
Sell CAD/Buy USD Fwd Contract	16	20,000	15,218
Total	\$ 23		\$ 15,944

The financial statement impact related to these derivative instruments was insignificant for the years ended December 31, 2019, 2018, and 2017.

12. INCOME TAXES

The Company's income tax provision consisted of the following:

For the years ended December 31,	2019	2018	2017
(in thousands)			
Current:			
Federal	\$ 43,593	\$ 49,911	\$ 76,178
State	15,337	13,602	13,406
Foreign	6,111	7,929	7,158
Total current tax	65,041	71,442	96,742
Deferred:			
Federal	(5,217)	6,091	17,249
State	(1,518)	1,957	1,610
Foreign	(493)	(420)	(223)
Total deferred tax	(7,228)	7,628	18,636
Total income tax provision	\$ 57,813	\$ 79,070	\$ 115,378

The primary factors causing income tax expense to be different than the federal statutory rate for 2019, 2018 and 2017 are as follows:

For the years ended December 31,	2019	2018	2017
(in thousands)			
Income tax at statutory rate	\$ 54,845	\$ 65,254	\$ 103,075
State income tax expense (net of federal benefit)	10,182	12,984	9,979
Foreign tax expense/(benefit)	933	1,186	(1,613)
Foreign tax credit	(242)	(234)	(221)
Repatriation tax under TCJA	(844)	1,233	7,956
Pension settlement	(10,537)	—	—
Restricted Stock Adjustment	(2,973)	(4,420)	(4,064)
Other	6,449	3,067	266
Total income tax provision	\$ 57,813	\$ 79,070	\$ 115,378

Other includes the release of deferred tax liabilities, tax credits, valuation allowance, and other immaterial adjustments.

On December 22, 2017 the Tax Cuts and Jobs Act (TCJA) was signed into law. The TCJA reduced the corporate tax rate from 35% to 21% and made numerous other tax law changes. In

2017, the SEC issued Staff Accounting Bulletin No. 118 which permitted the recording of provisional amounts related to the impact of the TCJA during a measurement period not to exceed one year. A provisional amount based on reasonable estimates was made with respect to the tax implications associated with the deemed repatriated earnings on foreign subsidiaries based on the initial analysis of the TCJA. Certain tax effects of the TCJA were recognized in the year ended December 31, 2017, resulting in the recording of $11.6 million of additional tax expense. The additional tax of $11.6 million related to the following components: $8.0 million related to the imposition of a tax on deemed repatriated earnings of foreign subsidiaries due to implementation of a territorial tax system, $2.9 million related to re-measurement of deferred tax assets to the 21% tax rate, and $0.7 million related to reductions in tax benefits on stock compensation. During 2018, the Company completed the analysis of earnings and profits of foreign investments. This resulted in the recognition at year ended December 31, 2018 of an additional $1.2 million related to the imposition of a tax on deemed repatriated earnings of foreign subsidiaries. The Company has elected to include the global intangible low-taxed income (GILTI) as part of tax expense in the year incurred.

The Provision for Income Taxes resulted in an effective tax rate of 22.1% on Income Before Income Taxes for the year ended December 31, 2019. The effective rate differs from the annual federal statutory rate primarily because of state and foreign income taxes and beneficial adjustments related to the pension settlement.

For 2018 the effective tax rate was 25.4%. The effective rate differs from the annual federal statutory rate primarily because of state and foreign income taxes, tax benefits associated with restricted stock and adjustments due to the TCJA.

For 2017 the effective tax rate was 39.2%. The effective income tax rate differs from the annual federal statutory tax rate primarily because of state and foreign income taxes, adjustments due to the TCJA partially offset by tax benefits associated with restricted stock, and the increase of available foreign tax credits.

During 2019, 2018 and 2017, the Company paid income taxes of $75.8 million, $77.3 million and $90.7 million, respectively, net of refunds.

Deferred income taxes reflect the net tax effects of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and income tax purposes. Significant components of the Company's deferred tax assets and liabilities at December 31, 2019 and 2018 are as follows:

December 31,	2019	2018
(in thousands)		
Deferred tax assets:		
Termite accrual	$ 786	$ 812
Insurance and contingencies	18,464	18,136
Unearned revenues	11,506	11,091
Compensation and benefits	11,983	11,238
State and foreign operating loss carryforwards	3,939	5,346
Bad debt reserve	4,312	3,687
Foreign tax credit	3,972	6,664
Other	2,439	2,060
Valuation allowance	(83)	(76)
Total deferred tax assets	57,318	58,958
Deferred tax liabilities:		
Depreciation and amortization	(24,981)	(21,237)
Net pension liability	(5,279)	(1,340)
Intangibles and other	(34,805)	(29,466)
Total deferred tax liabilities	(65,065)	(52,043)
Net deferred taxes		
Deferred tax assets	$ 2,180	$ 6,915
Deferred tax liabilities	$ (9,927)	$ —

Analysis of the valuation allowance:

December 31,	2019	2018
(in thousands)		
Valuation allowance at beginning of year	$ 76	$ 24
Increase in valuation allowance	7	52
Valuation allowance at end of year	$ 83	$ 76

As of December 31, 2019, the Company has net operating loss carryforwards for foreign and state income tax purposes of approximately $85.3 million, which will be available to offset future taxable income. If not used, these carryforwards will expire between 2020 and 2032. Management believes that it is unlikely to be able to utilize approximately $0.4 million of foreign net operating losses before they expire and has included a valuation allowance for the effect of these unrealizable operating loss carryforwards. The valuation allowance increased by $0.04 million due to foreign net operating losses.

Earnings from continuing operations before income tax included foreign income of $26.7 million in 2019, $22.7 million in 2018 and $22.1 million in 2017. The Company's international business is expanding, and we intend to continue to grow the business in foreign markets in the future through reinvestment of foreign deposits and future earnings as well as acquisition of unrelated companies. Repatriation of cash from the Company's foreign subsidiaries is not part of the Company's current business plan.

The total amount of unrecognized tax benefits at December 31, 2019 that, if recognized, would affect the effective tax rate is $0.8 million.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

December 31,	2019	2018
(in thousands)		
Unrecognized tax benefits at beginning of year	$ 2,554	$ 3,148
Additions for tax positions of prior years	844	—
Reductions for tax positions of prior years	(2,554)	(594)
Unrecognized tax benefits at end of year	$ 844	$ 2,554

The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax of multiple state and foreign jurisdictions. In addition, the Company has subsidiaries in various state and international jurisdictions that are currently under audit for years ranging from 2012 through 2018. With few exceptions, we are no longer subject to U.S. federal, state and local, or non-U.S., income tax examinations for years prior to 2012.

It is reasonably possible that the amount of unrecognized tax benefits will decrease in the next 12 months.

The Company's policy is to record interest and penalties related to income tax matters in income tax expense. Accrued interest and penalties were $0.03 million and $1.0 million as of December 31, 2019 and 2018, respectively. During 2019 the Company recognized interest and penalties of $0.1 million.

13. ACCRUAL FOR TERMITE CONTRACTS

In accordance with the FASB ASC Topic 450 *"Contingencies,"* the Company maintains an accrual for termite claims representing the estimated costs of reapplications, repairs and associated labor and chemicals, settlements, awards and other costs relative to termite control services. Factors that may impact future cost include termiticide life expectancy and government regulation.

A reconciliation of changes in the accrual for termite contracts is as follows:

At December 31,	2019	2018
(in thousands)		
Accrual for termite claims at beginning of year	$ 3,219	$ 4,885
Current year provision	3,014	2,392
Settlements, claims, and expenditures	(3,094)	(4,058)
Accrual for termite claims at end of year	$ 3,139	$ 3,219

The accrual for termite contracts is included in other current liabilities, $2.3 million and $2.2 million at December 31, 2019 and 2018, respectively and long-term accrued liabilities, $0.8 million and $1.0 million at December 31, 2019 and 2018, respectively on the Company's consolidated statements of financial position.

14. LEASES

The Company leases certain buildings, vehicles, and equipment in order to reduce the risk associated with ownership. The Company elected the practical expedient approach permitted under ASC 842 not to include short-term leases with a duration of 12 months or less on the balance sheet. As of December 31, 2019 and 2018, all leases were classified as operating leases. Building leases generally carry terms of 5 to 10 years with annual rent escalations at fixed amounts per the lease. Vehicle leases generally carry a fixed term of one year with renewal options to extend the lease on a monthly basis resulting in lease terms up to 5 years depending on the class of vehicle. The exercise of renewal options is at the Company's sole discretion. It is reasonably certain that the Company will exercise the renewal options on its vehicle leases. The measurement of right-of-use assets and liabilities for vehicle leases includes the fixed payments associated with such renewal periods. We separate lease and non-lease components of contracts. Our lease agreements do not contain any material variable payments, residual value guarantees, early termination penalties or restrictive covenants. As of December 31, 2019, the Company had no additional future obligations for leases that had not yet commenced.

The Company uses the rate implicit in the lease when available; however, most of our leases do not provide a readily determinable implicit rate. Accordingly, we estimate our incremental borrowing rate based on information available at lease commencement.

(dollars in thousands)		
Lease Classification	**Financial Statement Classification**	**Year Ended December 31, 2019**
Short-term lease cost	Cost of services provided, Sales, general, and administrative expenses	$ 351
Operating lease cost	Cost of services provided, Sales, general, and administrative expenses	77,412
Total lease expense		$ 77,763
Other Information:		
Weighted-average remaining lease term - operating leases		3.90 Yrs
Weighted-average discount rate - operating leases		3.94%
Cash paid for amounts included in the measurement of lease liabilities:		$ 76,404
Operating cash flows for operating leases		
Operating lease right-of-use assets, net		$ 200,727
Operating lease liabilities-current		$ 66,117
Operating lease liabilities, less current portion		$ 135,651

Lease Commitments

Future minimum lease payments, including assumed exercise of renewal options at December 31, 2019 were as follows:

(in thousands)	Operating Leases
2020	$ 72,916
2021	58,344
2022	39,790
2023	21,550
2024	10,158
Thereafter	16,623
Total future minimum lease payments	219,381
Less: Amount representing interest	17,613
Total future minimum lease payments, net of interest	$ 201,768

15. COMMITMENTS AND CONTINGENCIES

In the normal course of business, certain of the Company's subsidiaries are defendants in a number of lawsuits, claims or arbitrations which allege that the subsidiaries' services caused damage. In addition, the Company defends employment related cases and claims from time to time, which may include claims on a representative or class action basis alleging wage and hour law violations. We are involved in certain environmental matters primarily arising in the normal course of business. We are actively contesting each of these matters.

Management does not believe that any pending claim, proceeding or litigation, either alone or in the aggregate will have a material adverse effect on the Company's financial position, results of operations or liquidity; however, it is possible that an unfavorable outcome of some or all of the matters, however unlikely, could result in a charge that might be material to the results of an individual quarter or year.

16. EMPLOYEE BENEFIT PLANS

Defined Benefit Pension Plans

Rollins, Inc. Retirement Income Plan

The Company maintained several noncontributory tax-qualified defined benefit pension plans (the "Plans") covering employees meeting certain age and service requirements. The Plans provide benefits based on the average compensation for the highest five years during the last ten years of credited service (as defined) in which compensation was received, and the average anticipated Social Security covered earnings. The Company funds the Plans with at least the minimum amount required by ERISA. The Company made a contribution of $0.1 million to the Plans for the year ended December 31, 2019 and no contribution for the years ended December 31, 2018 and 2017.

In 2005, the Company ceased all future benefit accruals under the Rollins, Inc. Retirement Income Plan, although the

Company remains obligated to provide employees benefits earned through June 2005. In September 2019, the Company settled its fully-funded pension plan through a combination of lump sum payments to participants, payments to the Pension Benefit Guaranty Corporation, and the purchase of a group annuity contract. With the completed funding of the plan payout settlements, the Company had approximately $31.8 million of pension assets remaining. The remaining assets were the result of the funded status of the plan, higher take rate of lump sum payment election by participants and optimal pricing of the group annuity contract. The Company has evaluated the ERISA allowable opportunities for utilization of the excess pension assets including funding other employee benefits. The Company used $11.0 million of the $31.8 million to fund its 401(k) match obligation during the year ended December 31, 2019, and plans to continue funding future benefit plan obligations with a possible reversion of any remaining pension assets to the Company per ERISA regulations. The Company recognized a $49.9 million non-cash pension settlement expense from this transition, which is the accounting treatment of the accumulated sum of unrealized losses due to change in actuarial assumptions over the life of the plan. Net of tax, the expense was $26.6 million. As of December 31, 2019, the Company had approximately $21.6 million remaining of benefit plan assets.

The Company includes the Waltham Services, LLC Hourly Employee Pension Plan in the Company's financial statements. The Waltham Services, LLC Hourly Employee Pension Plan was amended, effective September 1, 2018, to freeze future benefit accruals for all participants. The Company accounts for these defined benefit plans in accordance with the FASB ASC Topic 715 "Compensation- Retirement Benefits," and engages an outside actuary to calculate its obligations and costs. With the assistance of the actuary, the Company evaluates the significant assumptions used on a periodic basis including the estimated future return on plan assets, the discount rate, and other factors, and makes adjustments to these liabilities as necessary.

The Company currently uses December 31 as the measurement date for its defined benefit post-retirement plans. The funded status of the Plans and the net amount recognized in the statement of financial position are summarized as follows as of:

December 31,	2019	2018
(in thousands)		
CHANGE IN ACCUMULATED BENEFIT OBLIGATION		
Accumulated benefit obligation at beginning of year	$ 208,425	$ 202,310
Service cost	—	37
Interest cost	4,804	7,926
Actuarial (gain)/loss	(4,156)	11,175
Benefits paid	(8,000)	(13,023)
Settlement	(198,255)	—
Accumulated Benefit obligation at end of year	2,818	208,425
CHANGE IN PLAN ASSETS		
Fair value of assets at beginning of year	213,699	219,905
Settlement	(198,255)	—
Actual return on assets	27,064	6,817
Employer contributions	144	—
Rollins 401(k) funding	(11,049)	—
Benefits paid	(8,000)	(13,023)
Fair value of plan assets at end of year	23,603	213,699
Funded status	$ 20,785	$ 5,274

Amounts Recognized in the Statement of Financial Position consist of:

December 31,	2019	2018
(in thousands)		
Assets:		
Benefit plan assets	$ 21,565	$ —
Prepaid pension	—	5,274
Liabilities:		
Long-term accrued liabilities	$ 780	$ —

Amounts Recognized in the Accumulated Other Comprehensive Income consist of:

December 31,	2019	2018
(in thousands)		
Net Actuarial Loss	$ 912	$ 76,362

The accumulated benefit obligation for the defined benefit pension plans were $2.8 million and $208.4 million at December 31, 2019 and 2018, respectively. Accumulated benefit obligation and projected benefit obligation are materially the same for the Plans. In 2019 and 2017, pension liability pre-tax decreases of $75.4 million and $19.0 million, respectively, were credited, net of tax, to other comprehensive income. In 2018, the pre-tax increase of $14.8 million in the pension liability was charged, net of tax against other comprehensive income.

The following weighted-average assumptions were used to determine the accumulated benefit obligation and net benefit cost:

December 31,	2019	2018	2017
ACCUMULATED BENEFIT OBLIGATION			
Discount rate	3.65%	4.00%*	4.00%
Rate of compensation increase	N/A	N/A	N/A
NET BENEFIT COST			
Discount rate	4.70%	4.05%	4.45%
Expected return on plan assets	7.00%	7.00%	7.00%
Rate of compensation increase	N/A	N/A	N/A

* In 2018, the Company used a termination liability approach in calculating the 2018 discount rate for the Rollins, Inc. Pension plan. The following assumptions were used 1) 3.90%, based on current market conditions, for participants in pay status expected to elect a plan termination annuity; 2) 4.11%, based on current market conditions, for active and terminated participants with deferred benefits expected to elect a plan termination annuity; 3) The IRC 417(e) interest rates for the month of November 2018 (3.43%, 4.46%, and 4.88%), based on plan provisions, for all lump sum eligible expected to elect a plan termination lump sum. The Waltham Services, LLC Hourly Employee Pension Plan applied 4.05% discount rate based on yield curve analysis.

The return on plan assets reflects the weighted-average of the expected long-term rates of return for the broad categories of investments held in the plan. The expected long-term rate of return is adjusted when there are fundamental changes in the expected returns on the plan investments.

The discount rate reflects the current rate at which the pension liabilities could be effectively settled at the end of the year. In estimating this rate, the Company utilized a yield curve analysis for the Waltham Services, LLC Hourly Employee Pension Plan for fiscal year's 2019, 2018 and 2017. For the Rollins, Inc. Defined Benefit Plan, the Company utilized a termination liability approach for fiscal year 2018 and settled the plan in 2019.

The components of net periodic benefit cost are summarized as follows:

Years ended December 31,	2019	2018	2017
(in thousands)			
Service cost	$ —	$ 37	$ 58
Interest cost	4,805	7,926	8,493
Expected return on plan assets	(6,149)	(13,775)	(13,368)
Amortization of net loss	2,396	3,292	3,322
Preliminary net periodic benefit cost/(income)	1,052	(2,520)	(1,495)
Settlement expense	46,419	—	53
Net periodic benefit cost/(income)	$ 47,471	$ (2,520)	$ (1,442)

The benefit obligations recognized in other comprehensive income for the years ended December 31, 2019, 2018, and 2017 are summarized as follows :

Years ended December 31,	2019	2018	2017
(in thousands)			
Pretax (income)/loss	$ (26,634)	$ 18,056	$ (15,597)
Amortization of net loss	(2,396)	(3,292)	(3,322)
Settlement expense	(46,419)	—	(53)
Total recognized in other comprehensive income	$ (75,449)	$ 14,764	$ (18,972)

At December 31, 2019 and 2018, the Plan's assets were comprised of listed common stocks and U.S. government and corporate securities, real estate and other. Included in the assets of the Plan were shares of Rollins, Inc. Common Stock with a market value $1.6 million at December 31, 2018. No shares of Rollins, Inc. Common Stock were held by the Plan at December 31, 2019.

The Plans' weighted average asset allocation at December 31, 2019 and 2018 by asset category, along with the target allocation for 2018, are as follows:

Asset category	Target Allocations for 2020	Percentage of plan assets as of December 31, 2019	2018
Cash and cash equivalents	0.0%–100.0%	72.3%	3.5%
Equity securities—Rollins stock	0.0%–40.0%	0.0%	0.4%
Domestic equity—all other	0.0%–40.0%	3.8%	0.7%
International equity	0.0%–30.0%	1.9%	0.2%
Debt securities—core fixed income	0.0%–100.0%	2.1%	91.1%
Real estate	0.0%–20.0%	9.5%	2.0%
Alternative/Opportunistic/Special	0.0%–20.0%	10.4%	2.1%
Total	0.0%–100.0%	100.0%	100.0%

For each of the asset categories in the pension plan, the investment strategy is identical – maximize the long-term rate of return on plan assets with an acceptable level of risk in order to minimize the cost of providing pension benefits. The investment policy establishes a target allocation for each asset class which is rebalanced as required. The plans utilize a number of investment approaches, including individual market securities, equity and fixed income funds in which the underlying securities are marketable, and debt funds to achieve this target allocation. The Company and management are not considering making contributions to the remaining pension plan during fiscal 2020.

