First Quarter 2024 Earnings Webcast Presentation

Rollins, Inc.

April 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 ("Adjusted 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.

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Q1
2024 Results

Revenue of

$748M up ▲ **14%**

Adjusted EPS[1] of **$0.20** up ▲ **18%**

Free Cash Flow[1] **$120M** up ▲ **29%**

Other
Q1 Highlights

- Double-digit growth across all major service lines
- Organic growth[1] of **7.5%** despite unfavorable weather in January; acquisitions drove remaining growth
- Growth accelerated through the quarter with organic growth[1] of **10%+** for February and March
- Solid Q1 gross margin and further leverage in SG&A drove **130** basis points of improvement in adjusted operating margins[1]
- Free cash flow conversion[1] of ~**127%**

Double-Digit Revenue & Adj. Earnings Growth Despite Slower Start In January

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Comparisons are against Q1 2023 unless otherwise noted.
[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; Demand strong to start Q2

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
Beginning peak season with staffing levels needed to respond to favorable demand trends

WHAT WE EXPECT

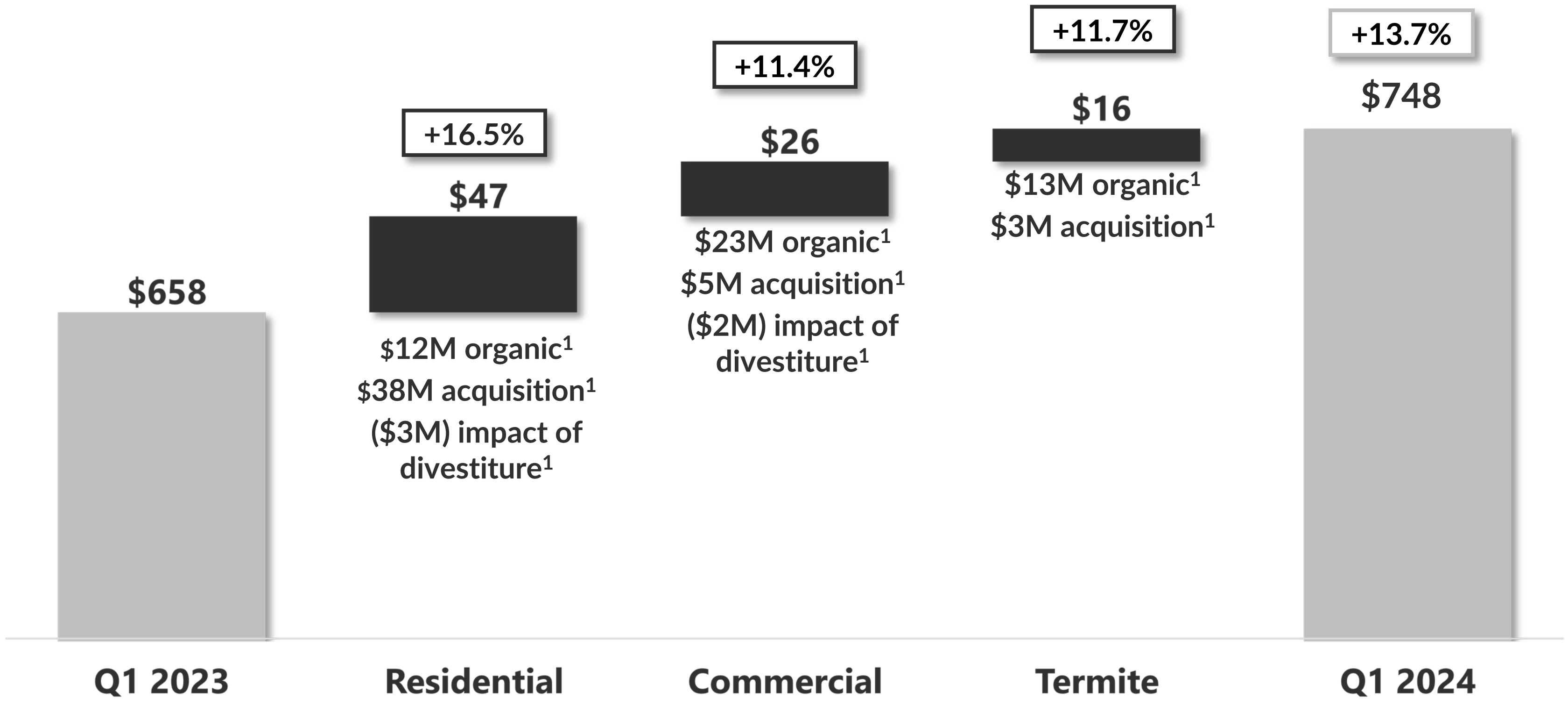
Continued Growth
Focused on delivering solid growth and healthy incremental margins in 2024, further complemented by a strategic and disciplined approach to M&A

