Second Quarter 2024 Earnings Webcast Presentation

Rollins, Inc.

July 25, 2024

Cautionary Statement Regarding Forward-Looking Statements

This presentation as well as other written or oral statements by the Company may contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. We have based these forward-looking statements on our current opinions, expectations, intentions, beliefs, plans, objectives, assumptions and projections about future events and financial trends affecting the operating results and financial condition of our business. Although we believe that these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions, or expectations. Generally, statements that do not relate to historical facts, including statements concerning possible or assumed future actions, business strategies, events or results of operations, are forward-looking statements. The words “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “should,” “will,” “would,” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this presentation include, but are not limited to, statements regarding: expectations with respect to our financial and business performance; demand for our services; our pipeline of acquisitions and potential targets; expected growth; continuous improvement initiatives enhancing profitability; and a balanced capital allocation program.

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

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

Reconciliation of GAAP and Non-GAAP Financial Measures

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

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

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

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

Q2
2024 Results

Revenue	**$892M**	**+9%**
EPS of	**$0.27**	**+23%**
Free Cash Flow[1]	**$136M**	**-3%**

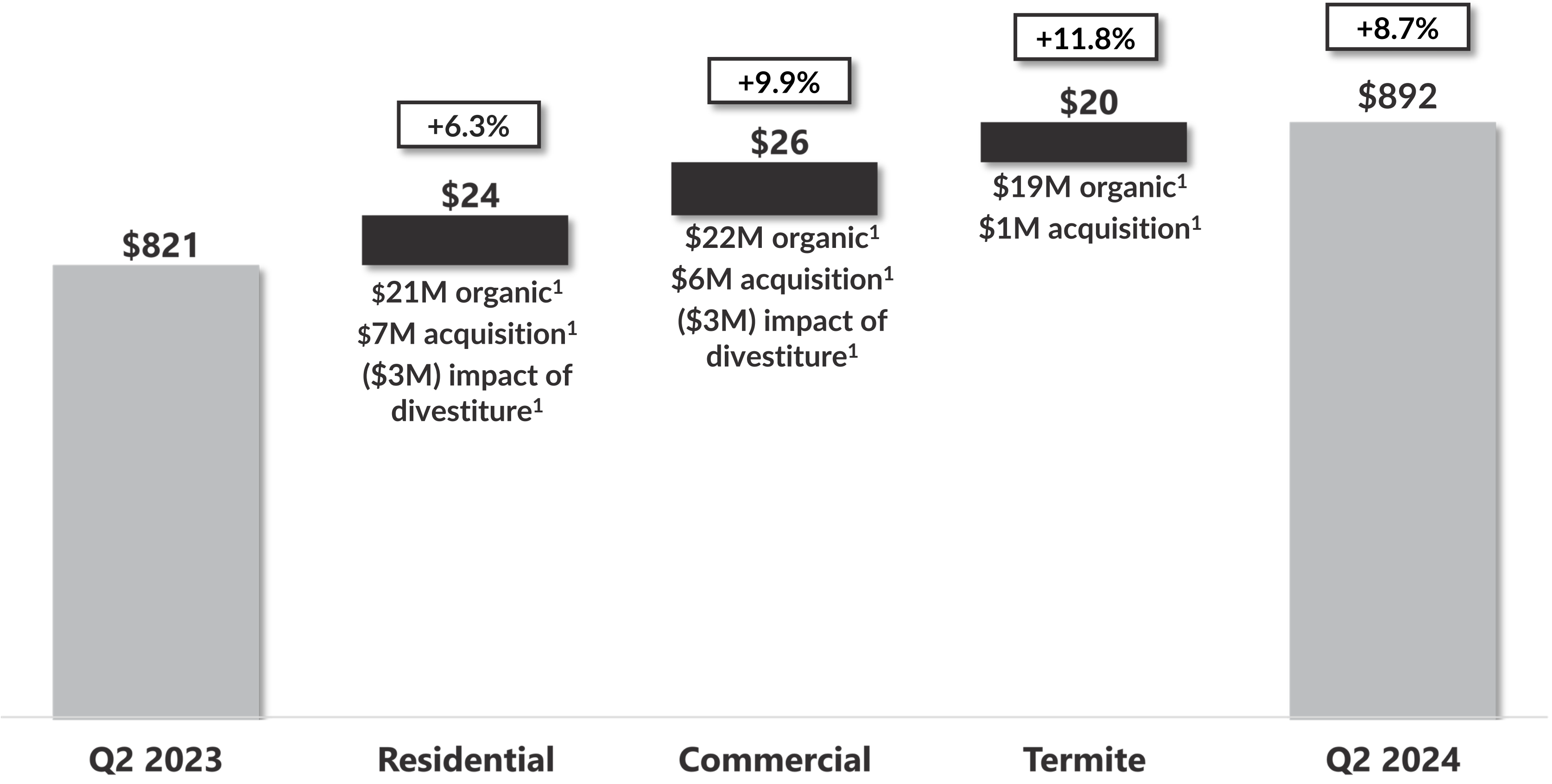
Other Q2 Highlights

- Healthy growth across all major service lines
- Organic growth[1] of **7.7%**; acquisitions drove remaining growth, offset by divestitures in Q4 2023
- Record gross margin of **54%** and further leverage in SG&A drove **140** basis points of improvement in EBITDA[1] margins and strong incremental EBITDA[1] margin performance
- Cash flow negatively impacted by working capital timing; Free cash flow conversion[1] of ~**105%**

Solid Revenue Growth and Margin Improvement Drives Double-Digit Earnings Growth

Comparisons are against Q2 2023 unless otherwise noted.
[1] These amounts are non-GAAP measures (see Appendix).