Some of our assets, primarily our private equity, real estate, and hedge funds, do not have readily determinable market values given the specific investment structures involved and the nature of the underlying investments. For the December 31, 2018 plan asset reporting, publicly traded asset pricing was used where possible. For assets without readily determinable values, estimates were derived from investment manager statements combined with discussions focusing on underlying fundamentals and significant events. Additionally, these investments are categorized as NAV investments and are valued using significant non-observable inputs which do not have a readily determinable fair value. In accordance with ASU No. 2011-12 "Investments In Certain Entities That Calculate Net Asset Value per Share (Or Its Equivalent)," these investments are valued based on the net asset value per share calculated by the funds in which the plan has invested. These valuations are subject to judgments and assumptions of the funds which may prove to be incorrect, resulting in risks of incorrect valuation of these investments. The Company seeks to mitigate against these risks by evaluating the appropriateness of the funds' judgments and assumptions by reviewing the financial data included in the funds' financial statements for reasonableness.

Fair Value Measurements

Given the funded status of the Rollins, Inc. Plan, the Company has modified the overall investment strategy to mitigate risk related to volatility with asset types by transitioning to a higher percentage of fixed income securities. As such, the Company's overall investment strategy is to achieve a mix of approximately 50 percent of investments to match long-term pension obligations and 50 percent for near term benefits payments, with a diversification of assets types, fund strategies and fund managers. With the modification of investment strategy, the Company has transitioned the majority of its assets to Fixed-income securities. Fixed-income securities include corporate bonds, mortgage-backed securities, sovereign bonds, and U.S. Treasuries. Equity securities primarily include investments in large-cap and small-cap companies domiciled domestically and internationally. Other types of investments include real estate funds and private equity funds that follow several different investment strategies. For each of the asset categories in the pension plan, the investment strategy is identical – maximize the long-term rate of return on plan assets with an acceptable level of risk in order to minimize the cost of providing pension benefits. The investment policy establishes a target allocation for each asset class which is rebalanced as required. The plans utilize a number of investment approaches, including but not limited to individual market securities, equity and fixed income funds in which the underlying securities are marketable, and debt funds to achieve this target allocation.

The following table presents our plan assets using the fair value hierarchy as of December 31, 2019. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value. See Note 8 for a brief description of the three levels under the fair value hierarchy.

(in thousands)	Level 1	Level 2	NAV	Total
(1) Cash and cash equivalents	$ 17,071	$ —	$ —	$ 17,071
(2) Fixed income securities	—	499	—	499
Domestic equity securities	—	899	—	899
(3) International equity securities	—	437	—	437
(4) Real estate	—	—	2,235	2,235
(5) Alternative/opportunistic/special	—	—	2,462	2,462
Total	$ 17,071	$ 1,835	$ 4,697	$ 23,603

The following table presents our plan assets using the fair value hierarchy as of December 31, 2018. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value.

	Combined Rollins and Waltham Defined Benefit Plans			
(in thousands)	**Level 1**	**Level 2**	**NAV**	**Total**
(1) Cash and cash equivalents	$ 7,438	$ —	$ —	$ 7,438
(2) Fixed income securities	170,249	474	24,026	194,749
Domestic equity securities				
Rollins, Inc. stock	1,582	—	—	1,582
Other securities	—	789	—	789
(3) International equity securities	—	363	—	363
(4) Real estate	—	—	4,204	4,204
(5) Alternative/opportunistic/special	—	—	4,574	4,574
Total	$ 179,269	$ 1,626	$ 32,804	$ 213,699

(1) Cash and cash equivalents, which are used to pay benefits and plan administrative expenses, are held in Rule 2a-7 money market funds.
(2) Fixed income securities are primarily valued using a market approach with inputs that include broker quotes, benchmark yields, base spreads and reported trades.
(3) International equity securities are valued using a market approach based on the quoted market prices of identical instruments in their respective markets.
(4) Real estate fund values are primarily reported by the fund manager and are based on valuation of the underlying investments, which include inputs such as cost, discounted future cash flows, independent appraisals and market based comparable data.
(5) Alternative/Opportunistic/Special funds can invest across the capital structure in both liquid and illiquid securities that are valued using a market approach based on the quoted market prices of identical instruments, or if no market price is available, instruments will be held at their fair market value (which may be cost) as reasonably determined by the investment manager, independent dealers, or pricing services.

There were no purchases, sales or transfers of assets classified as Level 3 in 2019 or 2018.

The estimated future benefit payments over the next five years are as follows:

(in thousands)	
2020	$ 69
2021	76
2022	84
2023	90
2024	110
Thereafter	694
Total	$ 1,123

Defined Contribution 401(k) Savings Plan

The Company sponsors a defined contribution 401(k) Savings Plan that is available to a majority of the Company's full-time employees the first day of the calendar quarter following completion of three months of service. The Plan is available to non-full-time employees the first day of the calendar quarter following one year of service upon completion of 1,000 hours in that year. The Plan changed for 2018 and beyond to provide for a matching contribution of one dollar ($1.00) for each one dollar ($1.00) of a participant's contributions to the Plan that do not exceed 3 percent of his or her eligible compensation (which include commissions, overtime, and bonuses) and fifty cents ($0.50) for each one dollar ($1.00) of a participant's contributions to the Plan over the initial 3 percent that do not exceed 6 percent of his or her eligible compensation (which includes commissions, overtime and bonuses), up from a matching contribution of fifty cents ($0.50) for each one dollar ($1.00) of a participant's contributions to the Plan that do not exceed 6 percent of his or her eligible compensation (which include commissions, overtime and bonuses) in 2017. The charge to expense for the Company match was approximately $25.5 million and $21.1 million for the years ended December 31, 2019 and 2018, respectively and $11.0 million for the year ended December 31, 2017. At December 31, 2019, 2018, and 2017 approximately, 30.8%, 41.7%, and 38.8%, respectively of the plan assets consisted of Rollins, Inc. Common Stock. Total administrative fees paid by the Company for the Plan were less than $0.1 million for each of the years ended December 31, 2019, 2018 and 2017.

Nonqualified Deferred Compensation Plan

The Deferred Compensation Plan provides that participants may defer up to 50% of their base salary and up to 85% of their annual bonus with respect to any given plan year, subject to a $2 thousand per plan year minimum. The Company may make discretionary contributions to participant accounts but has not done so since 2011.

Accounts will be credited with hypothetical earnings, and/or debited with hypothetical losses, based on the performance of certain "Measurement Funds." Account values are calculated as if the funds from deferrals and Company credits had been converted into shares or other ownership units of selected Measurement Funds by purchasing (or selling, where relevant) such shares or units at the current purchase price of the relevant Measurement Fund at the time of the participant's selection. Deferred Compensation Plan benefits are unsecured general obligations of the Company to the participants, and these obligations rank in parity with the Company's other unsecured and unsubordinated indebtedness. The Company has established a "rabbi trust," which it uses to voluntarily set aside amounts to indirectly fund any obligations under the Deferred Compensation Plan. To the extent that the Company's obligations under the Deferred Compensation Plan exceed assets available under the trust, the Company would be required to seek additional funding sources to fund its liability under the Deferred Compensation Plan.

Generally, the Deferred Compensation Plan provides for distributions of any deferred amounts upon the earliest to occur of a participant's death, disability, retirement or other termination of employment (a "Termination Event"). However, for any deferrals of salary and bonus (but not Company contributions), participants would be entitled to designate a distribution date which is prior to a Termination Event. Generally, the Deferred Compensation Plan allows a participant to elect to receive distributions under the Deferred Compensation Plan in installments or lump-sum payments.

At December 31, 2019, the Deferred Compensation Plan had 71 life insurance policies with a net face value of $47.4 million. The cash surrender value of these life insurance policies was worth $22.0 million and $18.3 million at December 31, 2019 and 2018, respectively.

The estimated life insurance premium payments over the next five years are as follows:

(in thousands)	
2020	$ 108
2021	1,550
2022	1,665
2023	1,906
2024	2,417
Total	$ 7,646

The following table presents our non-qualified deferred compensation plan assets using the fair value hierarchy as of December 31, 2019 and 2018.

(in thousands)	Level 1	Level 2	Level 3	Total
December 31, 2019	$ 71	$ —	$ 22,158	$ 22,229
December 31, 2018	$ 148	$ —	$ 18,267	$ 18,415

Cash and cash equivalents, which are used to pay benefits and deferred compensation plan administrative expenses, are held in Money Market Funds.

Total expense related to deferred compensation was $250 thousand, $180 thousand, and $230 thousand in 2019, 2018, and 2017, respectively. The Company had $22.2 million and $18.4 million in deferred compensation assets as of December 31, 2019 and 2018, respectively, included within other assets on the Company's consolidated statements of financial position and $21.2 million and $17.5 million in deferred compensation liability as of December 31, 2019 and 2018, respectively, located within other current liabilities and long-term accrued liabilities on the Company's consolidated statements of financial position. The amounts of assets were marked to fair value.

17. STOCK-BASED COMPENSATION

Stock Compensation Plans

Time Lapse Restricted Shares and Restricted Stock Units

Time lapse restricted shares (TLRSs) have been issued to officers and other management employees under the Company's Employee Stock Incentive Plan. The Company recognizes compensation expense for the unvested portion of awards outstanding over the remainder of the service period. The compensation cost recorded for these awards is based on their closing stock price at the grant date less the cost of estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods to reflect actual forfeitures.

TLRSs provide for the issuance of a share of the Company's Common Stock at no cost to the holder and generally vest after a certain stipulated number of years from the grant date, depending on the terms of the issue. TLRSs vest in 20 percent increments starting with the second anniversary of the grant, over six years from the date of grant. During these years, grantees receive all dividends declared and retain voting rights for the granted shares. The agreements under which the one-time grant of restricted stock is issued provide that shares awarded may not be sold or otherwise transferred until restrictions established under the plans have lapsed.

In April 2018, the Company granted a one-time issuance of TLRSs on a tiered Company tenure basis to U.S. based employees. The one-time grant vested 100 percent on the first anniversary date of the granted shares. The total shares granted were less than 0.1 million shares. During the year, grantees receive all dividends declared and retain voting rights for the granted shares. The agreements under which the one-time restricted stock is issued provide that shares awarded may not be sold or otherwise transferred until restrictions established under the plans have lapsed.

All share and per share information has been adjusted for the three-for-two stock split effective December 10, 2018.

The Company issued time lapse restricted shares of 0.5 million, 0.6 million, and 0.7 million for the years ended December 31, 2019, 2018, and 2017, respectively.

The Company issues new shares from its authorized but unissued share pool. At December 31, 2019, approximately 5.5 million shares of the Company's common stock were reserved for issuance. In accordance with the FASB ASC Topic 718, "*Compensation – Stock Compensation*," the Company recognizes the fair value of the award on a straight-line basis over the service periods of each award. The Company estimates restricted share forfeiture rates based on its historical experience.

The following table summarizes the components of the Company's stock-based compensation programs recorded as expense ($ in thousands):

Years ended December 31,	2019	2018	2017
Time lapse restricted stock:			
Pre-tax compensation expense	$ 14,159	$ 13,726	$ 12,399
Tax benefit	(3,597)	(3,486)	(4,799)
Restricted stock expense, net of tax	$ 10,562	$ 10,240	$ 7,600

As of December 31, 2019 and 2018, $41.3 million and $39.2 million, respectively, of total unrecognized compensation cost related to time-lapse restricted shares are expected to be recognized over a weighted average period of approximately 4.0 years and 4.1 years at December 31, 2019 and 2018, respectively.

The following table summarizes information on unvested restricted stock units outstanding as of December 31, 2019, 2018 and 2017:

	Number of Shares (in thousands)	Weighted-Average Grant-Date Fair Value
Unvested as of December 31, 2016	3,392	$ 13.47
Forfeited	(51)	14.92
Vested	(1,018)	11.47
Granted	703	22.97
Unvested as of December 31, 2017	3,026	16.33
Forfeited	(35)	19.05
Vested	(910)	13.24
Granted	643	32.25
Unvested as of December 31, 2018	2,724	21.08
Forfeited	(98)	24.61
Vested	(800)	17.39
Granted	484	38.40
Unvested as of December 31, 2019	2,310	$ 25.84

18. ACCUMULATED OTHER COMPREHENSIVE INCOME/(LOSS)

Accumulated other comprehensive income/ (loss) consist of the following (in thousands):

	Pension Liability Adjustment	Foreign Currency Translation	Interest Rate Swaps	Total
Balance at December 31, 2016	$ (49,200)	$ (20,875)	$ —	$ (70,075)
Change during 2017:				
Before-tax amount	18,980	9,960	—	28,940
Tax expense	(4,821)	—	—	(4,821)
Other comprehensive earnings/(loss)	14,159	9,960	—	24,119
Balance at December 31, 2017	(35,041)	(10,915)	—	(45,956)
Change during 2018:				
Before-tax amount	(14,812)	(14,072)	—	(28,884)
Tax expense	3,762		—	3,762
Other comprehensive earnings/(loss)	(11,050)	(14,072)	—	(25,122)
Balance at December 31, 2018	(46,091)	(24,987)	—	(71,078)
Change during 2019:				
Before-tax amount	75,449	4,350	(277)	79,552
Tax expense	(29,553)	—	—	(29,553)
Other comprehensive earnings/(loss)	45,896	4,350	(277)	49,969
Balance at December 31, 2019	$ (195)	$ (20,637)	$ (277)	$ (21,109)

19. RELATED PARTY TRANSACTIONS

The Company provides certain administrative services to RPC, Inc. ("RPC") (a company of which Mr. R. Randall Rollins is also Chairman, and which is otherwise affiliated with the Company). The service agreements between RPC and the Company provide for the provision of services on a cost reimbursement basis and are terminable on 6 months' notice. The services covered by these agreements include administration of certain employee benefit programs, and other administrative services. Charges to RPC (or to corporations which are subsidiaries of RPC) for such services and rent totaled approximately $0.1 million for each of the years ended December 31, 2019, 2018, and 2017.

The Company rents office, hanger and storage space to LOR, Inc. ("LOR") (a company controlled by R. Randall Rollins and Gary W. Rollins). Charges to LOR (or corporations which are subsidiaries of LOR) for rent totaled $0.8 million for the year ended December 31, 2019 and $0.9 million and $1.0 million for the years ended December 31, 2018 and 2017, respectively.

In 2014, P.I.A. LLC, a company owned by the Chairman of the Board of Directors, Mr. R. Randall Rollins, purchased a Lear Model 35A jet and entered into a lease arrangement with the Company for Company use of the aircraft for business purposes. The lease is terminable by either party on 30 days' notice. The Company pays $100 per month rent for the leased aircraft, and pays all variable costs and expenses associated with the leased aircraft, such as the costs for fuel, maintenance, storage and pilots. The Company has the priority right to use of the aircraft on business days, and Mr. Rollins has the right to use the aircraft for personal use through the terms of an Aircraft Time Sharing Agreement with the Company. During the years ended December 31, 2019, 2018 and 2017, the Company paid approximately $0.9 million, $0.7 million, and $0.8 million in rent and operating costs for the aircraft respectively. During 2019, 2018 and 2017, respectively, the Company accounted for 100 percent of the use of the aircraft. All transactions were approved by the Company's Nominating and Governance Committee of the Board of Directors.

On January 24, 2018, the Company pledged a charitable gift of $0.7 million to Emory University Hospital Midtown. The amount will be paid in equal annual installments over the next five years. Dr. Lawley recused himself from the Board of Director's approval of the gift agreement.

On December 1, 2019, Orkin, a subsidiary of the Company entered into a franchise agreement with Wilson Pest Management, Inc. The franchisee is owned 100% by John Wilson IV. The Company received a total of approximately $0.8 million, which included payment for the franchise and an initial franchise fee of seventy-five thousand dollars in connection with the transaction. The franchise agreement provides for a monthly royalty fee of 9.0% of the franchisee's reported income. John Wilson IV is the son of John F. Wilson, President and Chief Operating Officer of the Company. The Company approved the agreement in accordance with its Related Party Transactions policy.

20. UNAUDITED QUARTERLY DATA

(in thousands except per share data)	First	Second	Third	Fourth
2019				
Revenues	$ 429,069	$ 523,957	$ 556,466	$ 505,985
Gross profit (Revenues less cost of services provided)	$ 211,811	$ 270,624	$ 287,748	$ 251,701
Net Income	$ 44,226	$ 64,295	$ 44,064	$ 50,762
Income per share:				
Income per share—Basic	$ 0.14	$ 0.20	$ 0.13	$ 0.16
Income per share—Diluted	$ 0.14	$ 0.20	$ 0.13	$ 0.16
2018				
Revenues	$ 408,742	$ 480,461	$ 487,739	$ 444,623
Gross profit (Revenues less cost of services provided)	$ 202,599	$ 249,689	$ 251,452	$ 223,389
Net Income	$ 48,525	$ 65,542	$ 66,628	$ 50,968
Income per share:				
Income per share—Basic	$ 0.15	$ 0.20	$ 0.20	$ 0.16
Income per share—Diluted	$ 0.15	$ 0.20	$ 0.20	$ 0.16

21. CASH DIVIDEND

On January 28, 2020, the Board of Directors approved a 14.3% increase in the Company's quarterly cash dividend per common share to $0.12 payable March 10, 2020 to stockholders of record at the close of business February 10, 2020. On October 22, 2019, the Board of Directors declared its regular $0.105 per share as well as a special year-end dividend of $0.05 per share both payable December 10, 2019 to stockholders of record at the close of business November 11, 2019. The Company expects to continue to pay cash dividends to the common stockholders, subject to the earnings and financial condition of the Company and other relevant factors.

Item 9.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

None.

Item 9A.

Controls and Procedures

Evaluation of Disclosure Controls and Procedures—We have established disclosure controls and procedures to ensure, among other things, that material information relating to the Company, including its consolidated subsidiaries, is made known to the officers who certify the Company's financial reports and to other members of senior management and the Board of Directors.

Based on management's evaluation as of December 31, 2019, in which the principal executive officer and principal financial officer of the Company participated, the principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective, at the reasonable assurance level to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Management's Report on Internal Control Over Financial Reporting—Management's Report on Internal Control Over Financial Reporting is contained on page 37.

Changes in Internal Controls—There were no changes in our internal control over financial reporting during the fourth quarter of 2019 that materially affected or are reasonably likely to materially affect these controls.

Item 9B.

Other Information

None.

Part III

Item 10.

Directors, Executive Officers and Corporate Governance

Information concerning directors and executive officers is included in the Company's Proxy Statement for its 2019 Annual Meeting of Stockholders (the "Proxy Statement"), in the section titled "Proposal 1: Election of Directors". This information is incorporated herein by reference. Information about executive officers is contained on page 26 of this document.

Audit Committee and Audit Committee Financial Expert

Information concerning the Audit Committee of the Company and the Audit Committee Financial Expert(s) is included in the Company's Proxy Statement in the section titled "Corporate Governance and Board of Directors' Committees and Meetings – Audit Committee." This information is incorporated herein by reference.

Code of Ethics

The Company has adopted a Code of Business Conduct that applies to all employees. In addition, the Company has adopted a Code of Business Conduct and Ethics for Directors and Executive Officer and Related Party Transactions policy. Both of these documents are available on the Company's website at www.rollins.com, under the heading "Investor Relations – Corporate Governance," and a copy is available by writing to Investor Relations at 2170 Piedmont Road, Atlanta, Georgia 30324. The Company intends to satisfy the disclosure requirement under Item 10 of Form 10-K[1] regarding an amendment to, or waiver from, a provision of its code of ethics that relates to any elements of the code of ethics definition enumerated in SEC rules by posting such information on its internet website, the address of which is provided above.

Section 16(a) Beneficial Ownership Reporting Compliance

Information regarding compliance with Section 16(a) of the Exchange Act is included under "Compliance with Section 16(a) of the Exchange Act" in the Company's Proxy Statement, which is incorporated herein by reference.

Item 11.

Executive Compensation

The information under the captions "Compensation Committee Interlocks and Insider Participation," "Director Compensation," "Compensation Discussion and Analysis," "Compensation Committee Report," and "Executive Compensation" included in the Proxy Statement is incorporated herein by reference.