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

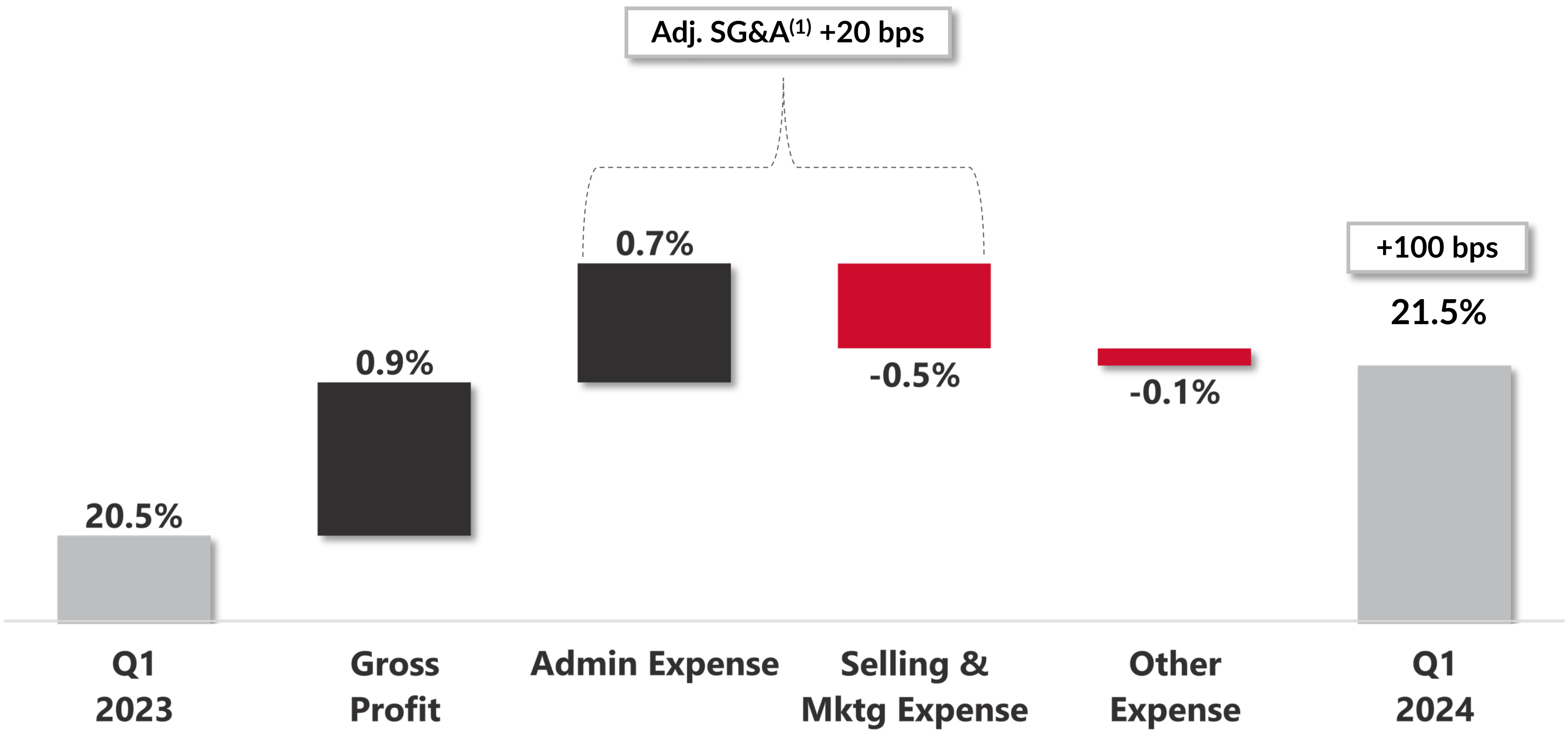
Q1 Revenue Growth



Double-Digit Revenue Growth Across All Three Service Lines

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

Q1 Adjusted EBITDA Margin[1]



Solid Q1 Gross Margin & SG&A Leverage Drove 100 BPS of Adj EBITDA Margin[1] Improvement

HIGHLIGHTS

Gross Profit

- Gross margin 51.2%
- Fox accretive by ~40 bps, 50 bps of organic improvement
- Leverage from people costs, fleet, and materials & supplies

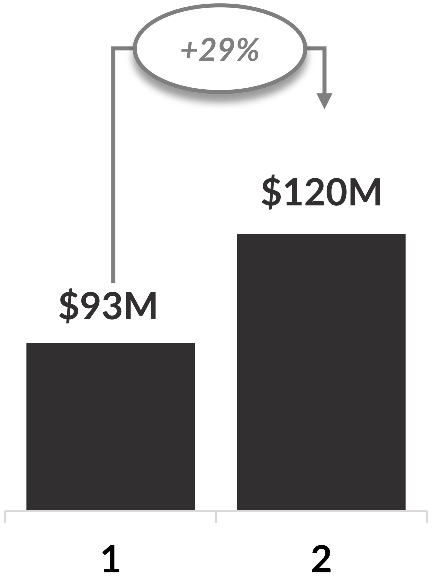
Adj. SG&A(1)

- Benefits from leverage on people costs offset headwinds from increased advertising and selling expenses associated with growth initiatives

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

Cash Flow and Use Of Liquidity