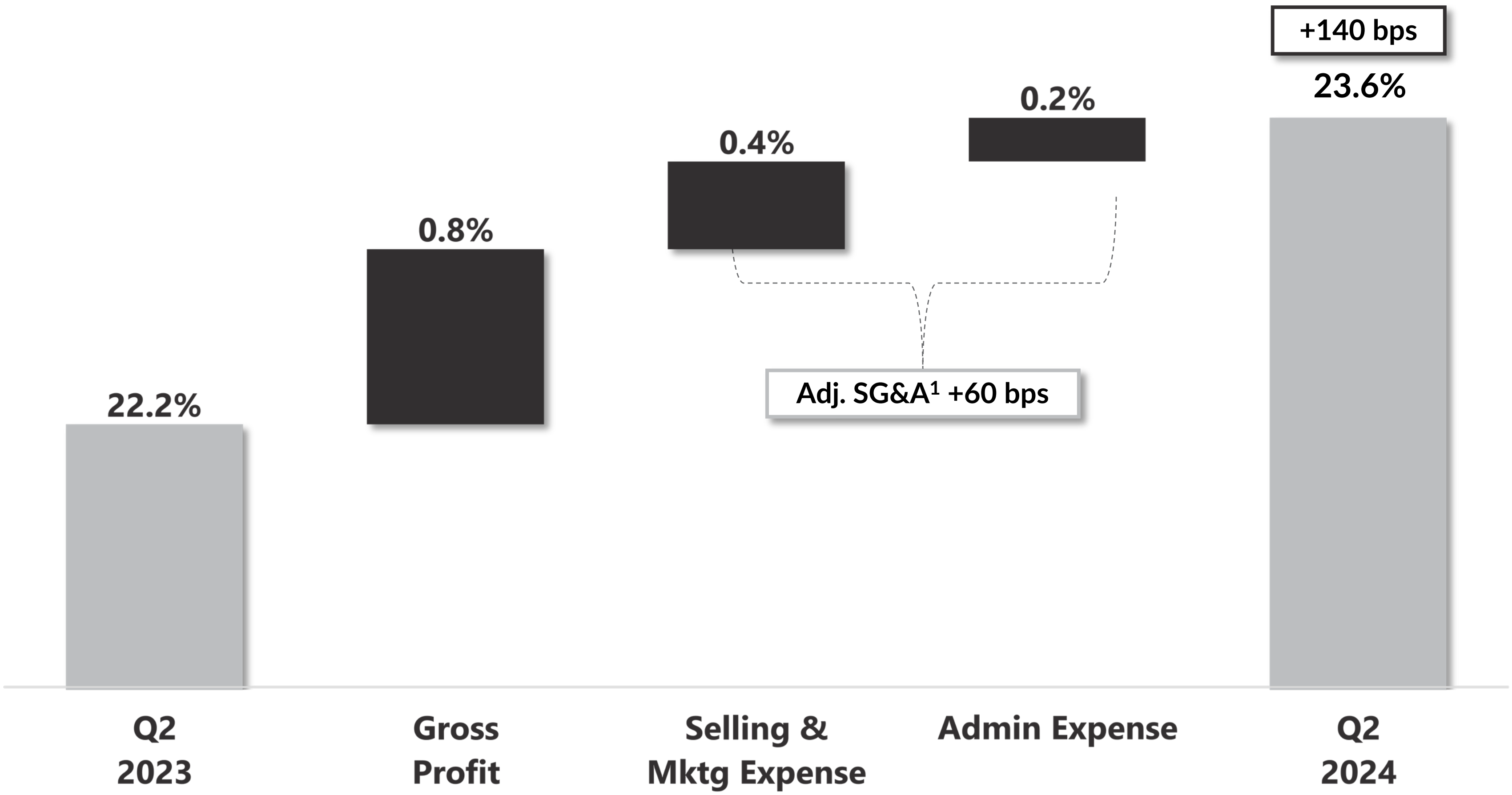
Q2 Revenue Growth



Total Organic Revenue Growth of 7.7% Year-Over-Year

Note: Figures may not foot due to rounding.
[1]These amounts are non-GAAP measures (see Appendix)

Q2 Adj. EBITDA Margin[1]



Solid Q2 Gross Margin & Adj. SG&A[1] Leverage Drove 140 BPS of EBITDA Margin[1] Improvement