Item 12.

Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information under the captions "Capital Stock" and "Election of Directors" included in the Proxy Statement for the Annual Meeting of Stockholders to be held April 28, 2020 is incorporated herein by reference.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain information regarding equity compensation plans as of December 31, 2019.

Plan Category	Number of Securities To Be Issued Upon Exercise of Outstanding Options, Warrants and Rights (A)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (B)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (A) (C)
Equity compensation plans approved by security holders	2,310,101	—	5,466,484
Equity compensation plans not approved by security holders	—	—	—
Total	2,310,101	—	5,466,484[1]

[1] Includes 5,466,484 shares available for grant under the 2018 Employee Stock Incentive Plan. The 2018 Employee Stock Incentive Plan provides for awards of the Company's common stock and awards that are valued in whole or in part by reference to the Company's common stock apart from stock options and SARs including, without limitation, restricted stock, performance-accelerated restricted stock, performance stock, performance units, and stock awards or options valued by reference to book value or subsidiary performance.

Item 13.

Certain Relationships and Related Party Transactions, and Director Independence

The information under the caption "Certain Relationships and Related Party Transactions" included in the Proxy Statement is incorporated herein by reference. Information concerning director independence is included in the Proxy Statement, in the section titled "Corporate Governance and Board of Directors' Committees and Meetings." This information is incorporated herein by reference.

Item 14.

Principal Accounting Fees and Services

Information regarding principal accounting fees and services is set forth under "Independent Registered Public Accounting Firm" in the Company's Proxy Statement, which information is incorporated herein by reference.

Part IV

Item 15.

Exhibits and Financial Statement Schedules

(a) *Consolidated Financial Statements, Financial Statement Schedule and Exhibits.*

1. Consolidated financial statements listed in the accompanying Index to Consolidated Financial Statements and Schedule are filed as part of this report.

2. The financial statement schedule listed in the accompanying Index to Consolidated Financial Statements and Schedule is filed as part of this report.

3. Exhibits listed in the accompanying Index to Exhibits are filed as part of this report. The following such exhibits are management contracts or compensatory plans or arrangements:

(10) (a)	Rollins, Inc. Amended and Restated Deferred Compensation Plan, incorporated herein by reference to Exhibit 4.1 filed with the registrant's Form S-8 filed November 18, 2005.
(10) (b)	Form of Plan Agreement pursuant to the Rollins, Inc. Amended and Restated Deferred Compensation Plan, incorporated herein by reference to Exhibit 4.2 filed with the registrant's Form S-8 filed November 18, 2005.
(10) (c)	Written description of Rollins, Inc. Performance-Based Incentive Cash Compensation Plan incorporated herein by reference to Exhibit 10(a) as filed with its Form 8-K dated April 25, 2013.
(10) (d)	Forms of award agreements under the 2013 Cash Incentive Plan incorporated herein by reference to Exhibit 10(a) as filed with its Form 10-K dated February 27, 2017.
(10) (e)	2008 Stock Incentive Plan incorporated herein by reference to Exhibit A of the March 17, 2008 Proxy Statement for the Annual Meeting of the Stockholders held on April 22, 2008.
(10) (f)	Form of Restricted Stock Grant Agreement incorporated herein by reference to Exhibit 10(d) as filed with its Form 8-K dated April 28, 2008.
(10) (g)	Form of Time-Lapse Restricted Stock Agreement incorporated herein by reference to Exhibit 10.1 as filed with its Form 10-Q for the quarter ended March 31, 2012.
(10) (h)	Summary of Compensation Arrangements with Executive Officers, incorporated herein reference to Exhibit (10)(q) as filed with its Form 10-K for the year ended December 31, 2010.
(10) (i)	Summary of Compensation Arrangements with Non-Employee Directors, incorporated herein by reference to Exhibit 10(i) filed with the Registrant's 10-K filed February 25, 2015.

(b) *Exhibits (inclusive of item 3 above):*

(3) (i)	(A) Restated Certificate of Incorporation of Rollins, Inc. dated July 28, 1981, incorporated herein by reference to Exhibit (3)(i)(A) as filed with the registrant's Form 10-Q filed August 1, 2005.
	(B) Certificate of Amendment of Certificate of Incorporation of Rollins, Inc. dated August 20, 1987, incorporated herein by reference to Exhibit 3(i)(B) filed with the registrant's 10-K filed March 11, 2005.
	(C) Certificate of Change of Location of Registered Office and of Registered Agent dated March 22, 1994, incorporated herein by reference to Exhibit (3)(i)(C) filed with the registrant's Form 10-Q filed August 1, 2005.
	(D) Certificate of Amendment of Certificate of Incorporation of Rollins, Inc. dated April 25, 2006, incorporated herein by reference to Exhibit 3(i)(D) filed with the registrant's 10-Q filed October 31, 2006.
	(E) Certificate of Amendment of Certificate of Incorporation of Rollins, Inc. dated April 26, 2011, incorporated herein by reference to Exhibit 3(i)(E) filed with the Registrant's 10-K filed February 25, 2015.
	(F) Certificate of Amendment of Certificate of Incorporation of Rollins, Inc. dated April 28, 2015, incorporated herein by reference to Exhibit 3(i)(F) filed with the Registrant's 10-Q filed on July 29, 2015.
(ii)	Revised By-laws of Rollins, Inc. dated April 25, 2017, incorporated herein by reference to Exhibit (3) (i) as filed with its Form 10-Q filed April 28, 2017.

(4)(a)	Form of Common Stock Certificate of Rollins, Inc. incorporated herein by reference to Exhibit (4) as filed with its Form 10-K for the year ended December 31, 1998.
(4)(b)	Description of Registrant's Securities.
(10) (a)	Rollins, Inc. Amended and Restated Deferred Compensation Plan, incorporated herein by reference to Exhibit 4.1 filed with the registrant's Form S-8 filed November 18, 2005.
(10) (b)	Form of Plan Agreement pursuant to the Rollins, Inc. Amended and Restated Deferred Compensation Plan, incorporated herein by reference to Exhibit 4.2 filed with the registrant's Form S-8 filed November 18, 2005.
(10) (c)	Written description of Rollins, Inc. Performance-Based Incentive Cash Compensation Plan incorporated herein by reference to Exhibit 10(a) as filed with its Form 8-K dated April 25, 2013.
(10) (d)	Forms of award agreements under the 2013 Cash Incentive Plan incorporated herein by reference to Exhibit 10(a) as filed with its Form 10-K dated February 27, 2017.
(10) (e)	2008 Stock Incentive Plan incorporated herein by reference to Exhibit A of the March 17, 2008 Proxy Statement for the Annual Meeting of the Stockholders held on April 22, 2008.
(10) (f)	Form of Restricted Stock Grant Agreement incorporated herein by reference to Exhibit 10(d) as filed with its Form 8-K dated April 28, 2008.
(10) (g)	Form of Time-Lapse Restricted Stock Agreement incorporated herein by reference to Exhibit 10.1 as filed with its Form 10-Q for the quarter ended March 31, 2012.
(10) (h)	Summary of Compensation Arrangements with Executive Officers, incorporated herein reference to Exhibit (10)(q) as filed with its Form 10-K for the year ended December 31, 2010.
(10) (i)	Summary of Compensation Arrangements with Non-Employee Directors, incorporated herein by reference to Exhibit 10(i) filed with the Registrant's 10-K filed February 25, 2015.
(10) (j)	Revolving Credit Agreement dated as of April 30, 2019 between Rollins, SunTrust Bank and Bank of America, N.A.
(10) (k)	Stock Purchase Agreement by and among Rollins, Inc., Clark Pest Control of Stockton, Inc., the Stockholders of Clark Pest Control of Stockton, Inc. the Principals and the Stockholders Representative.
(10) (l)	Asset Purchase Agreement among King Distribution, Inc., a Delaware corporation, Geotech supply Co., LLC, a California limited liability company, and Clarksons California Properties, California limited partnership.
(10) (m)	Real Estate Purchase Agreement by and between RCI - King, Inc., and Clarksons California Properties, a California limited partnership.
(21)	Subsidiaries of Registrant.
(23.1)	Consent of Grant Thornton LLP, Independent Registered Public Accounting Firm.
(24)	Powers of Attorney for Directors.
(31.1)	Certification of Chief Executive Officer Pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(31.2)	Certification of Chief Financial Officer Pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(32.1)	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(101.INS)	Inline XBRL Instance Document
(101.SCH)	Inline XBRL Schema Document
(101.CAL)	Inline XBRL Calculation Linkbase Document
(101.LAB)	Inline XBRL Labels Linkbase Document
(101.PRE)	Inline XBRL Presentation Linkbase Document
(101.DEF)	Inline XBRL Definition Linkbase Document

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ROLLINS, INC.

By: /s/ Gary W. Rollins

Gary W. Rollins
Vice Chairman and Chief Executive Officer
(Principal Executive Officer)

Date: February 28, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Gary W. Rollins

Gary W. Rollins
Vice Chairman and Chief Executive Officer
(Principal Executive Officer)

Date: February 28, 2020

By: /s/ Paul E. Northen

Paul E. Northen
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Date: February 28, 2020

The Directors of Rollins, Inc. (listed below) executed a power of attorney appointing Gary W. Rollins their attorney-in-fact, empowering him to sign this report on their behalf.

R. Randall Rollins, Director
Henry B. Tippie, Lead Director
James B. Williams, Director
Bill J. Dismuke, Director
Thomas J. Lawley, MD, Director
John F. Wilson, Director
Pam R. Rollins, Director

/s/ Gary W. Rollins

Gary W. Rollins
As Attorney-in-Fact & Director
February 28, 2020

Rollins, Inc. And Subsidiaries

Index To Consolidated Financial Statements And Schedule

The following documents are filed as part of this report.

Rollins, Inc. And Subsidiaries

Schedule II-Valuation And Qualifying Accounts

	Allowance for Doubtful Accounts			
(in thousands)	Balance at Beginning of Period	Charged to Costs and Expenses	Net (Deductions) Recoveries	Balance at End of Period
Year ended December 31, 2019	$ 16,666	$ 15,145	$ (12,153)	$ 19,658
Year ended December 31, 2018	$ 14,706	$ 13,606	$ (11,646)	$ 16,666
Year ended December 31, 2017	$ 14,600	$ 10,455	$ (10,349)	$ 14,706

Rollins, Inc. And Subsidiaries

Index To Exhibits

Exhibit Number	Exhibit Description
(3) (i)	(A) Restated Certificate of Incorporation of Rollins, Inc. dated July 28, 1981, incorporated herein by reference to Exhibit (3)(i)(A) as filed with the registrant's Form 10-Q filed August 1, 2005.
	(B) Certificate of Amendment of Certificate of Incorporation of Rollins, Inc. dated August 20, 1987, incorporated herein by reference to Exhibit 3(i)(B) filed with the registrant's 10-K filed March 11, 2005.
	(C) Certificate of Change of Location of Registered Office and of Registered Agent dated March 22, 1994, incorporated herein by reference to Exhibit (3)(i)(C) filed with the registrant's Form 10-Q filed August 1, 2005.
	(D) Certificate of Amendment of Certificate of Incorporation of Rollins, Inc. dated April 25, 2006, incorporated herein by reference to Exhibit 3(i)(D) filed with the registrant's 10-Q filed October 31, 2006.
	(E) Certificate of Amendment of Certificate of Incorporation of Rollins, Inc. dated April 26, 2011, incorporated herein by reference to Exhibit 3(i)(E) filed with the Registrant's 10-K filed February 25, 2015.
	(F) Certificate of Amendment of Certificate of Incorporation of Rollins, Inc. dated April 28, 2015, incorporated herein by reference to Exhibit 3(i)(F) filed with the Registrant's 10-Q filed on July 29, 2015.
(ii)	Revised By-laws of Rollins, Inc. dated April 25, 2017, incorporated herein by reference to Exhibit (3) (i) as filed with its Form 10-Q filed April 28, 2017.
(4)(a)	Form of Common Stock Certificate of Rollins, Inc. incorporated herein by reference to Exhibit (4) as filed with its Form 10-K for the year ended December 31, 1998.
(4)(b)	Description of Registrant's Securities.
(10.1)+	Membership Interest Purchase Agreement by and among Rollins, Inc., Northwest Exterminating Co., Inc. NW Holdings, LLC and the stockholders of Northwest Exterminating Co., Inc. dated as of July 24, 2017.
(10) (a)	Rollins, Inc. Amended and Restated Deferred Compensation Plan, incorporated herein by reference to Exhibit 4.1 filed with the registrant's Form S-8 filed November 18, 2005.
(10) (b)	Form of Plan Agreement pursuant to the Rollins, Inc. Amended and Restated Deferred Compensation Plan, incorporated herein by reference to Exhibit 4.2 filed with the registrant's Form S-8 filed November 18, 2005.
(10) (c)	Written description of Rollins, Inc. Performance-Based Incentive Cash Compensation Plan incorporated herein by reference to Exhibit 10(a) as filed with its Form 8-K dated April 25, 2013.
(10) (d)	Forms of award agreements under the 2013 Cash Incentive Plan incorporated herein by reference to Exhibit 10(a) as filed with its Form 10-K dated February 27, 2017.
(10) (e)	2008 Stock Incentive Plan incorporated herein by reference to Exhibit A of the March 17, 2008 Proxy Statement for the Annual Meeting of the Stockholders held on April 22, 2008.
(10) (f)	Form of Restricted Stock Grant Agreement incorporated herein by reference to Exhibit 10(d) as filed with its Form 8-K dated April 28, 2008.
(10) (g)	Form of Time-Lapse Restricted Stock Agreement incorporated herein by reference to Exhibit 10.1 as filed with its Form 10-Q for the quarter ended March 31, 2012.
(10) (h)	Summary of Compensation Arrangements with Executive Officers, incorporated herein reference to Exhibit (10)(q) as filed with its Form 10-K for the year ended December 31, 2010.
(10) (i)	Summary of Compensation Arrangements with Non-Employee Directors, incorporated herein by reference to Exhibit 10(i) filed with the Registrant's 10-K filed February 25, 2015.
(10) (j)	Revolving Credit Agreement dated as of April 30, 2019 between Rollins, SunTrust Bank and Bank of America, N.A.
(10) (k)	Stock Purchase Agreement by and among Rollins, Inc., Clark Pest Control of Stockton, Inc., the Stockholders of Clark Pest Control of Stockton, Inc. the Principals and the Stockholders Representative.
(10) (l)	Asset Purchase Agreement among King Distribution, Inc., a Delaware corporation, Geotech Supply Co., LLC, a California limited liability company, and Clarksons California Properties, a California limited partnership.
(10) (m)	Real Estate Purchase Agreement by and between RCI - King, Inc., and Clarksons California Properties, a California limited partnership.

(21)	Subsidiaries of Registrant.
(23.1)	Consent of Grant Thornton LLP, Independent Registered Public Accounting Firm.
(24)	Powers of Attorney for Directors.
(31.1)	Certification of Chief Executive Officer Pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(31.2)	Certification of Chief Financial Officer Pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(32.1)	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(101.INS)	Inline XBRL Instance Document
(101.SCH)	Inline XBRL Schema Document
(101.CAL)	Inline XBRL Calculation Linkbase Document
(101.LAB)	Inline XBRL Labels Linkbase Document
(101.PRE)	Inline XBRL Presentation Linkbase Document
(101.DEF)	Inline XBRL Definition Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

+	Confidential treatment has been requested for certain portions of this exhibit (indicated by asterisks). Such information has been omitted and was filed separately with the Securities and Exchange Commission.

Exhibit 21

List of Subsidiaries

Rollins, Inc.	Delaware	
Orkin, LLC	Delaware	
Orkin Systems, LLC	Delaware	
Orkin S.A de C.V.	Mexico	
Orkin Expansion, Inc.	Delaware	
PCO Acquisitions, Inc.	Delaware	
Rollins Dutch Holdings C.V.	Netherlands	99.00%
Rollins Investment, LLC	Delaware	1.00%
Rollins Dutch Holdings C.V	Netherlands	
Rollins Netherlands B.V.	Netherlands	
Orkin Canada Corporation	Nova Scotia	
PCO Services Holdings Corporation	Ontario	
Critter Control Operations Canada, Inc.	Ontario	
Rollins Europe B.V.	Netherlands	
Rollins Australia Pty Ltd	Australia	
ROL-WA Pty Ltd	Australia	
ROL-ADMIN WA Pty Ltd	Australia	
ROL-GSN Pty Ltd	Australia	
Orkin Australia Pty Ltd	Australia	
Statewide Rollins Pty Ltd	Australia	
Murray Rollins Pty Ltd	Australia	
Rollins Australia Franchising Pty Ltd	Australia	
Scientific PM Holdings Pty Ltd	Australia	
Scientific Pest Management (Australia/Pacific) Pty Ltd	Australia	
Rollins UK Holdings Ltd	United Kingdom	
Safeguard Pest Control and Environmental Services Limited	United Kingdom	
AMES Group Limited	United Kingdom	
Kestrel Pest Control Limited	United Kingdom	
Guardian Cleaning Services Ltd	United Kingdom	
Guardian Hygiene Services Limited	United Kingdom	
Guardian Pest Control Limited	United Kingdom	
Baroque (S.W.) Limited	United Kingdom	
Aardwolf Pestkare (Singapore) Pte Ltd	Singapore	
Rollins Dutch Holdings UK Ltd	England and Wales	
Orkin Services of California, Inc.	Delaware	
Orkin-IFC Properties, LLC	Delaware	
Banks Pest Control	California	

Rollins Continental, Inc.	New York	
Rollins-Western Real Estate Holdings, LLC	Delaware	
RCI – King, Inc.	Delaware	
Western Industries-North, LLC	Delaware	
Western Industries-South, LLC	Delaware	
HomeTeam Pest Defense, Inc.	Delaware	
The Industrial Fumigant Company, LLC	Illinois	
IFC Services of California, Inc.	Delaware	
International Food Consultants, LLC	Texas	40.00%
Crane Acquisition, Inc.	Delaware	
Waltham Services, LLC	Georgia	
TruTech, LLC	Delaware	
B. D. D. Pest Control Incorporated	California	
Wilco Enterprises, Inc.	Virginia	
PermaTreat Pest Control Company, Inc.	Virginia	
Rollins Wildlife Services, Inc.	Delaware	
Critter Control, Inc.	Michigan	
Critter Control Operations, Inc.	Delaware	
Northwest Exterminating Co., LLC	Georgia	
Jody Millard Pest Control, LLC	Tennessee	
Okolona Pest Control, Inc.	Kentucky	
Rollins Employee Relief Fund, Inc.	Georgia	
Rollins Acceptance Company, LLC	Delaware	
King Distribution, Inc.	Delaware	
Clark Pest Control of Stockton, Inc.	California	
Clark Pest Control of Nevada, LLC	Nevada	

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated February 28, 2020, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of Rollins, Inc. on Form 10-K for the year ended December 31, 2019. We consent to the incorporation by reference of said reports in the Registration Statements of Rollins, Inc. on Forms S-8 (File No. 333-224654, File No. 33-26056, File No. 33-47528, File No. 33-52355, File No. 333-49308, File No. 333-129789, File No. 333-143692, File No. 333-143693, and File No. 333-150339).