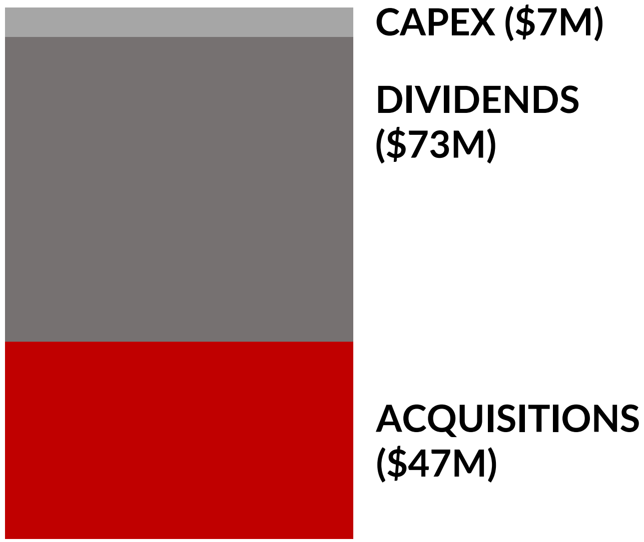
Q1 2024 Free Cash Flow[1]



~106% ~127%

CONVERSION OF NET INCOME

Q1 2024 Uses of Cash Flow & Liquidity



0.6x

NET DEBT TO EBITDA

Solid Cash Flow Performance Enabling Balanced Capital Allocation Strategy

HIGHLIGHTS

Cash Generation

- Q1 Free Cash Flow Conversion[1] was ~127%
- Strong balance sheet with modest levels of debt

Acquisitions

- Closed 12 acquisitions in Q1

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

Strong improvement in margins with and without acquisitions

Balance Sheet Provides Flexibility

Strong balance sheet with modest levels of debt post Fox acquisition and recent share repurchase

Cash flow conversion well above 100%

Balanced approach to capital allocation

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.