HIGHLIGHTS

Gross Profit

- Gross margin 54%
- Positive on price cost equation
- Healthy leverage across several cost categories, with the most notable contributions coming from insurance & claims, as well as fleet

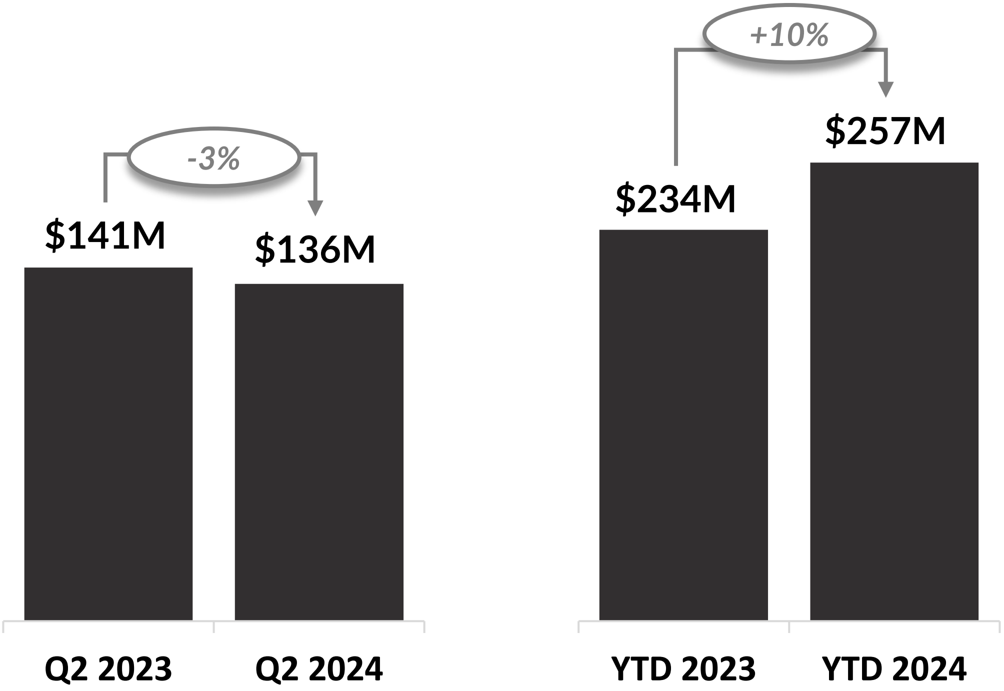
Adj. SG&A[1]