/s/ GRANT THORNTON LLP

Atlanta, Georgia
February 28, 2020

I, Gary W. Rollins, certify that:

1. I have reviewed this annual report on Form 10-K of Rollins, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2020

/s/ Gary W. Rollins

Gary W. Rollins
Vice Chairman and Chief Executive Officer
(Principal Executive Officer)

I, Paul E. Northen, certify that:

1. I have reviewed this annual report on Form 10-K of Rollins, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2020

/s/ Paul E. Northen

Paul E. Northen
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO SECTION 906 **OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Rollins, Inc., a Delaware corporation (the "Company"), on Form 10-K for the period ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certifies, pursuant to 18 U.S.C. sec. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 28, 2020 By: /s/ Gary W. Rollins

Gary W. Rollins
Vice Chairman and Chief Executive Officer
(Principal Executive Officer)

Date: February 28, 2020 By: /s/ Paul E. Northen

Paul E. Northen
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

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ROLLINS

ROLLINS, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

DATE: Tuesday, April 28, 2020

TIME: 12:30 P.M. EST

PLACE: 2170 Piedmont Road, N.E., Atlanta, Georgia 30324

TO THE HOLDERS OF THE COMMON STOCK:

PLEASE TAKE NOTICE that the 2020 Annual Meeting of Stockholders of ROLLINS, INC., a Delaware corporation (the "Company"), will be held at the Company's corporate office located at 2170 Piedmont Road, N.E., Atlanta, Georgia, on Tuesday, April 28, 2020, at 12:30 P.M for the following purposes, as more fully described in the proxy statement accompanying this notice:

1. To elect three Class I nominees identified in the attached Proxy Statement to the Board of Directors;
2. To ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2020;
3. To hold a nonbinding vote to approve executive compensation as disclosed in these materials; and
4. To consider and act upon such other business as may properly come before the Annual Meeting or any adjournment of the meeting.

The Proxy Statement dated March 17, 2020 is attached.

The Board of Directors has fixed the close of business on February 28, 2020 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting or any adjournment thereof.

As permitted by the U.S. Securities and Exchange Commission rules, the Company is making the proxy materials relating to the Annual Meeting, including this Proxy Statement and the Company's 2019 Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (the "Annual Report"), available to our stockholders electronically via the Internet. On or about March 17, 2020, we mailed to our stockholders an Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on April 28, 2020 (the "Notice") containing instructions on how to access this Proxy Statement and our Annual Report and vote online. If you received a Notice by mail, you will not receive a printed copy of the proxy materials in the mail unless you request a copy. The Notice instructs you on how to access and review all important information contained in the Proxy Statement and Annual Report. The Notice also instructs you on how you may submit your proxy over the Internet. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials contained on the Notice.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of the Shareholders to be held on April 28, 2020: The Proxy Statement and Annual Report are available at http://www.viewproxy.com/ROL/2020.

We encourage you to take advantage of the availability of the proxy materials on the Internet in order to help lower the costs of delivery and reduce the Company's environmental impact.

Voting can be completed in one of four ways:

returning the proxy card by mail

online at www.AALVote.com/ROL

through the telephone at 1-866-804-9616

or attending the meeting to vote IN PERSON

BY ORDER OF THE BOARD OF DIRECTORS

Elizabeth B. Chandler

Elizabeth B. Chandler
Secretary

Atlanta, Georgia
March 17, 2020

Whether or not you expect to attend the annual meeting, please sign, date and return the enclosed proxy card promptly. Alternatively, you may give a proxy by telephone or over the Internet by following the instructions on your proxy card or Notice. If you decide to attend the meeting, you may, if you wish, revoke the proxy and vote your shares in person.

Proxy Statement

We are furnishing the proxy materials to stockholders on or about March 17, 2020. The Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on April 28, 2020, Proxy Statement and the Annual Report are available at **http://www.viewproxy.com/ROL/2020.**

The following information concerning the proxy and the matters to be acted upon at the Annual Meeting of Stockholders to be held on April 28, 2020 is submitted by the Company to the stockholders in connection with the solicitation of proxies on behalf of the Company's Board of Directors.

Three-for-two stock split—All shares, per share and market price data herein have been adjusted for the three-for-two stock split to stockholders of record on November 9, 2018, payable on December 10, 2018.

Solicitation of and Power to Revoke Proxy

A form of proxy is enclosed. Each proxy submitted will be voted as directed, but if not otherwise specified, proxies solicited by the Board of Directors of the Company will be voted in favor of the candidates for the election to the Board of Directors, in favor of ratification of the appointment of our independent registered public accounting firm for the fiscal year ending December 31, 2020 and in favor of the nonbinding advisory proposal to approve executive compensation.

A stockholder executing and delivering a proxy has power to revoke the same and the authority thereby given at any time prior to the exercise of such authority, if he so elects, by contacting either proxy holder, by timely submitting a later dated proxy changing his vote, or by attending the meeting and voting in person. However, a beneficial stockholder who holds his shares in street name must secure a proxy from his broker before he can attend the meeting and vote. All costs of solicitation have been, and will be, borne by the Company.

Householding and Delivery of Notice or Proxy Materials

The Company has adopted the process called "householding" for any Notice or proxy materials in order to reduce printing costs and postage fees. Householding means that stockholders who share the same last name and address will receive only one copy of the Notice or proxy materials, unless we receive contrary instructions from any stockholder at that address.

If you prefer to receive multiple copies of the proxy material at the same address, additional copies will be provided to you promptly upon written or oral request. If you are a stockholder of record, you may contact us by writing to the Company at 2170 Piedmont Rd., NE, Atlanta, GA 30324 or by calling 404-888-2000. Eligible stockholders of record receiving multiple copies of the proxy material can request householding by contacting the Company in the same manner.

Capital Stock

The outstanding capital stock of the Company on February 28, 2020 consisted of 327,776,915 shares of Common Stock, par value $1.00 per share. Holders of Common Stock are entitled to one vote (noncumulative) for each share of such stock registered in their respective names at the close of business on February 28, 2020, the record date for determining stockholders entitled to notice of and to vote at the meeting or any adjournment thereof.

A majority of the outstanding shares will constitute a quorum at the Annual Meeting. Abstentions will be counted for purposes of determining the presence or absence of a quorum for the transaction of business. In accordance with the General Corporation Law of the state of Delaware, the election of the nominees named herein as Directors will require the affirmative vote of a plurality of the votes cast by the shares of Company Common Stock entitled to vote in the election provided that a quorum is present at the Annual Meeting. In the case of a plurality vote requirement (as in the election of directors), where no particular percentage vote is required, the outcome is solely a matter of comparing the number of votes cast for each nominee, with those nominees receiving the most votes being elected, and hence only votes for director nominees (and not abstentions or broker non-votes) are relevant to the outcome. In this case, the nominees receiving the most votes will be elected. The affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote at the meeting is required to approve the ratification of the appointment of the Company's independent registered public accounting firm for fiscal year 2020 and to approve the nonbinding stockholder resolution on executive compensation. Abstentions will have the effect of a vote against the advisory proposal on executive compensation and the proposals for the ratification of the appointment of the Company's independent registered public accounting firm, while broker non-votes will have no effect on either proposal and will be disregarded. There are no rights of appraisal or similar dissenter's rights with respect to any matter to be acted upon pursuant to this Proxy Statement. It is expected that shares held of record by officers and directors of the Company, which in the aggregate represent approximately 55 percent of the outstanding shares of Common Stock, will be voted for the nominees, for the ratification of the appointment of the Company's independent registered public accounting firm and for the approval, on an advisory basis, of the compensation of the Company's named executive officers.

Stock Ownership of Certain Beneficial Owners and Management

The names of the executives recognized in the Summary Compensation Table and the name and address of each stockholder (or "group" as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), who owned beneficially over five percent (5%) of the shares of Common Stock of the Company on February 28, 2020, together with the number of shares owned by each such person and the percentage of outstanding shares that ownership represents, and information as to Common Stock ownership of the executive officers and directors of the Company as a group (according to information received by the Company) are set out below:

Name and Address of Beneficial Owner	Amount Beneficially Owned[(1)]	Percent of Outstanding Shares
R. Randall Rollins **Chairman of the Board** **2170 Piedmont Road, N.E.** **Atlanta, Georgia**	171,962,874[(2)]	52.5
Gary W. Rollins **Vice Chairman and Chief Executive Officer** **2170 Piedmont Road, N.E.** **Atlanta, Georgia**	174,454,337[(3)]	53.2
The Vanguard Group **100 Vanguard Blvd.** **Malvern, PA 19355**	18,666,496[(4)]	5.7
John F. Wilson **President and Chief Operating Officer** **2170 Piedmont Road, N.E.** **Atlanta, Georgia**	517,167[(5)]	0.2
Paul E. Northen **Senior Vice President** **Chief Financial Officer and Treasurer** **2170 Piedmont Road, N.E.** **Atlanta, Georgia**	111,203[(6)]	**
Elizabeth B. Chandler **Vice President, General Counsel and Corporate Secretary** **2170 Piedmont Road, N.E.** **Atlanta, Georgia**	50,957[(7)]	**
All Directors and Executive Officers as a group (9 persons)	180,043,729[(8)]	54.9

(1) Except as otherwise noted, the nature of the beneficial ownership for all shares is sole voting and investment power.

(2) Includes 9,526,793* shares of Company Common Stock held in two charitable trusts of which he is a co-trustee and as to which he shares voting and investment power. Also includes 716,491* shares of Company Common Stock held by his wife. Also includes 161,225,005* shares of Company Common Stock owned by RFPS Management Company I, L.P., a Georgia limited partnership. The general partner of RFPS Management Company I, L.P., is RFA Management Company, LLC, a Georgia limited liability company, the manager of which is LOR, Inc., a Georgia corporation. Mr. R. Randall Rollins is an officer and director of LOR, Inc. Mr. R. Randall Rollins and Mr. Gary W. Rollins have voting control of LOR, Inc. Also includes 296,500 shares of restricted stock awards for Company Common Stock, 19,332 shares of Company Common Stock in an individual retirement account and 7,897 shares of Company Stock in the Rollins 401(k) Savings Plan. Mr. R. Randall Rollins is part of a control group holding company securities that includes Mr. Gary W. Rollins, as disclosed on a Schedule 13D on file with the U.S. Securities and Exchange Commission.

(3) Includes 9,526,793* shares of the Company Common Stock held in two charitable trusts of which he is a co-trustee and as to which he shares voting and investment power. Also includes 16,506* shares of Company Common Stock held by his wife. Also includes 161,225,005* shares of Company Common Stock owned by RFPS Management Company I, L.P., a Georgia limited partnership. The general partner of RFPS Management Company I, L.P., is RFA Management Company, LLC, a Georgia limited liability company, the manager of which is LOR, Inc., a Georgia corporation. Mr. Gary W. Rollins is an officer and director of LOR, Inc. Mr. R. Randall Rollins and Mr. Gary W. Rollins have voting control of LOR, Inc. Also includes 329,000 shares of restricted stock awards for Company Common Stock, 73,659 shares of Company Common Stock in the Company's employee stock purchase plan, and 12,243 shares of Company Common Stock held in the Rollins 401(k) Savings Plan. Mr. Gary W. Rollins is part of a control group holding company securities that includes Mr. R. Randall Rollins, as disclosed on a Schedule 13D on file with the U.S. Securities and Exchange Commission.

(4) Based upon information received by the Company, an aggregate of 18,666,496 shares of Company Common Stock are beneficially owned by The Vanguard Group – 23-1945930 and entities controlled directly or indirectly by The Vanguard Group – 23-1945930. The Vanguard Group – 23-1945930 has sole power to vote or direct to vote 219,387 shares, shared power to vote or direct to vote 37,514 shares, sole power to dispose of or to direct the disposition of 18,421,514 shares, and shared power to dispose or to direct the disposition of 244,982 shares.

(5) Includes 165,400 shares of restricted stock awards for Company Common Stock and 21,618 shares of Company Common Stock in the Company's employee stock purchase plan.

(6) Includes 81,200 shares of restricted stock awards for Company Common Stock and 6,000 shares in a charitable remainder trust in which he is trustee and beneficiary.

(7) Includes 38,180 shares of restricted stock awards for Company Common Stock.

(8) Shares held in trusts as to which more than one officer and/or director are co-trustees or entities in which there is common stock ownership have been included only once.

* Mr. R. Randall Rollins and Mr. Gary W. Rollins disclaim any beneficial interest in these holdings.

** Less than 0.1% of the outstanding shares.

Stock Ownership Requirements

The Company has adopted stock ownership guidelines for the named executive officers identified in the previous table and for key executives designated by the Compensation Committee. The current guidelines as determined by the Compensation Committee include:

1. Chairman of the Board of Directors and CEO – Ownership equal to 5 times base salary
2. Rollins, Inc. President – Ownership equal to 4 times base salary
3. Other Rollins Officers and Orkin, LLC President – Ownership equal to 3 times base salary
4. Division and Brand Presidents – Ownership equal to 2 times base salary
5. Other covered executives – Ownership equal to 1 times base salary

The covered executives have a period of four years in which to satisfy the guidelines, from the date of appointment to a qualifying position. Shares counted toward this requirement will be based on shares beneficially owned by such executive (as beneficial ownership is defined by the SEC's rules and regulations) including shares owned outright by the executive, shares held in the Rollins 401(k) Savings Plan, shares held in the Rollins employee stock purchase and dividend reinvestment plan, shares obtained through stock option exercise and held, restricted stock awards whether or not vested and shares held in trust in the employee's name. Once achieved, ownership of the guideline amount must be maintained for as long as the individual is subject to the Executive Stock Ownership Guidelines and the executive is required to retain a minimum of 25% of any future equity awards.

Proposal 1:

Election of Directors

At the Annual Meeting, Messrs. R. Randall Rollins, Henry B. Tippie and James B. Williams will be nominated to serve as Class I Directors. The nominees for election at the 2020 Annual Meeting are now directors of the Company. The directors in Class I will serve for a term of three years. The director nominees will serve in their respective class until their successors are elected and qualified. Five other individuals serve as directors but are not standing for re-election because their terms as directors extend past this Annual Meeting pursuant to provisions of the Company's by-laws, which provide for the election of directors for staggered terms, with each director serving a three-year term. Unless authority is withheld, the proxy holders will vote for the election of each nominee named below as a director. Although management does not contemplate the possibility, in the event any nominee is not a candidate or is unable to serve as director at the time of the election, unless authority is withheld, the proxies will be voted for any nominee who shall be designated by the present Board of Directors and recommended by the Nominating and Governance Committee to fill such vacancy.

Director Qualifications

As described in more detail below, we believe that each of our directors is well suited to serve on our Board for a variety of individual reasons and because collectively they bring a wealth of experience from diverse backgrounds that have combined to provide us with an excellent mix of experiences and viewpoints. The information below has the name and age of each of our directors and each of the nominees with his or her principal occupation, together with the number of shares of Common Stock beneficially owned, directly or indirectly, by each and the percentage of outstanding shares that ownership represents, all as of the close of business on February 28, 2020 (according to information received by the Company), other board memberships and the period during which he or she has served us as a director.

Name	Principal Occupation[1]	Service as Director	Age	Shares of Common Stock[2]	Percent of Outstanding Shares
Names of Director Nominees					
Class I (Term Expires 2020, New Term Expires 2023)					
R. Randall Rollins[3]	Chairman of the Company; Chairman of the Board of RPC, Inc. (oil and gas field services); and Chairman of the Board of Marine Products Corporation (boat manufacturing)	1968 to date	88	171,962,874[5]	52.5
Henry B. Tippie	Lead Director of the Company; Chairman of the Board and Chief Executive Officer of Tippie Services, Inc. (management services); and Chairman of the Board of Dover Motorsports, Inc. (operator of motorsports tracks); Lead Director of RPC, Inc. (oil and gas field services) and Marine Products Corporation (boat manufacturing)	1960 to 1970; 1974 to date	93	3,379,550[6]	1.0
James B. Williams	Retired Chairman of the Executive Committee, SunTrust Banks, Inc. (bank holding company)	1978 to date	86	227,811	0.1

Continued on page 7

Continued from page 6

Name	Principal Occupation[1]	Service as Director	Age	Shares of Common Stock[2]	Percent of Outstanding Shares
Names of Directors Whose Terms Have Not Expired					
Class II (Term Expires 2021)					
Gary W. Rollins[3]	Vice Chairman and Chief Executive Officer of the Company	1981 to date	75	174,454,337[7]	53.2
Pamela R. Rollins[4]	Board Member for Young Harris College, National Monuments Foundation and the O. Wayne Rollins Foundation. Former Board Member of The Lovett School and an Emeritus Board Member of the Schenck School.	2015 to date	63	5,942,331[8]	1.8
Class III (Term Expires 2022)					
Bill J. Dismuke	Retired President of Edwards Baking Company (manufacturer of baked pies and pie pieces)	1984 to date	83	10,248	*
Thomas J. Lawley, M.D.	Dean of the Emory University School of Medicine from 1996 to 2013	2006 to date	73	6,750	*
John F. Wilson	President and Chief Operating Officer of the Company	2013 to date	62	517,167	0.2

(1) Except as noted, each of the directors has held the positions of responsibility set out in this column (but not necessarily his or her present title) and in their respective biographies below for more than five years. In addition to the directorships listed in this column, the following individuals also currently serve on the Boards of Directors of the following companies: R. Randall Rollins: Dover Motorsports, Inc., Gary W. Rollins, Director Emeritus of Genuine Parts Company and Emory University. All persons named, with the exception of Thomas J. Lawley, M.D. and John F. Wilson, in the above table, are directors of RPC, Inc. and Marine Products Corporation.

(2) Except as otherwise noted, the nature of the beneficial ownership for all shares is sole voting and investment power.

(3) R. Randall Rollins and Gary W. Rollins are brothers.

(4) Pamela R. Rollins is the daughter of R. Randall Rollins and niece of Gary W. Rollins.

(5) See information contained in footnote (2) to the table appearing in the Stock Ownership of Certain Beneficial Owners and Management section.

(6) Includes 1,135 shares held in a wholly owned corporation and 3,415** shares held by his wife.

(7) See information contained in footnote (3) to the table appearing in Stock Ownership of Certain Beneficial Owners and Management section.

(8) Includes 5,867,701 shares of Company common stock held by charitable trust of which she is co-trustee.

* Less than 1% of outstanding shares.

** Mr. Henry B. Tippie disclaims any beneficial interest in these holdings.

The following information is furnished as of February 28, 2020 for each of our directors and each of the nominees:

Key Attributes, Experience and Skills of Directors and Director Nominees

R. Randall Rollins, 88, was elected a Director of Rollins, Inc. in 1968. Mr. Rollins has extensive knowledge of the Company's business and industry serving over 71 years at the Company. Mr. Rollins serves as Chairman of the Board of the Company. He has held the position of Chairman of the Board since October 1991. He is also Chairman of the Board for Marine Products Corporation as well as RPC, Inc. Mr. Rollins has been a Director of Dover Motorsports, Inc. since 1996. Mr. Rollins served as a Director of SunTrust Banks, Inc. from 1995 to April 20, 2004.

Gary W. Rollins, 75, was elected a Director of Rollins, Inc. in 1981. Mr. Rollins has extensive knowledge of the Company's business and industry serving over 52 years at the Company. He serves as Vice Chairman of the Company. In addition, Mr. Rollins is the Chief Executive Officer of the Company. Mr. Rollins has served as a Director of Marine Products Corporation since 2001 and a Director of RPC, Inc. since 1984. From 2005 until 2017, Mr. Rollins served as a Director of Genuine Parts Company.

Henry B. Tippie, 93, was elected a Director of Rollins, Inc. in 1974. He had previously been a director from 1960 until 1970. Mr. Tippie brings extensive financial and management experience to our Board of Directors serving as not only Controller but also Chief Financial Officer from 1953 until November 1970. Mr. Tippie has over 69 years of experience, including being involved with publicly owned companies during the past 59 years in various positions including founder, CFO, CEO, President, Vice Chairman and Chairman of the Board as the case might be. He is currently Chairman of the Board for Dover Motorsports, Inc. and Lead Director for Marine Products Corporation and RPC, Inc.