(unaudited, in thousands, except per share data)	Three Months Ended March 31, 2024	2023	Variance $	Variance %
Reconciliation of Net Income to Adjusted Net Income and Adjusted EPS (5)				
Net income	**$ 94,394**	$ 88,234		
Fox acquisition-related expenses (1)	**5,265**	—		
Loss (gain) on sale of assets, net (2)	**61**	(4,714)		
Tax impact of adjustments (3)	**(1,363)**	1,207		
Adjusted net income	**$ 98,357**	$ 84,727	13,630	16.1
EPS - basic and diluted	**$ 0.19**	$ 0.18		
Fox acquisition-related expenses (1)	**0.01**	—		
Loss (gain) on sale of assets, net (2)	**—**	(0.01)		
Tax impact of adjustments (3)	**—**	—		
Adjusted EPS - basic and diluted (4)	**$ 0.20**	$ 0.17	0.03	17.6
Weighted average shares outstanding - basic	**484,131**	492,516		
Weighted average shares outstanding - diluted	**484,318**	492,701		

(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. Revising these metrics for the three months ended March 31, 2023 resulted in a $3.5 million reduction to adjusted net income, a $0.01 reduction to adjusted EPS, and a $4.7 million reduction to adjusted EBITDA.

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Reconciliation Of GAAP And Non-GAAP Financial Measures

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	Three Months Ended March 31,			
			Variance	
(unaudited, in thousands, except per share data)	**2024**	2023	$	%
Reconciliation of Net Income to EBITDA, Adjusted EBITDA, EBITDA Margin, and Adjusted EBITDA Margin [3]				
Net income	**$ 94,394**	$ 88,234		
Depreciation and amortization	**27,310**	22,502		
Interest expense, net	**7,725**	465		
Provision for income taxes	**30,244**	28,255		
EBITDA	**$ 159,673**	$ 139,456	20,217	14.5
Fox acquisition-related expenses [1]	**1,049**	—		
Loss (gain) on sale of assets, net [2]	**61**	(4,714)		
Adjusted EBITDA	**$ 160,783**	$ 134,742	26,041	19.3
Revenues	**$ 748,349**	$ 658,015	90,334	
EBITDA margin	**21.3 %**	21.2 %		
Incremental EBITDA margin			22.4 %	
Adjusted EBITDA margin	**21.5 %**	20.5 %		
Adjusted incremental EBITDA margin			28.8 %	
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow and Free Cash Flow Conversion				
Net cash provided by operating activities	**$ 127,433**	$ 100,773		
Capital expenditures	**(7,171)**	(7,636)		
Free cash flow	**$ 120,262**	$ 93,137	27,125	29.1
Free cash flow conversion	**127.4 %**	105.6 %		

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(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. Revising these metrics for the three months ended March 31, 2023 resulted in a $3.5 million reduction to adjusted net income, a $0.01 reduction to adjusted EPS, and a $4.7 million reduction to adjusted EBITDA.