- Saw leverage from selling & marketing expenses, expect to make additional investments in this area during Q3
- Additional leverage associated with lower insurance and claims activity and lower administrative personnel costs, partially offset by other back-office administrative expenses

Note: Figures may not foot due to rounding.
[1]These amounts are non-GAAP measures (see Appendix)

Cash Flow and Use of Liquidity

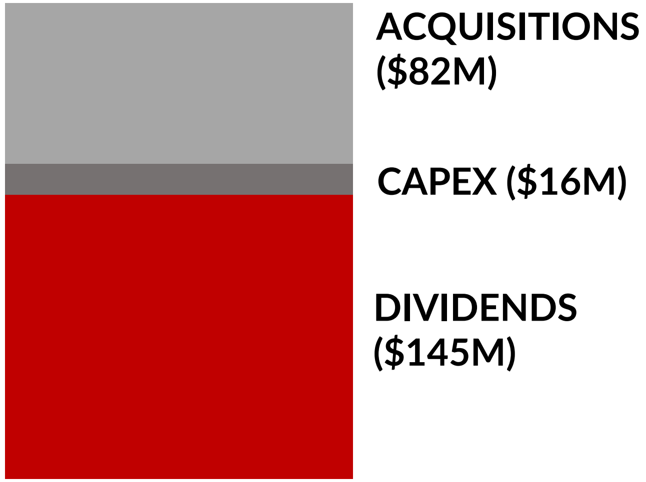
Q2 & YTD 2024 Free Cash Flow[1]



~128% ~105% ~118% ~115%

CONVERSION OF NET INCOME

YTD 2024 Uses of Cash Flow & Liquidity



0.5x

NET DEBT TO EBITDA

Solid Cash Flow Performance Enabling Balanced Capital Allocation Strategy

HIGHLIGHTS

Cash Generation
- Q2 Free Cash Flow Conversion[1] was ~105%
- Strong balance sheet with modest levels of debt

Acquisitions
- Closed 14 acquisitions in Q2 and 26 YTD

Dividends
- Healthy dividend +15% YoY

Net Leverage[1]
- Well below 1x of EBITDA
- Expect to maintain a balanced capital allocation approach

[1]These amounts are non-GAAP measures (see Appendix)

Key Takeaways

Focus on Modernization

Hiring key talent across the organization to accelerate modernization efforts

Focused on upgrading technology and executing continuous improvement across key processes

Exceptional Performance

Healthy pipeline of acquisitions

Robust organic growth across all service areas

Essential nature of services provides consistency in business growth across all cycles

Margins Remain a Focus

Focus on pricing and productivity has resulted in increased margins across several key income statement categories

Incremental EBITDA[1] Margins of 30% for first six months of the year

Balance Sheet Provides Flexibility

Healthy balance sheet positions us well to execute on capital allocation priorities

Cash flow conversion above 100%

[1]These amounts are non-GAAP measures (see Appendix)

Balanced 2024 Outlook

WHAT WE ARE SEEING

Organic Growth
Healthy market growth and solid execution driving strong organic growth with good performance across all major service areas;

Inorganic Growth
Robust M&A pipeline; attractive multiples in potential targets. Expect 2-3% Revenue Growth Contribution from M&A in 2024

Healthy Margin Performance
Good leverage across the income statement

Staffing Remains Strong
Positioned to serve existing customers and convert marketing & sales investments into new customer growth

WHAT WE EXPECT

Continued Growth
Focused on delivering solid growth and healthy incremental margins in 2024, further complemented by a strategic and disciplined approach to M&A

Margin Expansion Opportunities
Continued focus on pricing, as well as ongoing execution of modernization program in 2024

Compounding Cash Flow
Strong cash position will enable a balanced capital allocation strategy focused on investing in growth opportunities in our core market

Focused on Delivering Continued Growth and Improving Profitability in 2024

Growth Algorithm

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

[1]These amounts are non-GAAP measures (see Appendix)