James B. Williams, 86, was elected a Director of Rollins, Inc. in 1978. Mr. Williams brings extensive financial and management experience to our Board of Directors and has served over 40 years as a Director. He retired in March 1998 as Chairman of the Board and Chief Executive Officer of SunTrust Banks, Inc., a bank holding company. He is a Director of Marine Products Corporation and RPC, Inc. Mr. Williams currently serves as Chair Emeritus of the Woodruff Foundation, the Ichauway Foundation and the Woodruff Fund, Inc. Mr. Williams was previously a director of The Coca-Cola Company.

Bill J. Dismuke, 83, was elected a Director of Rollins, Inc. in 1984. Mr. Dismuke brings extensive financial, management and manufacturing experience to our Board of Directors serving as Senior Vice President of Rollins, Inc. for five years from 1979 until 1984. He retired as President of Edwards Baking Company in 1995. Mr. Dismuke has served as a Director of RPC, Inc. and Marine Products Corporation since January 2005.

Thomas J. Lawley, MD, 73, was elected a Director of Rollins, Inc. in 2006. Dr. Lawley brings extensive medical and management experience in the healthcare industry to the Board of Directors. He served as Dean of Emory University School of Medicine from 1996 to 2013. He has served on many boards and committees; including the National Institutes of Health study sections, the National Institute of Allergy and Infectious Diseases Council, the Grady Health System, and the Association of American Medical Colleges. Dr. Lawley has been president of the Emory Medical Care Foundation, Emory's physician practice plan at Grady Hospital, and was on the board of the Emory Children's Center. He also has served on the boards of directors of the Emory Clinic and Emory Healthcare. Dr. Lawley is currently a Professor of Dermatology at Emory University. Dr. Lawley also serves on the Board of Trustees for the Woodruff Foundation, the Ichauway Foundation and the Woodruff Fund, Inc.

John F. Wilson, 62, was elected a Director of Rollins, Inc. in 2013. He serves as President and Chief Operating Officer of the Company. He previously served as President of Orkin USA and as a Vice President of the Company. Mr. Wilson joined the Company in 1996 and has held various positions of increasing responsibility, including sales inspector, branch manager, Central Commercial region manager, Atlantic Division vice president, and president of the Southeast Division.

Pamela R. Rollins, 63, was elected a Director of Rollins, Inc. in 2015. She holds a B.A. Degree from Stephens College with a major in Family Community Studies. Ms. Rollins is a Trustee of Young Harris College and The O. Wayne Rollins Foundation, a Trustee Emeritus of The Schenck School, a Board Member of The National Monuments Foundation and a former Board Member of The Lovett School. Ms. Rollins has served as a Director of RPC, Inc. since 2019 and Marine Products Corporation since 2017.

Our Board of Directors recommends a vote FOR the Class I nominees above.

Proposal 2:

Ratification of Appointment of Independent Registered Public Accounting Firm

The Audit Committee of the Board of Directors has appointed Grant Thornton LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2020. During fiscal 2019, Grant Thornton LLP served as the Company's independent registered public accounting firm. Representatives of Grant Thornton LLP are expected to attend the annual meeting and will have the opportunity to respond to appropriate questions and, if they desire, to make a statement.

Although the Company is not required to seek ratification of this appointment, the Audit Committee and the Board of Directors believes that it is appropriate to do so. If stockholders do not ratify the appointment of Grant Thornton LLP, the current appointment will stand, but the Audit Committee will consider the stockholder action in determining whether to retain Grant Thornton LLP as the Company's independent registered public accounting firm for future fiscal years.

Our Board of Directors recommends a vote FOR the ratification of the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm for the 2020 fiscal year.

Proposal 3:

Nonbinding Vote On Executive Compensation

As required under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”), our Board of Directors is submitting a “Say on Pay” proposal for stockholder consideration. While the vote on executive compensation is nonbinding and solely advisory in nature, our Board of Directors and the Compensation Committee value the opinion of our stockholders and will review the voting results and seek to determine the causes of any significant negative voting result to better understand issues and concerns not previously presented. Stockholders who want to communicate with the Board of Directors or management should refer to “Stockholder Communications with the Board of Directors” on page 15 of this proxy statement for additional information.

Executive compensation is an important matter for our stockholders. The core of our executive compensation philosophy and practice continues to be to pay for performance. Our executive officers are compensated in a manner consistent with our strategy, competitive practice, sound corporate governance principles, and stockholder interests and concerns. We believe our compensation program is strongly aligned with the long-term interests of our stockholders. Compensation of our executive officers is designed to enable us to attract and retain talented and experienced senior executives to lead us successfully in a competitive environment.

Our named executive officers are identified on page 4, and the compensation of the named executive officers is described on pages 19 to 33, including the Compensation Discussion and Analysis (“CD&A”) on pages 18–33. The CD&A section of this proxy statement provides additional details on our executive compensation, including our compensation philosophy and objectives and the fiscal 2019 compensation of the named executive officers.

We are asking stockholders to vote on the following resolution:

“**RESOLVED**, that Rollins, Inc.’s stockholders approve, on an advisory basis, the compensation of Rollins, Inc.’s named executive officers as disclosed in Rollins, Inc.’s proxy statement for the 2020 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission (which disclosure includes the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosures).”

As indicated above, the stockholder vote on this resolution will not be binding on us or the Board of Directors and will not be construed as overruling any decision by us or the Board. The vote will not be construed to create or imply any change to the fiduciary duties of the Board, or to create or imply any additional fiduciary duties for us or the Board.

The affirmative vote of a majority of the shares of our common stock present or represented by proxy and voting at the annual meeting is required for approval of this proposal. If you own shares through a bank, broker or other holder of record, you must instruct your bank, broker or other holder of record how to vote in order for them to vote your shares so that your vote can be counted on this proposal.

Currently, we hold stockholder advisory votes on executive compensation every three years, and the next such vote after this years’ vote is scheduled to occur in 2023.

Our Board of Directors unanimously recommends that you vote “FOR” the approval, on an advisory basis, of the compensation of our named executive officers as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosure.

Corporate Governance and Board of Directors' Committees and Meetings

Board Meetings and Compensation

The Board of Directors met five times during the year ended December 31, 2019. All but one director attended more than 75 percent of the Board meetings held during such director's term of service and meetings of committees on which he/she served during 2019. Mr. Larry L. Prince, a long-time independent director of the Company, served as a member of the Board of Directors until he passed away on March 5, 2019. In addition, the Company has from time to time formed a special committee for the purpose of evaluating and approving certain transactions in which other directors of the Company have an interest. During 2019, the Company had no such committee.

The Board of Directors has an Audit Committee, Compensation Committee, Diversity Committee, Executive Committee and a Nominating and Governance Committee.

Below is a summary of our committee structure and membership information.

Board of Directors	Audit Committee	Compensation Committee	Diversity Committee	Executive Committee	Nominating & Governance Committee
R. Randall Rollins[1]				Member	
Henry B. Tippie[2]	Chair	Chair	Chair		Chair
James B. Williams[2]	Member	Member	Member		Member
Bill J. Dismuke[2]	Member				
Gary W. Rollins[3]				Member	
Thomas J. Lawley M.D.					
John F. Wilson					
Pamela R. Rollins					

1. Chairman of the Board of Directors
2. Financial Expert
3. Vice Chairman and Chief Executive Officer

Audit Committee

The Audit Committee of the Board of Directors of the Company consists of Messrs. Henry B. Tippie (Chairman), James B. Williams and Bill J. Dismuke, all of whom are independent as discussed below. Mr. Larry L. Prince, a long-time independent director of the Company, served on the Audit Committee until he passed away on March 5, 2019. The Audit Committee held six meetings during the fiscal year ended December 31, 2019, including a meeting to review the Company's Form 10-K for the fiscal year ended December 31, 2018. The Board of Directors has determined that all of the members of the Audit Committee are independent as that term is defined by the rules of the U.S. Securities and Exchange Commission ("SEC") and the New York Stock Exchange ("NYSE"). The Board of Directors has also determined that all of the Audit Committee members are "Audit Committee Financial Experts" as defined in the SEC rules. The Audit Committee meets with the Company's independent registered public accounting firm, Director of Internal Audit, and Chief Financial Officer to review the scope and results of audits and recommendations made with respect to internal and external accounting controls, specific accounting, and financial reporting issues. The Audit Committee has the authority to obtain advice and assistance from, and receive appropriate funding from the Company for, outside legal, accounting or other advisors, as it deems necessary to carry out its duties. The Audit Committee charter is available on the Company's website at www.rollins.com, under the "Investor Relations – Corporate Governance" section.

Compensation Committee

The Compensation Committee of the Board of Directors of the Company consists of Messrs. Henry B. Tippie (Chairman) and James B. Williams, each of whom is independent, as discussed previously. Mr. Larry L. Prince, a long-time independent director of the Company, served on the Compensation Committee until he passed away on March 5, 2019. The Compensation Committee held two meetings during the fiscal year ended December 31, 2019. The function of the Compensation Committee is to set the base salary and cash-based incentive compensation of all of the executive officers of the Company. The Compensation Committee also administers the Rollins, Inc. Employee Stock Incentive Plan. The Compensation Committee does not have a formal charter, and is not required to have one under the "controlled company" exemption under the NYSE rules, as described in the section titled "Director Independence and NYSE Requirements" below.

Diversity Committee

The Diversity Committee of the Board of Directors of the Company consists of Messrs. Henry B. Tippie (Chairman) and James B. Williams, each of whom is independent, as discussed previously. It held one meeting during the fiscal year ended December 31, 2019. The function of the Diversity Committee is to monitor compliance with applicable non-discrimination laws.

Nominating and Governance Committee

The Nominating and Governance Committee of the Board of Directors of the Company consists of Messrs. Henry B. Tippie (Chairman) and James B. Williams, each of whom is independent, as discussed previously. The Committee was formed in 2002 pursuant to a resolution passed by the Board of Directors for the following purposes:

- to recommend to our Board of Directors nominees for director and to consider any nominations properly made by a stockholder;
- upon request of our Board of Directors, to review and report to the Board with regard to matters of corporate governance; including reviewing any related party transactions; and
- to make recommendations to our Board of Directors regarding the agenda for our annual stockholders' meetings and with respect to appropriate action to be taken in response to any stockholder proposals.

The Nominating and Governance Committee held one meeting during the fiscal year ended December 31, 2019. We are not required by law or by New York Stock Exchange rules to have a nominating committee since we are a controlled corporation as described below under the heading "Director Independence and NYSE Requirements." We established the Nominating and Corporate Governance Committee to promote responsible corporate governance practices and we currently intend to maintain the Committee going forward.

Director Nominations

Under Delaware law, there are no statutory criteria or qualifications for directors. The Board has prescribed no criteria or qualifications at this time. The Nominating and Governance Committee does not have a charter or a formal policy with regard to the consideration of director candidates. As such, there is no formal policy relative to diversity, although as noted below, it is one of many factors that the Nominating and Corporate Governance Committee has the discretion to factor into its decision-making. This discretion would extend to how the Committee might define diversity in a particular instance – whether in terms of background, viewpoint, experience, education, race, gender, national origin or other considerations. However, our Nominating and Corporate Governance Committee acts under the guidance of the corporate governance guidelines approved by the Board of Directors on January 27, 2004, as amended January 25, 2005, and posted on the Company's website at www.rollins.com under the "Investor Relations – Corporate Governance" section. The Board believes that it should preserve maximum flexibility in order to select directors with sound judgment and other desirable qualities. According to the Company's corporate governance guidelines, the Board of Directors will be responsible for selecting nominees for election to the Board of Directors. The Board delegates the screening process involved to the Nominating and Governance Committee. This Committee is responsible for determining the appropriate skills and characteristics required of Board members in the context of the then current make-up of the Board. This determination takes into account all factors, which the Committee considers appropriate, such as independence, experience, strength of character, mature judgment, technical skills, diversity, age, and the extent to which the individual would fill a present need on the Board. The Company's by-laws provide that any stockholder entitled to vote for the election of directors may make nominations for the election of directors. Nominations must comply with an advance notice procedure which generally requires, with respect to nominations of directors for election at an annual meeting, that written notice be addressed to: Secretary, Rollins Inc., 2170 Piedmont Road, N.E., Atlanta, Georgia 30324, and received not less than ninety nor more than 130 days prior to the anniversary of the prior year's annual meeting and set forth, among other requirements set forth in detail in the Company's by-laws, the name, age, business address and, if known, residence address of the nominee proposed in the notice, the principal occupation or employment of the nominee for the past five years, the nominee's qualifications, the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by the person and any other information relating to the person that would be required to be disclosed in a proxy statement or other filings. Other requirements related to the notice are contained in the Company's by-laws, and stockholders are advised to carefully review those requirements to ensure that nominations comply with the by-laws. The Committee will consider nominations from stockholders who satisfy these requirements.

The Committee is responsible for screening the nominees that are selected by the Board of Directors for nomination to the Board and for service on committees of the Board. The Company has not received a recommendation for a director nominee from a stockholder. All of the nominees for directors being voted upon at the Annual Meeting to be held on April 28, 2020 are directors standing for re-election.

Board Leadership

Since July 2001, the Company has had separate persons serving as its Chairman of the Board and Chief Executive Officer. R. Randall Rollins is our Chairman and chairs our Board meetings. Gary W. Rollins is our Vice Chairman and Chief Executive Officer. John F. Wilson is our President and Chief Operating Officer. We believe that it represents the appropriate structure for us at this time; the Chairman of the Board provides general oversight and strategic planning for the Company while the Chief Executive Officer and President and Chief Operating Officer focus on optimizing operational efficiencies.

Risk Oversight by Board

Our Board's oversight of risk has not been delegated to any Board committee. "Risk" is an extremely broad concept that extends to multiple functional areas and crosses multiple disciplines. As such, risk may be addressed from time to time by the full Board or by one or more of our Committees. Senior management is responsible for identifying and managing material risks that we face while insurable risks and litigation risks are handled primarily by the risk management department. Senior management provides the Board with a summary of insurance coverage annually and updates as deemed necessary. Liquidity risk, credit risk and risks associated with our credit facilities and cash management are handled primarily by our finance department, which regularly provides a financial report to both the Audit Committee and to the full Board. Operational, business, regulatory and political risks are handled primarily by senior executive management, which regularly provides various operational reports to, among others, the Audit Committee, the Executive Committee and the full Board.

Director Independence and NYSE Requirements

Controlled Company Exemption. We have elected to be treated as a "controlled company" as defined by New York Stock Exchange Section 303A.00. This Section provides that a controlled company need not comply with the requirements of Sections 303A.01, 303A.04 and 303A.05 of the New York Stock Exchange Listed Company Manual. Section 303A.01 requires that listed companies have a majority of independent directors. As a controlled company, this Section does not apply to us. Sections 303A.04 and 303A.05 require that listed companies have a nominating and corporate governance committee and a compensation committee, in each case composed entirely of independent directors, and that each of these committees must have a charter that addresses both the committee's purpose and responsibilities and the need for an annual performance evaluation by the committee. While we have a nominating and corporate governance committee and a compensation committee, we are not required to and do not comply with all of the provisions of Sections 303A.04 and 303A.05. We are a "controlled company" because a group that includes the Company's Chairman, R. Randall Rollins and his brother, Gary W. Rollins, who is the Company's Vice Chairman and Chief Executive Officer and certain companies under their control, possesses in excess of fifty percent of our voting power. This means that they have the ability to determine the outcome of the election of directors at our annual meetings and to determine the outcome of many significant corporate transactions, many of which only require the approval of a majority of our voting power. Such a concentration of voting power could also have the effect of delaying or preventing a third party from acquiring us at a premium.

The Company's Audit Committee is composed of three "independent" directors as defined by the Company's Corporate Governance Guidelines, the New York Stock Exchange rules, the Exchange Act and SEC rules and regulations promulgated thereunder, and the Company's Audit Committee Charter. The Compensation, Diversity and Nominating and Corporate Governance Committees are also entirely composed of "independent" directors. The Board of Directors has also concluded that all of the members of the Audit Committee and Thomas J. Lawley, M.D. are "independent directors" under the Company's Corporate Governance Guidelines and the New York Stock Exchange listing standards.

Independence Guidelines. Under New York Stock Exchange listing standards, to be considered independent, a director must be determined to have no material relationship with the Company other than as a director. The New York Stock Exchange standards set forth a nonexclusive list of relationships, which are conclusively deemed material.

The Company's Independence Guidelines (Appendix A to the Company's Corporate Governance Guidelines) are posted on the Company's website at www.rollins.com under the "Investor Relations – Corporate Governance" section and include categorical standards for determining independence in specified situations.

Audit Committee Charter. Under the Company's Audit Committee Charter, in accordance with New York Stock Exchange listing requirements and the Exchange Act, all members of the Audit Committee must be independent of management and the Company. A member of the Audit Committee is considered independent as long as he or she (i) does not accept any consulting, advisory, or compensatory fee from the Company, other than as a director or committee member; (ii) is not an affiliated person of the Company or its subsidiaries; and (iii) otherwise meets the independence requirements of the New York Stock Exchange and the Company's Corporate Governance Guidelines.

Nonmaterial Relationships. After reviewing all of the relationships between the members of the Audit Committee, and Thomas J. Lawley, M.D., on the one hand, and the Company, on the other hand, the Board of Directors determined that all of the relationships fell within the categorical standards for independence set forth in the Independence Guidelines except as follows:

1. Mr. Tippie was employed by the Company from 1953 to 1970 and held several offices with the Company during that time, including as Executive Vice President – Finance, Secretary, Treasurer and Chief Financial Officer.

2. Mr. Tippie is Chairman of the Board of Directors of Dover Motorsports, Inc. and R. Randall Rollins is also a director.

3. Mr. Tippie is a co-trustee of The O. Wayne Rollins Foundation and of the Rollins Children's Trust. O. Wayne Rollins is the father of R. Randall Rollins and Gary W. Rollins. The beneficiaries of the Rollins Children's Trust are the grandchildren and more remote descendants of O. Wayne Rollins.

4. Mr. Dismuke was employed by the Company from 1979 to 1984 and held several offices with the Company during that time, including Senior Vice President.

5. Each of Messrs. Dismuke, Tippie and Williams also serve on the Boards of RPC, Inc. and Marine Products Corporation. Ms. Pamela R. Rollins serves on the Board of RPC, Inc. and Marine Products Corporation. Messrs. Gary W. and R. Randall Rollins are directors of RPC, Inc. and Marine Products Corporation, and have voting control over these companies. These companies are held by a control group of which Messrs. R. Randall and Gary W. Rollins are a part. Mr. Randall Rollins is an executive officer of Marine Products Corporation. Ms. Pamela R. Rollins was employed by the Company in various roles from 1997-2008.

6. Thomas J. Lawley, M.D. was the Dean of the Emory University School of Medicine from 1996 to 2013. Various charitable contributions have been made by the O. Wayne Rollins Foundation and the Company to Emory University in the past, including charitable contributions made by the Foundation to the Emory University School of Medicine and to the Emory University School of Public Health. Gary Rollins is Director Emeritus of Emory University.

7. Mr. James B. Williams is the Chair Emeritus of the Woodruff Foundation, the Ichauway Foundation and the Woodruff Fund, Inc. Mr. R. Randall Rollins serves on the Woodruff Fund board and Thomas J. Lawley, M.D. is on the Board of Trustees of all three boards.

As required by the Independence Guidelines, the Board of Directors unanimously concluded that the above listed relationships would not affect the independent judgment of the independent directors, based on their experience, character and independent means, and therefore do not preclude an independence determination. All members of the Audit Committee are also independent under the heightened standards required for Audit Committee members.