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	Three Months Ended March 31,			
			Variance	
(unaudited, in thousands)	**2024**	**2023** (1)	$	%
Reconciliation of Revenues to Organic Revenues				
Revenues	**$ 748,349**	$ 658,015	90,334	13.7
Revenues from acquisitions	**(45,987)**	—	(45,987)	7.0
Revenues of divestitures	**—**	(4,753)	4,753	(0.8)
Organic revenues	**$ 702,362**	$ 653,262	49,100	7.5
Reconciliation of Residential Revenues to Organic Residential Revenues				
Residential revenues	**$ 329,338**	$ 282,757	46,581	16.5
Residential revenues from acquisitions	**(37,709)**	—	(37,709)	13.3
Residential revenues of divestitures	**—**	(3,032)	3,032	(1.1)
Residential organic revenues	**$ 291,629**	$ 279,725	11,904	4.3
Reconciliation of Commercial Revenues to Organic Commercial Revenues				
Commercial revenues	**$ 258,114**	$ 231,707	26,407	11.4
Commercial revenues from acquisitions	**(4,956)**	—	(4,956)	2.1
Commercial revenues of divestitures	**—**	(1,721)	1,721	(0.8)
Commercial organic revenues	**$ 253,158**	$ 229,986	23,172	10.1
Reconciliation of Termite and Ancillary Revenues to Organic Termite and Ancillary Revenues				
Termite and ancillary revenues	**$ 152,060**	$ 136,131	15,929	11.7
Termite and ancillary revenues from acquisitions	**(3,322)**	—	(3,322)	2.4
Termite and ancillary organic revenues	**$ 148,738**	$ 136,131	12,607	9.3

(1) Revenues classified by significant product and service offerings for the three months ended March 31, 2023 and 2022 were misstated by an immaterial amount and 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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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 March 31,			
			Variance	
(unaudited, in thousands)	**2023 [1]**	2022	$	%
Reconciliation of Revenues to Organic Revenues				
Revenues	**$ 658,015**	$ 590,680	67,335	11.4
Revenues from acquisitions	**(13,155)**	—	(13,155)	2.2
Organic revenues	**$ 644,860**	590,680	54,180	9.2
Reconciliation of Residential Revenues to Organic Residential Revenues				
Residential revenues	**$ 282,757**	$ 257,469	25,288	9.8
Residential revenues from acquisitions	**(6,003)**	—	(6,003)	2.3
Residential organic revenues	**$ 276,754**	$ 257,469	19,285	7.5
Reconciliation of Commercial Revenues to Organic Commercial Revenues				
Commercial revenues	**$ 231,707**	$ 206,975	24,732	11.9
Commercial revenues from acquisitions	**(4,194)**	—	(4,194)	2.0
Commercial organic revenues	**$ 227,513**	$ 206,975	20,538	9.9
Reconciliation of Termite and Ancillary Revenues to Organic Termite and Ancillary Revenues				
Termite and ancillary revenues	**$ 136,131**	$ 119,369	16,762	14.0
Termite and ancillary revenues from acquisitions	**(2,958)**	—	(2,958)	2.5
Termite and ancillary organic revenues	**$ 133,173**	$ 119,369	13,804	11.5

[1] Revenues classified by significant product and service offerings for the three months ended March 31, 2023 and 2022 were misstated by an immaterial amount and 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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Set below are reconciliations of non-GAAP financial measures used in this investor presentation and conference call with their most directly comparable GAAP measures.

(unaudited, in thousands)		**Period Ended March 31, 2024**
Reconciliation of Long-term Debt to Net Debt and Net Leverage Ratio		
Long-term debt [(1)]	$	513,000
Less: cash		112,971
Net debt	$	400,029
Trailing twelve-month EBITDA	$	725,281
Net leverage ratio		0.6x

[(1)] As of March 31, 2024, the Company had outstanding borrowings of $513.0 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 $2.1 million in unamortized debt issuance costs as of March 31, 2024.

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(unaudited, in thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Variance %
Reconciliation of Sales, general and administrative expenses ("SG&A") to Adjusted SG&A			
SG&A	**$ 223,057**	$ 196,431	
Fox acquisition-related expenses [1]	**1,049**	—	
Adjusted SG&A	**$ 222,008**	$ 196,431	
Revenues	**$ 748,349**	$ 658,015	
Adjusted SG&A as a % of revenues	**29.7 %**	29.9 %	0.2 %

[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.