APPENDIX

Reconciliation Of GAAP And Non-GAAP Financial Measures

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

	Three Months Ended June 30,				Six Months Ended June 30,			
			Variance				Variance	
(unaudited, in thousands, except per share data)	**2024**	2023	$	%	**2024**	2023	$	%
Reconciliation of Net Income to Adjusted Net Income and Adjusted EPS [5]								
Net income	**$ 129,397**	$ 110,143			**$ 223,791**	$ 198,377		
Fox acquisition-related expenses [1]	**4,219**	5,261			**9,484**	5,261		
Gain on sale of assets, net [2]	**(412)**	(1,019)			**(351)**	(5,733)		
Tax impact of adjustments [3]	**(975)**	(1,086)			**(2,338)**	121		
Adjusted net income	**$ 132,229**	$ 113,299	18,930	16.7	**$ 230,586**	$ 198,026	32,560	16.4
EPS - basic and diluted	**$ 0.27**	$ 0.22			**$ 0.46**	$ 0.40		
Fox acquisition-related expenses [1]	**0.01**	0.01			**0.02**	0.01		
Gain on sale of assets, net [2]	**—**	—			**—**	(0.01)		
Tax impact of adjustments [3]	**—**	—			**—**	—		
Adjusted EPS - basic and diluted [4]	**$ 0.27**	$ 0.23	0.04	17.4	**$ 0.48**	$ 0.40	0.08	20.0
Weighted average shares outstanding - basic	**484,244**	492,700			**484,187**	492,593		
Weighted average shares outstanding - diluted	**484,419**	492,891			**484,356**	492,764		

(1) Consists of expenses resulting from the amortization of certain intangible assets and adjustments to the fair value of contingent consideration resulting from the acquisition of Fox Pest Control. While we exclude such expenses in this non-GAAP measure, the revenue from the acquired company is reflected in this non-GAAP measure and the acquired assets contribute to revenue generation.

(2) Consists of the gain or loss on the sale of non-operational assets.

(3) The tax effect of the adjustments is calculated using the applicable statutory tax rates for the respective periods.

(4) In some cases, the sum of the individual EPS amounts may not equal total non-GAAP EPS calculations due to rounding.

(5) In the first quarter of 2024, we revised the non-GAAP metrics adjusted net income, adjusted EPS, and adjusted EBITDA to exclude gains and losses related to non-operational asset sales. These measures are of operating performance and we believe excluding the gains and losses on non-operational assets allows us to better compare our operating performance consistently over various periods. Refer to our first quarter 2024 press release for fully revised quarterly metrics.

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	Three Months Ended June 30,				Six Months Ended June 30,			
			Variance				Variance	
(unaudited, in thousands, except margins)	**2024**	2023	$	%	**2024**	2023	$	%
Reconciliation of Net Income to EBITDA, Adjusted EBITDA, EBITDA Margin, and Adjusted EBITDA Margin [3]								
Net income	**$ 129,397**	$ 110,143			**$ 223,791**	$ 198,377		
Depreciation and amortization	**27,711**	26,439			**55,021**	48,941		
Interest expense, net	**7,775**	4,785			**15,500**	5,250		
Provision for income taxes	**45,617**	40,880			**75,861**	69,135		
EBITDA	**$ 210,500**	$ 182,247	28,253	15.5	**$ 370,173**	$ 321,703	48,470	15.1
Fox acquisition-related expenses [1]	**—**	1,047			**1,049**	1,047		
Gain on sale of assets, net [2]	**(412)**	(1,019)			**(351)**	(5,733)		
Adjusted EBITDA	**$ 210,088**	$ 182,275	27,813	15.3	**$ 370,871**	$ 317,017	53,854	17.0
Revenues	**$ 891,920**	$ 820,750	71,170		**$ 1,640,269**	$ 1,478,765	161,504	
EBITDA margin	**23.6 %**	22.2 %			**22.6 %**	21.8 %		
Incremental EBITDA margin			39.7 %				30.0 %	
Adjusted EBITDA margin	**23.6 %**	22.2 %			**22.6 %**	21.4 %		
Adjusted incremental EBITDA margin			39.1 %				33.3 %	
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow and Free Cash Flow Conversion								
Net cash provided by operating activities	**$ 145,115**	$ 147,413			**$ 272,548**	$ 248,186		
Capital expenditures	**(8,696)**	(6,775)			**(15,867)**	(14,411)		
Free cash flow	**$ 136,419**	$ 140,638	(4,219)	(3.0)	**$ 256,681**	$ 233,775	22,906	9.8
Free cash flow conversion	**105.4 %**	127.7 %			**114.7 %**	117.8 %		

(1) Consists of expenses resulting from the amortization of certain intangible assets and adjustments to the fair value of contingent consideration resulting from the acquisition of Fox Pest Control. While we exclude such expenses in this non-GAAP measure, the revenue from the acquired company is reflected in this non-GAAP measure and the acquired assets contribute to revenue generation.