The Company's non-management directors meet at regularly scheduled executive sessions without management. In accordance with the NYSE corporate governance listing standards, Mr. Henry B. Tippie was elected by the Board of Directors as the Lead Director and presides during these executive sessions.

Corporate Governance Guidelines

We have adopted Corporate Governance Guidelines to formalize and promote better understanding of our policies and procedures. At least annually, the Board reviews these guidelines. A copy of our current Corporate Governance Guidelines may be found at our website (www.rollins.com) under the heading "Investor Relations – Corporate Governance." As required by the rules of the New York Stock Exchange, our Corporate Governance Guidelines require that our non-management directors meet in at least two regularly scheduled sessions per year without management.

At the Company's website (www.rollins.com), under the heading "Investor Relations – Corporate Governance," you may access a copy of our Corporate Governance Guidelines, our Audit Committee Charter, our Code of Business Conduct, our Code of Business Conduct and Ethics for Directors and Executive Officers and Related Party Transactions policy, and our Independence Guidelines.

Code of Business Conduct

The Company has adopted a Code of Business Conduct applicable to all directors, officers and employees generally, as well as a supplemental Code of Business Conduct and Ethics for Directors and Executive Officers and Related Party Transactions policy applicable to the directors and the principal executive officer, principal financial officer, principal accounting officer or controller or person performing similar functions for the Company. Both codes are available on the Company's website at www.rollins.com under the "Investor Relations – Corporate Governance" section.

Director Communications

The Company also has a process for interested parties, including stockholders, to send communications to the Board of Directors, Lead Director, any of the Board committees or the non-management directors as a group. Such communications should be addressed as follows:

Mr. Henry B. Tippie c/o
Internal Audit Department
Rollins, Inc.
2170 Piedmont Road, N.E.
Atlanta, Georgia 30324

The above instructions for communications with the directors are also posted on our website at www.rollins.com under the "Investor Relations – Corporate Governance" section. All communications received from interested parties are forwarded to the Board of Directors. Any communication addressed solely to the Lead Director or the non-management directors will be forwarded directly to the appropriate addressee(s).

Compensation Committee Interlocks and Insider Participation

Neither of the directors named on pages 6 and 7 who serve on the Company's Compensation Committee are currently employees of the Company. Mr. Tippie was employed by the Company from 1953 to 1970 and held several offices with the Company during that time, including as Executive Vice President – Finance, Secretary, Treasurer and Chief Financial Officer.

Director Compensation

The following table sets forth the compensation paid to our directors for services rendered as a director for the year ended December 31, 2019. Three of our directors, Messrs. R. Randall Rollins, Gary W. Rollins and John F. Wilson are our employees. The compensation for Messrs. R. Randall Rollins, Gary W. Rollins and John F. Wilson are set forth in the Summary Compensation Table under Executive Compensation. Messrs. Larry L Prince, James B. Williams and Thomas J. Lawley, M.D. have never been employed by the Company or paid a salary or bonus by the Company, have never been granted any options or other stock-based awards, and do not participate in any Company sponsored retirement plans. Mr. Henry B. Tippie has not been employed by the Company or paid a salary or bonus by the Company, has not been granted any options or other stock- based awards, and has not participated in any Company sponsored retirement plans since his employment with the Company ceased in 1970. Mr. Bill J. Dismuke has not been employed by the Company or paid a salary or bonus by the Company, has not been granted any options or other stock-based awards, and has not participated in any Company sponsored retirement plans since his employment with the Company ceased in 1984. Ms. Pamela R. Rollins has not been employed by the Company or paid a salary or bonus by the Company, has not been granted any options or other stock-based awards, and has not participated in any Company sponsored retirement plans since her employment with the Company ceased in 2008.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Total ($)
Henry B. Tippie	146,500	—	—	146,500
Larry L. Prince(1)	7,000	—	—	7,000
James B. Williams	94,500	—	—	94,500
Bill J. Dismuke	87,500	—	—	87,500
Thomas J. Lawley, M.D.	72,500	—	—	72,500
Pamela R. Rollins	72,500	—	—	72,500

(1) Mr. Larry L. Prince, a long-time director of the Company served as a member of our Board of Directors until he passed away on March 5, 2019.

Directors that are our employees do not receive any additional compensation for services rendered as a director.

Under the previous compensation arrangements effective as of January 1, 2019, non-management directors each received an annual retainer fee of $60,000. This retainer fee was increased to $80,000 effective January 1, 2020. In addition, the Chairman of the Audit Committee receives an annual retainer of $20,000, the Chairman of the Compensation Committee receives an annual retainer of $10,000 and the Chairman of each of the Corporate Governance/Nominating Committee and Diversity Committee receives an annual retainer of $6,000. A director that chairs more than one committee receives a retainer with respect to each Committee he chairs. All of the retainers are paid on a quarterly basis. Current per meeting fees for non-management directors are as follows:

- For meetings of the Board of Directors, $2,500.
- For meetings of the Compensation Committee, $2,000.
- For meetings of the Corporate Governance/Nominating Committee and Diversity Committee, $1,500
- For meetings of the Audit Committee in person and telephonic, $2,500.
- In addition, the Chairman of the Audit Committee receives an additional $2,500 for preparing to conduct each quarterly Board and Board committee meeting.

All non-management directors are also entitled to reimbursement of expenses for all services as a director, including committee participation or special assignments.

Notwithstanding anything to the contrary set forth in any of the Company's previous filings under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act that might incorporate future filings, including this Proxy Statement, in whole or in part, the Report of the Audit Committee shall not be incorporated by reference into any such filings.

Report of the Audit Committee

Management is responsible for the Company's internal controls and the financial reporting process. The Company's independent registered public accounting firm is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and for issuing a report thereon. The Audit Committee's responsibility is generally to monitor and oversee these processes, as described in the Audit Committee Charter. It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and in accordance with generally accepted accounting principles, that is the responsibility of management.

In fulfilling its oversight responsibilities with respect to the year ended December 31, 2019, the Audit Committee:

- Approved the terms of engagement of Grant Thornton LLP as the Company's independent registered public accounting firm for the year ended December 31, 2019;
- Reviewed with management the interim financial information included in the Forms 10-Q prior to their being filed with the SEC. In addition, the Committee reviewed all earnings releases with management and the Company's independent registered public accounting firm prior to their release;
- Reviewed and discussed with the Company's management and the Company's independent registered public accounting firm, the audited consolidated financial statements of the Company as of December 31, 2019 and 2018 and for the three years ended December 31, 2019;
- Discussed with the Company's independent registered public accounting firm matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC; and
- Received from the Company's independent registered public accounting firm the written disclosures and the letter in accordance with the requirements of the Public Company Accounting Oversight Board regarding the firm's communications with the Committee concerning independence, and discussed with such firm its independence from the Company.

Based upon the review and discussions referred to previously, the Committee recommended to the Board of Directors that the audited consolidated financial statements of the Company and subsidiaries as of December 31, 2019 and 2018 and for the three years ended December 31, 2019 be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 (the "2019 Form 10-K") for filing with the SEC.

In giving its recommendation to the Board of Directors, the Audit Committee has relied on (i) management's representation that such financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States of America and (ii) the report of the Company's independent registered public accounting firm with respect to such financial statements.

Submitted by the Audit Committee of the Board of Directors.

Henry B. Tippie, Chairman
James B. Williams
Bill J. Dismuke

Compensation Discussion and Analysis

Compensation Committee

During the fiscal year ended December 31, 2019, the members of our Compensation Committee held primary responsibility for determining executive compensation levels. The Committee is composed of two of our non-management directors who do not participate in the Company's compensation plans. The Committee determines the compensation and administers the performance-based cash compensation plan for our executive officers. In addition, the Committee also administers our stock incentive plan for all the employees.

The members of our Compensation Committee have extensive and varied experience with various public and private corporations as investors and stockholders, as senior executives, and as directors charged with the oversight of management and the setting of executive compensation levels. Henry B. Tippie, the Chairman of the Compensation Committee, has served on the board of directors of twelve different publicly traded companies and has been involved in setting executive compensation levels at all of these companies. Mr. James B. Williams has served on the board of directors of several different publicly traded companies and has similarly been involved in setting executive compensation levels at many of these companies.

The Compensation Committee has authority to engage attorneys, accountants and consultants, including executive compensation consultants, to solicit input from management concerning compensation matters, and to delegate any of its responsibilities to one or more directors or members of management where it deems such delegation appropriate and permitted under applicable law. The Committee has not used the services of any compensation consultants in determining or recommending the amount or form of executive compensation.

The Compensation Committee believes that determinations relative to executive compensation levels are best left to the discretion of the Committee. In addition to the extensive experience and expertise of the Committee's members and their familiarity with the Company's performance and the performance of our executive officers, the Committee is able to draw on the experience of other directors and on various legal and accounting executives employed by the Company, and the Committee has access to the wealth of readily available public information relative to structuring executive compensation programs and setting appropriate compensation levels. The Committee also believes that the structure of our executive compensation programs should not become overly complicated or difficult to understand. The Committee solicits input from Gary W. Rollins, our Chief Executive Officer, with respect to the performance of our executive officers and their compensation levels.

The Role of Stockholder Say-on-Pay Votes

The Company provides its stockholders with the opportunity to cast an advisory vote on executive compensation (a "say-on-pay proposal") every three years. At the Company's annual meeting of stockholders held in April 2017, a substantial majority of the votes cast on the say-on-pay proposal were voted in favor of the proposal. The Compensation Committee believes this affirms the stockholders' support of the Company's approach to executive compensation. The stockholders voted to hold a say-on-pay advisory vote on executive compensation every three years, and the Board resolved to accept the stockholders' recommendation. As a result, the advisory vote on executive compensation will be held again this year at the 2020 Annual Meeting and the next advisory vote on the frequency of stockholder advisory votes on executive compensation will be held at the 2023 Annual Meeting. The Compensation Committee will continue to consider the outcome of the Company's say-on-pay votes when making future compensation decisions for the named executive officers.

General Compensation Objectives and Guidelines

The Company is engaged in a highly competitive industry. The success of the Company depends on our ability to attract and retain highly qualified and motivated executives. In order to accomplish this objective, we have endeavored to structure our executive compensation in a fashion that gives our Compensation Committee the flexibility to take into account our operating performance and the individual performance of the executive.

The Compensation Committee endorses the philosophy that executive compensation should reflect Company performance and the contribution of executive officers to that performance. The Company's compensation policy is designed to achieve three fundamental objectives: (i) attract and retain qualified executives, (ii) motivate performance to achieve Company objectives, and (iii) align the interests of our executives with the long-term interests of the Company's stockholders.

The Committee recognizes that there are many intangibles involved in evaluating performance and in motivating performance, and that determining an appropriate compensation level is a highly subjective endeavor. The analysis of the Committee is not based upon a structured formula and the objectives referred to above are not weighted in any formal manner.

Pursuant to our compensation philosophy, the total annual compensation of our executive officers is primarily made up of one or more of three elements. The three elements are salary, annual performance-based incentive compensation and grants of stock-based awards such as restricted stock. In addition, the Company provides retirement compensation plans, group welfare benefits and certain perquisites.

We believe a competitive base salary is important to attract, retain and motivate top executives. We believe annual performance-based incentive compensation is valuable in recognizing and rewarding individual achievement. Finally, we believe equity-based compensation makes executives "think like owners" and, therefore, aligns their interests with those of our stockholders.

Effective November 1, 2006, we adopted formal Stock Ownership Guidelines for our executive officers and note that our executive officers are significant stockholders of the Company, as disclosed elsewhere in this Proxy Statement. The purpose of these Guidelines is to align the interests of executives with the interests of stockholders and further promote our longstanding commitment to sound corporate governance.

The Committee is mindful of the stock ownership of our directors and executive officers, but does not believe that it is appropriate to provide a mechanism or formula to take stock ownership (or gains from prior option or stock awards) into account when setting compensation levels. As do many public companies, we have historically provided in our insider trading policies that directors and executive officers may not sell Company securities short and may not sell puts, calls or other derivative securities tied to our Common Stock.

As a result of the Tax Cuts and Jobs Act, starting with compensation payable in 2018, Section 162(m) of the Internal Revenue Code will limit us from deducting compensation, including performance-based compensation, in excess of $1,000,000 paid to our executive officers. The only exception to this rule is for compensation (including performance-based compensation) that is paid pursuant to a binding contract in effect on November 2, 2017, that would otherwise have been deductible under the prior Section 162(m) rules. Going forward, the Compensation Committee will, as before, retain full discretion to award compensation packages that best attract, retain and reward successful executive officers. Therefore, the Compensation Committee anticipates that it will award compensation that is not fully deductible under Section 162(m).

Our executive bonus agreements contain a provision that provides that, among other things, if any bonus amount is paid as a result of misrepresented or inaccurate performance, the Company may require repayment of some or all of the excess bonus paid, subject to applicable laws. This recoupment policy reflects the Company's high ethical standards and strict compliance with accounting and other regulations applicable to public companies. As all incentives and awards remain within the discretion of the Compensation Committee, the Committee also retains the ability to take any restatements or adjustments into account in subsequent years. In addition, the Sarbanes-Oxley Act requires in the case of accounting restatements that result from material non-compliance with SEC financial reporting requirements, that the Chief Executive Officer and Chief Financial Officer must disgorge bonuses and other incentive-based compensation and profits on stock sales received during the 12 months following publication of the misstated financials, if the non-compliance results from misconduct.

Salary

The salary of each executive officer is determined by the Compensation Committee. In making its determinations, the Committee gives consideration to our operating performance for the prior fiscal year and the individual executive's performance. The Committee solicits input from our Chief Executive Officer with respect to the performance of our executive officers and their compensation levels. Effective January 1, 2019, the following adjustments were made to the base salaries of our executive officers: Gary W. Rollins, Vice Chairman and Chief Executive Officer: $1,100,000 ($100,000 increase from 2018); Paul E. Northen, Senior Vice President, Chief Financial Officer and Treasurer: $535,000 ($35,000 increase from 2018); R. Randall Rollins, Chairman of the Board: $1,000,000 ($100,000 increase from 2018); John F. Wilson, President and Chief Operating Officer: $830,000 ($55,000 increase from 2018); and Elizabeth B. Chandler, Vice President, General Counsel and Corporate Secretary: $380,000 ($25,000 increase from 2018). Effective January 1, 2020, the following adjustments were made to the base salaries of our executive officers: Gary W. Rollins, Vice Chairman and Chief Executive Officer: $1,100,000 (no change from 2019); Paul E. Northen, Senior Vice President, Chief Financial Officer and Treasurer: $550,000 ($15,000 increase from 2019); R. Randall Rollins, Chairman of the Board: $1,000,000 (no change from 2019); John F. Wilson, President and Chief Operating Officer: $850,000 ($20,000 increase from 2019); and Elizabeth B. Chandler, Vice President, General Counsel and Corporate Secretary: $400,000 ($20,000 increase from 2019).

Performance-Based Plan

On January 23, 2018, the Compensation Committee approved the terms of the Company's Performance Based Incentive Cash Compensation Plan for Executive Officers (the "Cash Incentive Plan"). Under the Cash Incentive Plan, executive officers have an opportunity to earn bonuses of up to 115 percent of their annual salaries, or a maximum dollar amount of $1,265,000 per individual per year, upon achievement of bonus performance goals, which shall be Rollins, Inc.'s achievement of pre-established performance goals in one or more of the following three targeted financial measures: revenue to plan, pre-tax profit plan achievement or key operating initiatives. The bonus performance goals for 2019 were pre-established by the Compensation Committee and approved by the Compensation Committee for all executive officers. For 2019, these performance goals were measured by obtaining specific levels of the following: revenue to plan, pre-tax profit plan achievement, and key operating initiatives. The Compensation Committee set a maximum award of 115% of base salaries for fiscal year 2019 for Messrs. R. Randall Rollins, Gary W. Rollins, and John F. Wilson. Mr. Paul E. Northen had a maximum award potential of 75% and Ms. Elizabeth B. Chandler had a maximum award potential of 55% of their base salaries for 2019. Awards earned in 2019 under the Cash Incentive Plan were accrued in 2019 and paid in 2020.

For the Company revenue to plan performance goal, Messrs. R. Randall Rollins and Gary W. Rollins were eligible to earn bonuses of between 0 and 40 percent of their respective annual salary. Mr. John F. Wilson was eligible to earn a bonus between 0 percent and 30 percent of his annual salary, Mr. Paul E. Northen was eligible to earn a bonus of between 0 percent and 18 percent of his annual salary and Ms. Elizabeth B. Chandler was eligible to earn a bonus of between 0 percent and 8 percent of her annual salary. The minimum achievement of revenue to plan for these persons to be eligible to earn a bonus under this element of the Cash Incentive Plan for 2019 was 95 percent. This performance goal for the plan in 2019 was a 7.7% increase in revenue. Because the actual increase in Company revenue to plan in 2019 was 97.7 percent, this resulted in bonuses of 34 percent of salary for Messrs. R. Randall Rollins and Gary W. Rollins, 26 percent of salary for Mr. John F. Wilson, 15 percent of salary for Mr. Paul E. Northen, and 7 percent of salary for Ms. Elizabeth B. Chandler.

For the Company pre-tax profit to plan performance goal, Messrs. R. Randall Rollins, Gary W. Rollins and John F. Wilson were eligible to earn bonuses of between 0 and 60 percent of their respective annual base salary. Mr. Paul E Northen was eligible to receive a bonus of between 0 and 36 percent of his annual salary. Ms. Elizabeth B. Chandler was eligible to receive a bonus of between 0 and 24 percent of her annual salary. The minimum growth in the Company's pre-tax profit for 2019 to the corresponding amount in 2018 to be eligible for a bonus was 90 percent and the Company's 2019 performance resulted in an actual achievement in pre-tax profit to plan of 93.5 percent. This resulted in bonuses of 39 percent of salary for each of Messrs. R. Randall Rollins, Gary W. Rollins and John F. Wilson, 23.4 percent of salary for Mr. Paul E. Northen and 15.6 percent of salary for Ms. Elizabeth B. Chandler.

Messrs. John F. Wilson and Paul E. Northen, and Ms. Elizabeth B. Chandler also participate in an individual Key Operating Initiative. Under this element, the participants may receive a bonus of their respective annual salary for achievement of the initiatives tied to Customer Service Index for Mr. John F. Wilson, Trade Receivables for Mr. Paul E. Northen and two individual legal department goals for Ms. Elizabeth B. Chandler. Mr. John F. Wilson was eligible to earn between 0 and 10 percent for improvement in Customer Service Index, Mr. Paul E. Northen was eligible to earn between 0 and 6 percent for improvement in Trade Receivables and Ms. Elizabeth B. Chandler was eligible to earn between 0 and 8 percent for the two individual legal department goals. The Company's performance in 2019 resulted in 2.5 percent payout for Customer Service Index, a 0 percent payout for Trade Receivables and 8 percent payout on the two individual legal department goals.

The amount of bonuses under each performance component of the Company's Cash Incentive Plan is determined based upon straight-line interpolation of the applicable formula for each such component without the use of discretion. In addition to any bonuses earned under the Cash Incentive Plan, the Compensation Committee has the authority to award discretionary bonuses. No discretionary bonuses were awarded for 2019.

Equity-Based Awards

All share, per share and market price data herein have been adjusted for the three-for-two stock split to stockholders of record on November 9, 2018, payable on December 10, 2018.

At the annual meeting of stockholders held on April 24, 2018, the stockholders approved the terms of the Company's 2018 Stock Incentive Plan (the "Stock Incentive Plan"). Under the Stock Incentive Plan, the Compensation Committee has the authority to grant directors, officers and other key employees who are responsible for or contribute to the growth and/or profitability of the business of the Company restricted stock and other equity compensation. Pursuant to the terms of the Stock Incentive Plan, the Compensation Committee may grant stock options, stock appreciation rights and any other type of award valued by reference to (or otherwise based on) Shares, including, without limitation, restricted stock, restricted stock units, performance accelerated restricted stock, performance stock and performance units, not to exceed a maximum of 100,000 Shares during any fiscal year for any one individual.

Our Stock Incentive Plan allows for a wide variety of stock-based awards such as stock options and restricted stock awards. In recent years, we have awarded time-lapse restricted stock in lieu of granting stock options. The terms and conditions of these awards are described in more detail below.

Awards under the Company's Stock Incentive Plan are purely discretionary, are not based upon any specific formula and may or may not be granted in any given fiscal year. For the past three years, we have granted time-lapse restricted stock to various employees, including our executive officers, in early January during our regularly scheduled meeting of the Compensation Committee during which the Committee reviews executive compensation. Consistent with this practice, we granted time-lapse restricted stock awards to our executive officers in January 2018, 2019 and 2020 as follows:

Name	2018	2019	2020
Gary W. Rollins	87,000	68,500	77,500
Paul E. Northen	22,500	17,700	20,000
R. Randall Rollins	78,000	61,500	70,000
John F. Wilson	45,000	35,400	40,000
Elizabeth B. Chandler	9,000	8,000	15,000

The amount of the aggregate stock-based awards to our executive officers in any given year is influenced by the Company's overall performance. The amount of each grant to our executive officers is influenced in part by the Committee's subjective assessment of each individual's respective contributions to achievement of the Company's long-term goals and objectives. In evaluating individual performance for these purposes, the Committee considers the overall contributions of executive management as a group and the Committee's subjective assessment of each individual's relative contribution to that performance rather than specific aspects of each individual's performance over a short-term period. It is our expectation to continue yearly grants of restricted stock awards to selected executives although we reserve the right to modify or discontinue this or any of our other compensation practices at any time.

To date, all of our time-lapse restricted stock awards have had the same features. The shares vest one-fifth per year beginning on the second anniversary of the grant date. Time-lapse restricted shares have full voting and dividend rights. However, until the shares vest, they cannot be sold, transferred or pledged. Should the executive leave our employment for any reason prior to the vesting dates (other than due to death or disability), the unvested shares will be forfeited. In the event of a "change in control" as determined by the Board of Directors, all unvested restricted shares shall vest immediately.

Grants are made under our Stock Incentive Plan and the plan is administered pursuant to Rule 16b-3 of the Exchange Act. When considering the grant of stock-based awards, the Committee considers the overall Company performance and the performance of individual employees.

Employment Agreements

There are no agreements or understandings between the Company and any executive officer that guarantee continued employment or guarantee any level of severance or compensation, including incentive or bonus payments.

Retirement Plans

The Company maintains a non-qualified retirement plan (Rollins, Inc. Deferred Compensation Plan) for our executives and highly compensated employees, and a Rollins 401(k) Savings Plan for the benefit of all of our eligible employees. The Rollins, Inc. Deferred Compensation Plan also provides other benefits as described below under "Nonqualified Deferred Compensation" on page 31.

During September 2019, the Company settled its fully-funded pension plan, a defined benefit plan for employees hired prior to January 1, 2002, through a combination of lump sum payments to participants, payments to the Pension Benefit Guaranty Corporation (PBGC), and the purchase of a group annuity contract.

The Company has one small remaining pension plan in one of its wholly-owned subsidiaries.

Other Compensation

Other compensation to our executive officers includes group welfare benefits including group medical, dental and vision coverage, and group life insurance. The Company provides certain perquisites to its executive officers, which are described below under "Executive Compensation." The Company requires that its Chairman and Vice Chairman and Chief Executive Officer use Company or other private aircraft for air travel whenever practicable for security reasons. Our directors and executive officers are prohibited from trading in options, puts, calls, or other derivative instruments related to Rollins, Inc. equity securities. The Company permits employees, other than executive officers, to engage in transactions designed to hedge or offset market risk.

The following Compensation Committee Report shall not be incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under the Securities Act or the Exchange Act.

Compensation Committee Report

We have reviewed and discussed the above Compensation Discussion and Analysis with management.

Based upon this review and discussion, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Compensation Committee

Henry B. Tippie, Chairman
James B. Williams

Compliance With Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires our officers and directors and persons who own more than ten percent of a registered class of the Company's equity securities to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than ten percent stockholders are required to furnish the Company with copies of all Section 16(a) forms they file.

Based on our review of the copies of such forms, we believe that during fiscal year ended December 31, 2019, all filing requirements applicable to our officers, directors and greater than ten percent beneficial owners were timely satisfied. Each of these transactions were exempt from Section 16(b) of the Exchange Act by reason of Rule 16(b)(3).

Executive Compensation

Shown below is information concerning the annual compensation for the fiscal years ended December 31, 2019, 2018, and 2017 of those persons who were employed during December 31, 2019 as:

- our Principal Executive Officer and Principal Financial Officer; and
- our three other most highly compensated executive officers as of December 31, 2019 whose total annual salary exceeded $100,000.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)(1)	Cash Bonus ($)(1)	Stock Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(1)(3)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)(4)	All Other Compensation ($)(5)	Total ($)
Gary W. Rollins **Chief Executive Officer**	2019	1,100,000	—	2,630,400	803,000	17,850	229,604	4,780,854
	2018	1,000,000	—	2,777,040	910,000	—	185,035	4,872,075
	2017	1,000,000	—	2,134,440	1,000,000	10,544	182,281	4,327,265
Paul E. Northen **Chief Financial Officer**	2019	535,000	—	679,680	205,440	—	28,074	1,448,194
	2018	500,000	—	718,200	243,000	—	34,767	1,495,967
	2017	450,000	—	508,200	243,000	—	25,234	1,226,434
R. Randall Rollins **Chairman of the Board**	2019	1,000,000	—	2,361,600	730,000	17,850	86,047	4,195,497
	2018	900,000	—	2,489,760	819,000	—	85,960	4,294,720
	2017	900,000	—	1,931,160	900,000	10,544	77,920	3,819,624
John F. Wilson **President and Chief Operating Officer**	2019	830,000	—	1,359,360	560,250	424,463	13,749	3,187,822
	2018	775,000	—	1,436,400	647,125	—	20,534	2,879,059
	2017	700,000	—	1,016,400	630,000	277,737	25,815	2,649,952
Elizabeth B. Chandler **Corporate Secretary**	2019	380,000	—	307,200	116,280	—	27,685	831,165
	2018	355,000	—	287,280	125,670	—	28,502	796,452

(1) John F. Wilson deferred $220,616 in salary and bonus compensation in 2019 related to his 2018 salary and bonus compensation that was paid in 2019 and deferred $210,317 and $145,641 in salary and bonus compensation related to 2017 and 2016, respectively that was paid in 2018 and 2017.

(2) These amounts represent the aggregate grant date fair value of restricted Common Stock awarded under our Stock Incentive Plan during the fiscal years 2019, 2018 and 2017, respectively, in accordance with FASB ASC Topic 718. Please refer to Note 17 to our consolidated financial statements contained in our 2019 Form 10-K for the period ending December 31, 2019 for a discussion of the assumptions used in these computations. When calculating the amounts shown in this table, we have disregarded all estimates of forfeitures. Our 2019 Form 10-K has been included in our Annual Report and provided to our stockholders.

(3) Bonuses under the performance-based incentive cash compensation plan are accrued in the fiscal year earned and paid in the following fiscal year.

(4) Pension values decreased as followed: In 2018, Gary W. Rollins ($2,802), R. Randall Rollins ($2,802), and John F. Wilson ($67,401), 2017, R. Randall Rollins ($23,901).

(5) All other compensation includes the following items for:

Mr. Gary W. Rollins:	$12,600 of Company contributions to the employee's account of the Rollins 401(k) Savings plan; $148,033 of incremental costs to the Company for personal use of the Company's airplane (calculated based on the actual variable costs to the Company for such usage); auto allowance and related vehicle expenses; incremental costs to the Company for use of the Company's executive dining room; and use of Company storage space.
Mr. Paul E. Northen:	$12,600 of Company contributions to the employee's account of the Rollins 401(k) Savings plan; auto allowance and related vehicle expenses; and incremental cost to the Company for use of the Company's executive dining room.
Mr. R. Randall Rollins:	$12,600 of Company contributions to the employee's account of the Rollins 401(k) Savings plan; $4,250 of incremental costs to the Company for personal use of the Company's airplane (calculated based on the actual variable costs to the Company for such usage); auto allowance and related vehicle expenses; incremental costs to the Company for use of the Company's executive dining room; and use of Company storage space.
Mr. John F. Wilson:	$12,600 of Company contributions to the employee's account of the Rollins 401(k) Savings plan; auto allowance and related vehicle expenses; and incremental cost to the Company for use of the Company's executive dining room.
Ms. Elizabeth B. Chandler:	$12,031 of Company contributions to the employee's account of the Rollins 401(k) Savings plan; and auto allowance and related vehicle expenses.

Pay Ratio Disclosure

Pursuant to a mandate of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC adopted a rule requiring annual disclosure of the ratio of the median employee's annual total compensation to the total annual compensation of the principal executive officer ("PEO"). The Company's PEO is Mr. Gary W. Rollins. The purpose of the required disclosure is to provide a measure of the equitability of pay within the organization. The Company believes its compensation philosophy and process yield an equitable result.

Median Employee annual total compensation for 2019	$ 50,134
Mr. Gary W. Rollins ("PEO") annual total compensation for 2019	$4,780,854
Ratio of PEO to Median Employee Compensation for 2019	95.4:1

The median employee was re-identified this year due to a change in employee population as a result of our acquisition of Clark Pest Control of Stockton, Inc. on April 30, 2019, which resulted in a meaningful change to our employee population.

In determining the median employee, a listing was prepared of all employees as of October 31, 2019, including full-time and seasonal or temporary workers employed by the Company or its consolidated subsidiaries, but excluding the PEO. As permitted by SEC rules, under the 5% "de minimus" exception, we excluded employees from our foreign subsidiaries in Australia, United Kingdom, and Singapore, which combined were less than 5% of our total employees. Employees on leave of absence were also excluded, part-time employees were excluded and wages and salaries were annualized for those employees that were not employed for the full year of 2019. The median employee was selected from the annualized list. For simplicity, the value of the Company's 401(k) plan and medical benefits provided was excluded as all employees, including the PEO, are offered the exact same benefits and the Company utilizes the Internal Revenue Service safe harbor provision for 401(k) discrimination testing. As of December 31, 2019, the Company employed 14,952 persons of whom 435 were employed in Australia, the United Kingdom, and Singapore.

The pay ratio disclosure presented above is a reasonable estimate. Because the SEC rules for identifying the median employee and calculating the pay ratio allow companies to use different methodologies, exemptions, estimates and assumptions, our pay ratio disclosure may not be comparable to the pay ratios reported by other companies.

Grants of Plan-Based Awards in 2019

The shares of Common Stock disclosed in the table below represent grants of restricted Common Stock under our Stock Incentive Plan awarded in fiscal year 2019 to the executives named in our Summary Compensation Table. All grants of restricted Common Stock vest one-fifth per year beginning on the second anniversary of the grant date. Restricted shares have full voting and dividend rights. However, until the shares vest, they cannot be sold, transferred or pledged. Should the executive leave the Company's employment for any reason prior to the vesting dates (other than due to death or disability), the unvested shares will be forfeited. We have not issued any stock options in the past three fiscal years and have no immediate plans to issue additional stock options.

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock and Option Awards[3] ($)
	Grant Date	Threshold ($)	Target ($)	Maximum ($)		
Gary W. Rollins	01/22/19[1]	1	1,031,250	1,265,000		
	01/22/19				68,500	2,630,400
Paul E. Northen	01/22/19[2]	1	376,172	401,250		
	01/22/19				17,700	679,680
R. Randall Rollins	01/22/19[1]	1	937,500	1,150,000		
	01/22/19				61,500	2,361,600
John F. Wilson	01/22/19[1]	1	778,125	954,000		
	01/22/19				35,400	1,359,360
Elizabeth B. Chandler	01/22/19[2]	1	195,938	209,000		
	01/22/19				8,000	307,200

(1) These amounts represent possible payouts of awards granted under the Cash Incentive Plan in January 2019. The payment of actual awards was approved in January 2020. The amounts of the actual payments are included in the Summary Compensation Table.

(2) These amounts represent possible payouts of awards granted under the Cash Incentive Plan and the Home Office Cash Incentive Plan in January 2019. The payment of actual awards was approved in January 2020. The amounts of the actual payments are included in the Summary Compensation Table.

(3) These amounts represent aggregate grant date fair value for grants of restricted Common Stock awarded in fiscal year 2019 under our Stock Incentive Plan computed in accordance with ASC Topic 718. Please refer to Note 17 to our Financial Statements contained in our 2019 Form 10-K for a discussion of assumptions used in this computation. Our 2019 Form 10-K has been included in our Annual Report and provided to our stockholders.

There are no agreements or understandings between the Company and any executive officer that guarantee continued employment or guarantee any level of compensation, including incentive or bonus payments, or severance payments, to the executive officer. All of the named executive officers participated in the Company's Cash Incentive Plan. Bonus awards under the Cash Incentive Plan provide participants an opportunity to earn an annual bonus in a maximum amount of 115 percent of base salary under the Cash Incentive Plan or $1,265,000 per individual per year whichever is less. Under the Cash Incentive Plan, whether a bonus is payable, and the amount of any bonus payable, is contingent upon achievement of certain performance goals, which are set in the annual program adopted under the plan. For 2019, these performance goals were measured by obtaining specific levels of the following: revenue to plan growth and pre-tax profit to plan growth of the Company. Messrs. John F. Wilson, Paul E. Northen and Ms. Elizabeth B. Chandler also participate in an individual Key Operating Initiative and may receive a bonus for achievement of the initiative. The Compensation Committee set a maximum award for fiscal year 2019 of 115 percent of the executive's base salaries for Messrs. R. Randall Rollins, Gary W. Rollins, and John F. Wilson. Mr. Paul E. Northen had a maximum award of 75 percent of his base salary for fiscal year 2019 and Ms. Elizabeth B. Chandler has a maximum award of 55 percent of her base salary for fiscal year 2019. Unless sooner amended or terminated by the Compensation Committee, the 2018 Cash Incentive Plan will be in place until April 24, 2023.

The named executive officers while employed are also eligible to receive options and restricted stock under the Company's stock incentive plan, in such amounts and with such terms and conditions as determined by the Compensation Committee at the time of grant. All of the executive officers are eligible to participate in the Company's Deferred Compensation Plan. The executive officers participate in the Company's regular employee benefit programs, including the 401(k) Plan with Company match, group life insurance, group medical and dental coverage and other group benefit plans. The Deferred Compensation Plan provides that participants may defer up to 50% of their base salary and up to 85% of their annual bonus with respect to any given plan year, subject to a $2,000 per plan year minimum. The Company may make discretionary credits to participant accounts.

Outstanding Equity Awards at Fiscal Year-End

The Company does not have any outstanding option awards to the executives named in our Summary Compensation Table. The table below sets forth the total number of restricted shares of Common Stock outstanding at December 31, 2019 and held by the executives named in our Summary Compensation Table but which have not yet vested, together with the market value of these unvested shares based on the $33.16 the closing price of our Common Stock on December 31, 2019.

	Option Awards				Stock Awards	
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)[(1)]**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**
Gary W. Rollins	—	—	—	—	344,500	11,423,620
Paul E. Northen	—	—	—	—	78,450	2,601,402
R. Randall Rollins	—	—	—	—	310,500	10,296,180
John F. Wilson	—	—	—	—	170,400	5,650,464
Elizabeth B. Chandler	—	—	—	—	31,040	1,029,286

(1) The Company has granted time-lapse restricted shares for the named executive officers that vest 20% annually beginning on the second anniversary of the grant date.

2020 Proxy

Shares of the restricted stocks granted to the executive officers that have not fully vested as of December 31, 2019 are summarized in the table that follows:

Name	Number of shares Granted	Grant Date	Date fully vested
Gary W. Rollins	94,500	1/28/2014	1/28/2020
	94,500	1/27/2015	1/27/2021
	94,500	1/26/2016	1/26/2022
	94,500	1/24/2017	1/24/2023
	87,000	1/23/2018	1/23/2024
	68,500	1/22/2019	1/22/2025
Paul E. Northen	22,500	2/24/2015	2/24/2021
	18,750	1/26/2016	1/26/2022
	22,500	1/24/2017	1/24/2023
	22,500	1/23/2018	1/23/2024
	17,700	1/22/2019	1/22/2025
R. Randall Rollins	85,500	1/28/2014	1/28/2020
	85,500	1/27/2015	1/27/2021
	85,500	1/26/2016	1/26/2022
	85,500	1/24/2017	1/24/2023
	78,000	1/23/2018	1/23/2024
	61,500	1/22/2019	1/22/2025
John F. Wilson	45,000	1/28/2014	1/28/2020
	45,000	1/27/2015	1/27/2021
	45,000	1/26/2016	1/26/2022
	45,000	1/24/2017	1/24/2023
	45,000	1/23/2018	1/23/2024
	35,400	1/22/2019	1/22/2025
Elizabeth B. Chandler	9,000	1/28/2014	1/28/2020
	9,000	1/27/2015	1/27/2021
	6,000	1/26/2016	1/26/2022
	6,300	1/24/2017	1/24/2023
	9,000	1/23/2018	1/23/2024
	8,000	1/22/2019	1/22/2025

Option Exercises and Stock Vested

The following table sets forth:

- the number of shares of Common Stock acquired by the executives named in the Summary Compensation Table upon the exercise of stock options during the fiscal year ended December 31, 2019.
- the aggregate dollar amount realized on the exercise date for such options computed by multiplying the number of shares acquired by the difference between the market value of the shares on the exercise date and the exercise price of the options;
- the number of shares of restricted Common Stock acquired by the executives named in the Summary Compensation Table upon the vesting of shares during the fiscal year ended December 31, 2019.
- the aggregate dollar amount realized on the vesting date for such restricted stock computed by multiplying the number of shares which vested by the market value of the shares on the vesting date.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Gary W. Rollins	—	—	98,100	3,696,354
Paul E. Northen	—	—	12,750	486,375
R. Randall Rollins	—	—	88,650	3,340,206
John F. Wilson	—	—	45,000	1,694,340
Elizabeth B. Chandler	—	—	6,060	226,931

Pension Benefits

The Company's Retirement Income Plan, a trustee defined benefit pension plan, provides monthly benefits upon retirement at or after age 65 to eligible employees. In the second quarter of 2005, the Company's Board of Directors approved a resolution to cease all future retirement benefit accruals under the Retirement Income Plan effective June 30, 2005. During September 2019, the Company settled its fully-funded pension plan through a combination of lump sum payments to participants, payments to the Pension Benefit Guaranty Corporation (PBGC), and the purchase of a group annuity contract. Retirement income benefits are based on the average of the employee's compensation from the Company for the five consecutive complete calendar years of highest compensation during the last ten consecutive complete calendar years ("final average compensation") immediately preceding June 30, 2005. The estimated annual benefit payable at the later of retirement or age 65 is $0 for Mr. Gary W. Rollins, $0 for Mr. Paul E. Northen, $82,059 for Mr. R. Randall Rollins, $0 for Mr. John F. Wilson and $0 for Ms. Elizabeth B. Chandler.

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit[(2)] ($)	Payments During Last Fiscal Year ($)
Gary W. Rollins[(1)]	Pension Plan	36	—	—
Paul E. Northen	Pension Plan	—	—	—
R. Randall Rollins[(2)]	Pension Plan	22	378,586	82,059
John F. Wilson[(3)]	Pension Plan	9	—	126,695
Elizabeth B. Chandler	Pension Plan	—	—	—

(1) Pursuant to a Qualified Domestic Relations Order, during 2013 Mr. Rollins' retirement income benefit was awarded in its entirety to his former spouse.