(2) Consists of the gain or loss on the sale of non-operational assets.

(3) In the first quarter of 2024, we revised the non-GAAP metrics adjusted net income, adjusted EPS, and adjusted EBITDA to exclude gains and losses related to non-operational asset sales. These measures are of operating performance and we believe excluding the gains and losses on non-operational assets allows us to better compare our operating performance consistently over various periods. Refer to our first quarter 2024 press release for fully revised quarterly metrics.

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	Three Months Ended June 30,				Six Months Ended June 30,			
			Variance				Variance	
(unaudited, in thousands)	**2024**	**2023** [(1)]	$	%	**2024**	**2023** [(1)]	$	%
Reconciliation of Revenues to Organic Revenues								
Revenues	**$ 891,920**	$ 820,750	71,170	8.7	**$ 1,640,269**	$ 1,478,765	161,504	10.9
Revenues from acquisitions	**(14,153)**	—	(14,153)	1.7	**(60,140)**	—	(60,140)	4.1
Revenues of divestitures	**—**	(5,924)	5,924	(0.7)	**—**	(10,677)	10,677	(0.8)
Organic revenues	**$ 877,767**	$ 814,826	62,941	7.7	**$ 1,580,129**	$ 1,468,088	112,041	7.6
Reconciliation of Residential Revenues to Organic Residential Revenues								
Residential revenues	**$ 408,414**	$ 384,087	24,327	6.3	**$ 737,752**	$ 666,844	70,908	10.6
Residential revenues from acquisitions	**(6,977)**	—	(6,977)	1.8	**(44,686)**	—	(44,686)	6.7
Residential revenues of divestitures	**—**	(3,373)	3,373	(0.9)	**—**	(6,405)	6,405	(1.0)
Residential organic revenues	**$ 401,437**	$ 380,714	20,723	5.4	**$ 693,066**	$ 660,439	32,627	4.9
Reconciliation of Commercial Revenues to Organic Commercial Revenues								
Commercial revenues	**$ 287,770**	$ 261,900	25,870	9.9	**$ 545,884**	$ 493,607	52,277	10.6
Commercial revenues from acquisitions	**(6,066)**	—	(6,066)	2.3	**(11,022)**	—	(11,022)	2.2
Commercial revenues of divestitures	**—**	(2,551)	2,551	(1.0)	**—**	(4,272)	4,272	(0.9)
Commercial organic revenues	**$ 281,704**	$ 259,349	22,355	8.6	**$ 534,862**	$ 489,335	45,527	9.3
Reconciliation of Termite and Ancillary Revenues to Organic Termite and Ancillary Revenues								
Termite and ancillary revenues	**$ 186,024**	$ 166,398	19,626	11.8	**$ 338,084**	$ 302,529	35,555	11.8
Termite and ancillary revenues from acquisitions	**(1,110)**	—	(1,110)	0.7	**(4,432)**	—	(4,432)	1.5
Termite and ancillary organic revenues	**$ 184,914**	$ 166,398	18,516	11.1	**$ 333,652**	$ 302,529	31,123	10.3

(1) Prior to the issuance of the Company's 2023 financial statements, management determined that certain immaterial reclassifications within the product and service offerings were required for the three and six months ended June 30, 2023 and 2022. Revenues classified by significant product and service offerings for the three and six months ended June 30, 2023 and 2022 have been restated from the amounts previously reported to correct the classification of such revenues. There was no impact on our condensed consolidated statements of income, financial position, or cash flows.