(2) The actuarial present value of the executive's accumulated benefit is computed using the PRI-2012 Mortality Tables, amount weighted, with generational mortality improvement based on MP-2019, and a discount rate of 3.17% (based on the FTSE Pension Liability Index as of December 31, 2019 for short duration plans).

(3) The payments during the last fiscal year represent the amount paid in a lump sum cash distribution in satisfaction of Mr. Wilson's accumulated benefit.

Nonqualified Deferred Compensation

On June 13, 2005, the Company approved the Rollins, Inc. Deferred Compensation Plan (the "Deferred Compensation Plan") that is designed to comply with the provisions of the American Jobs Creation Act of 2004 (including Section 409A of the Internal Revenue Code). The Deferred Compensation Plan provides that employees eligible to participate in the Deferred Compensation Plan include those who are both members of a group of management or highly compensated employees selected by the committee administering the Deferred Compensation Plan. All of the named executive officers are eligible.

Name	Executive contributions in last FY ($)[1]	Registrant contributions in last FY ($)[2]	Aggregate earnings/(losses) in last FY ($)	Aggregate withdrawals/ distributions	Aggregate balance at last FYE ($)
Gary W. Rollins	—	—	17,850	—	97,239
Paul E. Northen	—	—	—	—	—
R. Randall Rollins	—	—	17,850	—	97,239
John F. Wilson	220,616	—	424,463	—	2,364,871
Elizabeth B. Chandler	—	—	—	—	—

(1) Reflects the amounts related to the base salary for 2019, which have been deferred by the executive officers pursuant to the Deferred Compensation Plan, and the bonus compensation amounts deferred related to 2018 that were paid in 2019, which are included in the Summary Compensation Table on page 24.

(2) Reflects the amounts for each of the named executive officers, which are reported as compensation to such named executive officer in the "All Other Compensation" column of the Summary Compensation Table on page 24.

The Deferred Compensation Plan provides that participants may defer up to 50% of their base salary and up to 85% of their annual bonus with respect to any given plan year, subject to a $2,000 per plan year minimum. The Company may make discretionary contributions to participant accounts.

Under the Deferred Compensation Plan, salary and bonus deferrals are fully vested. Any discretionary contributions are subject to vesting in accordance with the matching contribution-vesting schedule set forth in the Rollins 401(k) Savings Plan in which a participant participates.

Accounts will be credited with hypothetical earnings, and/or debited with hypothetical losses, based on the performance of certain "Measurement Funds." Account values are calculated as if the funds from deferrals and Company credits had been converted into shares or other ownership units of selected Measurement Funds by purchasing (or selling, where relevant) such shares or units at the current purchase price of the relevant Measurement Fund at the time of the participant's selection. Deferred Compensation Plan benefits are unsecured general obligations of the Company to the participants, and these obligations rank in parity with the Company's other unsecured and unsubordinated indebtedness. The Company has established a "rabbi trust," which it uses to voluntarily set aside amounts to indirectly fund any obligations under the Deferred Compensation Plan. To the extent that the Company's obligations under the Deferred Compensation Plan exceed assets available under the trust, the Company would be required to seek additional funding sources to fund its liability under the Deferred Compensation Plan.

Generally, the Deferred Compensation Plan provides for distributions of any deferred amounts upon the earliest to occur of a participant's death, disability, retirement or other termination of employment (a "Termination Event"). However, for any deferrals of salary and bonus (but not Company contributions), participants would be entitled to designate a distribution date which is prior to a Termination Event. Generally, the Deferred Compensation Plan allows a participant to elect to receive distributions under the Deferred Compensation Plan in installments or lump-sum payments.

401(k) Plan

Effective October 1, 1983, the Company adopted a qualified retirement plan designed to meet the requirements of Section 401(k) of the Code ("401(k) Plan"). The forms of benefit payment under the Rollins 401(k) Savings Plan are dependent upon the vested account balance. If the vested assets are greater than $1,000 up to and including $5,000, a participant may roll their money into another qualified plan or it will be rolled into a Prudential Individual Retirement Account. If the participant has more than $5,000 invested assets, they can leave their funds in the Plan, take a full or partial lump sum distribution, take systematic distributions or roll their vested assets into another qualified plan. If the account balance is equal to or less than $1,000, the participant may roll their vested balance into another qualified plan or take a lump sum distribution. Under the Rollins 401(k) Savings Plan, the full amount of a participant's vested benefit is payable upon his termination of employment, retirement, total and permanent disability, death or age 59½. A participant may withdraw a certain amount of his pre-tax and rollover contributions upon specified instances of financial hardship. A participant may withdraw all or any portion of his after-tax account at any time and for any reason. Amounts contributed by the Company to the accounts of Named Executives under this plan are included in the "All Other Compensation" column of the Summary Compensation Table on page 24.

Potential Payments Upon Termination or Change in Control

The following table describes the potential payments and benefits under the Company's compensation and benefit plans and arrangements to which the named executive officers would be entitled upon termination of employment. There are no other agreements, arrangements or plans that entitle executive officers to severance, perquisites, or other enhanced benefits upon termination of their employment, except as described below. Any agreement to provide additional payments or benefits to a terminating executive officer would be in the discretion of the Compensation Committee. The executive officers are not entitled to additional benefits at death or disability per the terms of the defined benefit plan. The amounts payable at retirement are disclosed in the "Pension Benefits" section on page 30. The executive officers can choose to receive the amounts accumulated in the Deferred Compensation Plan either as a lump sum or in installments at retirement, death or disability. These amounts have been disclosed under the "Nonqualified Deferred Compensation" section on page 31. The table below shows the incremental restricted shares that would become vested as of December 31, 2019, at the closing market price of $33.16 per share for our Common Stock, as of that date, in the case of retirement, death, disability or change in control.

Name		Stock Awards	
		Number of shares underlying unvested stock (#)	Unrealized value of unvested stock ($)
Gary W. Rollins	Retirement	—	—
	Death	344,500	11,423,620
	Disability	151,167	5,359,715
	Change in Control	344,500	11,423,620
Paul E. Northen	Retirement	—	—
	Death	78,450	2,601,402
	Disability	33,235	1,102,086
	Change in Control	78,450	2,601,402
R. Randall Rollins	Retirement	—	—
	Death	310,500	10,296,180
	Disability	145,938	4,839,287
	Change in Control	310,500	10,296,180
John F. Wilson	Retirement	—	—
	Death	170,400	5,650,464
	Disability	73,125	2,604,165
	Change in Control	170,400	5,650,464
Elizabeth B. Chandler	Retirement	—	—
	Death	31,040	1,029,286
	Disability	14,956	495,926
	Change in Control	31,040	1,029,286

Accrued Pay and Regular Retirement Benefits. The amounts shown in the table on page 30 do not include payments and benefits to the extent they are provided on a non-discriminatory basis to salaried employees generally upon termination of employment. These include:

- Accrued salary and vacation pay
- Distributions of plan balances under the 401(k) plan, as described on page 32
- Nonqualified Deferred Compensation

Change in Control or Severance. The Company does not have any severance for its executive officers. However, upon the occurrence of a "Change in Control," as determined by the Board of Directors, all unvested time-lapse restricted stock shall immediately vest.

Certain Relationships and Related Party Transactions

A group that includes the Company's Vice Chairman and Chief Executive Officer, Gary W. Rollins, and his brother, Chairman of the Board, R. Randall Rollins, and certain companies under their control possesses in excess of fifty percent of the Company's voting power. Please refer to the discussion on pages 11-32 under the heading, "Corporate Governance and Board of Directors' Committees and Meetings, Director Independence and NYSE Requirements, Controlled Company Exemption." The group discussed above also controls in excess of fifty percent of the voting power of RPC, Inc. and Marine Products, Inc. All of the Company's directors, with the exception of Thomas J. Lawley, M.D., and John F. Wilson, are also directors of RPC, Inc. and Marine Products Corporation.

Our Code of Business Ethics and Related Party Transactions Policy for Executive Officers and Directors provides that related party transactions, as defined in Regulation S-K, Item 404(a), must be reviewed, approved and/or ratified by our Nominating and Corporate Governance Committee. As set forth in our Code, our Nominating and Corporate Governance Committee has the responsibility to ensure that it only approve or ratify related party transactions that are in compliance with applicable law, consistent with the Company's corporate governance policies (including those relative to conflicts of interest and usurpation of corporate opportunities) and on terms that are deemed to be fair to the Company. The Committee has the authority to hire legal, accounting, financial or other advisors, as it may deem necessary or desirable and/or to delegate responsibilities to executive officers of the Company in connection with discharging its duties. A copy of the Code is available at our website (www.rollins.com) under the heading "Investor Relations – Corporate Governance."

The Company provides certain administrative services to RPC, Inc. ("RPC") (a company of which Mr. R. Randall Rollins is also Chairman and which is otherwise affiliated with the Company). The service agreements between RPC and the Company provide for the provision of services on a cost reimbursement basis and are terminable on six months' notice. The services covered by these agreements include administration of certain employee benefit programs and other administrative services. Charges to RPC (or to corporations which are subsidiaries of RPC) for such services and rent totaled approximately $0.1 million for each of the years ended December 31, 2019, 2018, and 2017.

The Company rents office, hanger and storage space to LOR, Inc. ("LOR") (a company controlled by R. Randall Rollins and Gary W. Rollins). Charges to LOR (or corporations which are subsidiaries of LOR) for rent totaled $0.8 million for the year ended December 31, 2019, $0.9 million for the year ended December 31, 2018 and $1.0 million for the year ended 2017.

In 2014, P.I.A. LLC, a company owned by the Chairman of the Board of Directors, R. Randall Rollins, purchased a Lear Model 35A jet and entered into a lease arrangement with the Company for Company use of the aircraft for business purposes. The lease is terminable by either party on 30 days' notice. The Company pays $100.00 per month rent for the leased aircraft, and pays all variable costs and expenses associated with the leased aircraft, such as the costs for fuel, maintenance, storage and pilots. The Company has the priority right to use of the aircraft on business days, and Mr. Rollins has the right to use the aircraft for personal use through the terms of an Aircraft Time Sharing Agreement with the Company. During the years ended December 31, 2019 and 2018, the Company paid approximately $0.9 million and $0.7 million in rent and operating costs for the aircraft respectively. During 2019, the Company accounted for 100 percent of the use of the aircraft.

On January 24, 2018, the Company pledged a charitable gift of $0.7 million to Emory University Hospital Midtown. The amount will be paid in equal annual installments over the next five years. Dr. Lawley recused himself from the Board of Director's approval of the gift agreement.

On December 1, 2019, Orkin, a subsidiary of the Company, entered into a franchise agreement with Wilson Pest Management, Inc. The franchisee is owned 100% by John F. Wilson IV. The Company received a total of approximately $0.8 million, which included payment for the franchise and an initial franchise fee of seventy-five thousand dollars in connection with the transaction. The franchise agreement provides for a monthly royalty fee of 9.0% of the franchisee's reported income. John Wilson IV, is the son of John F. Wilson, President and Chief Operating Officer of the Company. The Company approved the agreement in accordance with its Related Party Transactions policy.

All of the above related party transactions were reviewed, approved or ratified by the Company's Nominating and Governance Committee of the Board of Directors.

Independent Registered Public Accounting Firm

Principal Auditor

Grant Thornton LLP has served as the Company's independent registered public accounting firm for the fiscal years ended December 31, 2019 and 2018.

The Audit Committee has appointed Grant Thornton LLP as Rollins, Inc.'s independent registered public accounting firm for the fiscal year ending December 31, 2020. Grant Thornton LLP has served as the Company's independent auditors for many years and is considered by management to be well qualified. Representatives of Grant Thornton LLP are expected to be present at the annual meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Audit Fees

	2019	2018
Audit Fees[(1)]	$1,700,000	$1,600,000
Audit-Related Fees	—	—
All Other Fees	—	—
Total	$1,700,000	$1,600,000

(1) Audit fees represent fees for professional services provided in connection with the audit of our internal control over financial reporting, audit of our financial statements and review of our quarterly financial statements and audit services provided in connection with other statutory or regulatory filings.

Pre-approval of Services

All of the services described above were pre-approved by the Company's Audit Committee. The Audit Committee has determined that the payments made to its independent registered public accounting firm for these services are compatible with maintaining such auditors' independence. All of the hours expended on the principal accountant's engagement to audit the financial statements of the Company for the years 2019 and 2018 were attributable to work performed by full-time, permanent employees of the principal accountant. The Committee has no pre-approval policies or procedures other than as set forth below.

The Audit Committee is directly responsible for the appointment and termination, compensation, and oversight of the work of the independent registered public accounting firm, including resolution of disagreements between management and the independent registered public accounting firm regarding financial reporting. The Audit Committee is responsible for pre-approving all audit and non-audit services provided by the independent public accountants and ensuring that they are not engaged to perform the specific non-audit services proscribed by law or regulation. The Audit Committee has delegated pre-approval authority to its Chairman with the stipulation that his decision is to be presented to the full Audit Committee at its next scheduled meeting.

Stockholder Proposals

Appropriate proposals of stockholders intended to be presented at the Company's 2021 Annual Meeting of the Stockholders must be received by the Company by November 22, 2020 in order to be included, pursuant to Rule 14a-8 promulgated under the Exchange Act in the proxy statement and form of proxy relating to that meeting. With regard to such stockholder proposals, if the date of the next annual meeting of stockholders is advanced or delayed more than 30 calendar days from April 28, 2021, the Company will, in a timely manner, inform its stockholders of the change and of the date by which such proposals must be received. Stockholders desiring to present business at the 2021 Annual Meeting of Stockholders outside of the stockholder proposal rules of Rule 14a-8 of the Securities Exchange Act of 1934 and instead pursuant to Article Twenty-Seventh of the Company's by-laws must prepare a written notice regarding such proposal addressed to Secretary, Rollins, Inc., 2170 Piedmont Road, NE, Atlanta, Georgia 30324, which must be delivered to or mailed and received at the aforementioned address no later than January 24, 2021 and no earlier than December 15, 2020. Stockholders should consult the by-laws for other specific requirements related to such notice and proposed business.

With respect to stockholder nomination of directors, the Company's by-laws provide that nominations for the election of directors may be made by any stockholder entitled to vote for the election of directors. Nominations must comply with an advance notice procedure which generally requires with respect to nominations for directors for election at an annual meeting, that written notice be addressed to: Secretary, Rollins, Inc., 2170 Piedmont Road, N.E., Atlanta, Georgia 30324, and be received not less than 90 nor more than 130 days prior to the anniversary of the prior year's annual meeting and set forth, among other requirements specified in the by-laws, the name, age, business address and, if known, residence address of the nominee proposed in the notice, the principal occupation or employment of the nominee for the past five years, the nominee's qualifications, the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by the person and any other information relating to the person that would be required to be disclosed in a proxy statement or other filings. Other specific requirements related to such notice, including required disclosures concerning the stockholder intending to present the nomination, are set forth in the Company's by-laws. Notices of nominations must be received by the Secretary of the Company no later than January 24, 2021 and no earlier than December 15, 2020, with respect to directors to be elected at the 2021 Annual Meeting of Stockholders.

Expenses of Solicitation

The Company will bear the solicitation cost of proxies. Upon request, the Company will reimburse brokers, dealers and banks, or their nominees, for reasonable expenses incurred in forwarding copies of the proxy materials to their beneficial stockholders of record. Proxies also may be solicited in person or by telephone, facsimile or other means by our directors, officers and regular employees. These individuals will receive no additional compensation for these services. The Company has retained Georgeson, LLC to conduct proxy solicitation and other proxy services for an estimated fee of approximately $7,500 plus shipping expenses.

Annual Report

Our Annual Report as of and for the year ended December 31, 2019 is being provided to you with this proxy statement. The Annual Report includes our 2019 Form 10-K (without exhibits). The Annual Report is not considered proxy-soliciting material.

Form 10-K

On written request of any record or beneficial stockholder, we will provide, free of charge, a copy of our 2019 Form 10-K, which includes the consolidated financial statements. Requests should be made in writing and addressed to: Paul E. Northen, Senior Vice President, Chief Financial Officer and Treasurer, Rollins, Inc., 2170 Piedmont Road N.E., Atlanta, Georgia 30324. We will charge reasonable out-of-pocket expenses for the reproduction of exhibits to our 2019 Form 10-K should a stockholder request copies of such exhibits.

Other Matters

Our Board of Directors knows of no business other than the matters set forth herein, which will be presented at the meeting. Since matters not known at this time may come before the meeting, the enclosed proxy gives discretionary authority with respect to such matters as may properly come before the meeting and it is the intention of the persons named in the proxy to vote in accordance with their judgment on such matters.

BY ORDER OF THE BOARD OF DIRECTORS

Elizabeth B. Chandler
Secretary

Atlanta, Georgia
March 17, 2020

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SHAREHOLDER INFORMATION

STOCK LISTING

The Common Stock of the Company is listed on the New York Stock Exchange and traded on the Philadelphia, Chicago, and Boston Exchanges under the symbol ROL.

ROL LISTED NYSE

STOCK TRANSFER AGENT, REGISTRAR OF STOCK, DIVIDEND DISBURSING AGENT AND OTHER SHAREHOLDER SERVICES

For inquiries related to stock certificates, including changes of address, lost certificates, dividends, and tax forms, please contact:
American Stock Transfer and Trust
6201 15th Street
Brooklyn, NY 11219
866-708-5581

DIVIDEND REINVESTMENT PLAN

This Plan provides a simple, convenient, and inexpensive way for shareholders to invest cash dividends in additional Rollins, Inc. shares. For further information, contact Investor Relations at the mailing address below.

ANNUAL SHAREHOLDER MEETING

The Annual Meeting of the Shareholders will be held at 12:30 p.m., April 28, 2020, at the Company's corporate offices in Atlanta, Georgia.

EXECUTIVE OFFICES

Rollins, Inc.
2170 Piedmont Road, N.E.
Atlanta, Georgia 30324

MAILING ADDRESS

Rollins, Inc.
P.O. Box 647
Atlanta, Georgia 30301

TELEPHONE

404-888-2000

DIRECTORS

Henry B. Tippie – Lead Director •

Chairman of the Board and Chief Executive Officer of Tippie Services, Inc. (management services)

R. Randall Rollins *

Chairman of the Board of Rollins, Inc., Chairman of the Board of RPC, Inc. (oil and gas field services) and Chairman of the Board of Marine Products Corporation (boat manufacturing)

James B. Williams †

Retired Chairman of the Executive Committee of SunTrust Banks, Inc. (bank holding company)

Gary W. Rollins *

Vice Chairman and Chief Executive Officer of Rollins, Inc.

Bill J. Dismuke +

Retired President of Edwards Baking Company

Thomas J. Lawley, M.D.

Former Dean of the Emory University School of Medicine

John F. Wilson

President and Chief Operating Officer of Rollins, Inc.

Pamela R. Rollins

Community Leader

• Chairman of the Audit Committee, Compensation Committee, Nominating & Governance Committee, and Diversity Committee

* Member of the Executive Committee

† Member of the Audit Committee, Compensation Committee, Nominating & Governance Committee, and Diversity Committee

\+ Member of the Audit Committee

Rollins, Inc.
Worldwide Pest Brands

orkincanada.ca

orkin.com

orkinau.com

pestdefense.com

westernpest.com

clarkpest.com

callnorthwest.com

indfumco.com

aardwolfpestkare.com

safeguardpestcontrol.co.uk

crittercontrol.com

trutechinc.com

walthamservices.com

opcpest.com

permatreat.com

cranepestcontrol.com