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	Three Months Ended June 30,				Six Months Ended June 30,			
			Variance				Variance	
(unaudited, in thousands)	**2023 [1]**	2022	$	%	**2023 [1]**	2022	$	%
Reconciliation of Revenues to Organic Revenues								
Revenues	**$ 820,750**	$ 714,049	106,701	14.9	**$ 1,478,765**	$ 1,304,729	174,036	13.3
Revenues from acquisitions	**(51,147)**	—	(51,147)	7.2	**(64,302)**	—	(64,302)	4.9
Organic revenues	**$ 769,603**	714,049	55,554	7.7	**$ 1,414,463**	1,304,729	109,734	8.4
Reconciliation of Residential Revenues to Organic Residential Revenues								
Residential revenues	**$ 384,087**	$ 323,695	60,392	18.7	**$ 666,844**	$ 581,164	85,680	14.7
Residential revenues from acquisitions	**(42,089)**	—	(42,089)	13.0	**(48,092)**	—	(48,092)	8.3
Residential organic revenues	**$ 341,998**	$ 323,695	18,303	5.7	**$ 618,752**	$ 581,164	37,588	6.5
Reconciliation of Commercial Revenues to Organic Commercial Revenues								
Commercial revenues	**$ 261,900**	$ 236,539	25,361	10.7	**$ 493,607**	$ 443,514	50,093	11.3
Commercial revenues from acquisitions	**(3,038)**	—	(3,038)	1.3	**(7,232)**	—	(7,232)	1.6
Commercial organic revenues	**$ 258,862**	$ 236,539	22,323	9.4	**$ 486,375**	$ 443,514	42,861	9.7
Reconciliation of Termite and Ancillary Revenues to Organic Termite and Ancillary Revenues								
Termite and ancillary revenues	**$ 166,398**	$ 146,361	20,037	13.7	**$ 302,529**	$ 265,730	36,799	13.8
Termite and ancillary revenues from acquisitions	**(6,020)**	—	(6,020)	4.1	**(8,978)**	—	(8,978)	3.4
Termite and ancillary organic revenues	**$ 160,378**	$ 146,361	14,017	9.6	**$ 293,551**	$ 265,730	27,821	10.4

[1] Prior to the issuance of the Company's 2023 financial statements, management determined that certain immaterial reclassifications within the product and service offerings were required for the three and six months ended June 30, 2023 and 2022. Revenues classified by significant product and service offerings for the three and six months ended June 30, 2023 and 2022 have been restated from the amounts previously reported to correct the classification of such revenues. There was no impact on our condensed consolidated statements of income, financial position, or cash flows.

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(unaudited, in thousands)		**Period Ended June 30, 2024**
Reconciliation of Long-term Debt to Net Debt and Net Leverage Ratio		
Long-term debt [(1)]	$	504,000
Less: cash		106,697
Net debt	$	397,303
Trailing twelve-month EBITDA	$	725,281
Net leverage ratio		0.5x

[(1)] As of June 30, 2024, the Company had outstanding borrowings of $504.0 million under the Credit Facility. Borrowings under the Credit Facility are presented under the long-term debt caption of our condensed consolidated balance sheet, net of $2.0 million in unamortized debt issuance costs as of June 30, 2024.

Reconciliation Of GAAP And Non-GAAP Financial Measures

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(unaudited, in thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Variance %	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Variance %
Reconciliation of Sales, general and administrative expenses ("SG&A") to Adjusted SG&A						
SG&A	**$ 271,547**	$ 255,331		**$ 494,604**	$ 451,762	
Fox acquisition-related expenses [1]	**—**	1,047		**1,049**	1,047	
Adjusted SG&A	**$ 271,547**	$ 254,284		**$ 493,555**	$ 450,715	
Revenues	**$ 891,920**	$ 820,750		**$ 1,640,269**	$ 1,478,765	
Adjusted SG&A as a % of revenues	**30.4 %**	31.0 %	0.6 %	**30.1 %**	30.5 %	0.4 %

[1] Consists of expenses resulting from adjustments to the fair value of contingent consideration resulting from the acquisition of Fox Pest Control. While we exclude such expenses in this non-GAAP measure, the revenue from the acquired company is reflected in this non-GAAP measure and the acquired assets contribute to revenue generation.