

# Rollins Investor Day

September 20, 2016



## Cautionary Statement About Forward-Looking Statements

Certain information provided during today's presentation will include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding our expectations, beliefs, intentions, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements which are other than statements of historical facts. These statements may be identified, without limitation, by the use of forward-looking terminology such as "may", "will", "anticipates", "expects", "believes", "intends", "should" or comparable terms or the negative thereof. All forward-looking statements included in this presentation are based on information available to us on the date hereof. Such statements speak only as of the date hereof and we assume no obligation to update such forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. These statements involve risks and uncertainties that could cause actual results to differ materially from those described today. Such risk factors are described in SEC reports including the Company's Form 10-K for the period ending December 31, 2015.

# Rollins Investor Day

September 20, 2016

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# Overview

Eddie Northen  
VP, Chief Financial Officer and Treasurer







“We are just a sleepy pest  
control company ....”

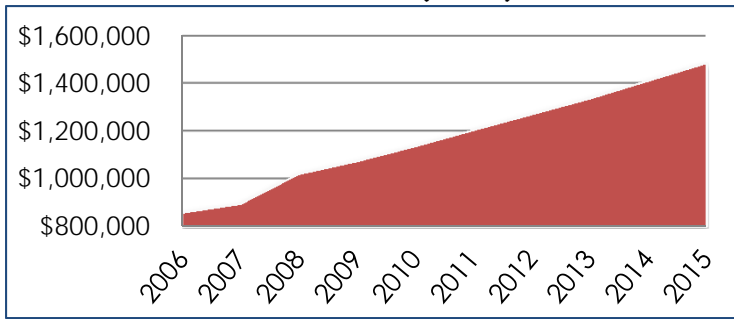
----Harry Cynkus, former CFO Rollins, Inc.

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

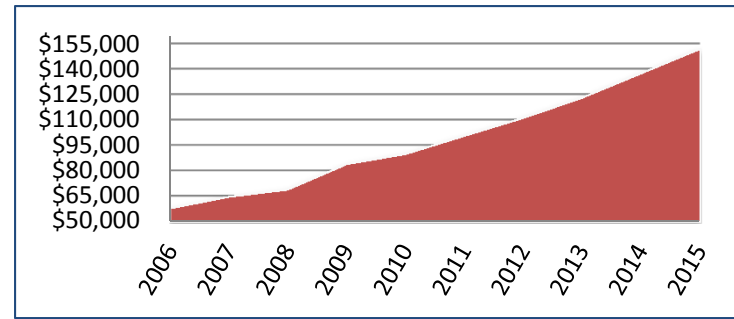
----O Wayne Rollins

# Financial Metrics

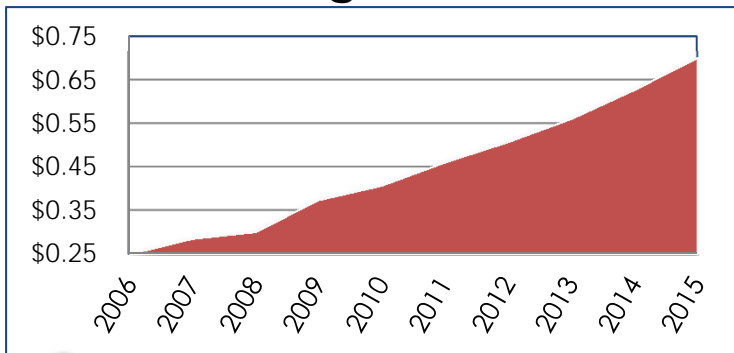
Revenue (000's)



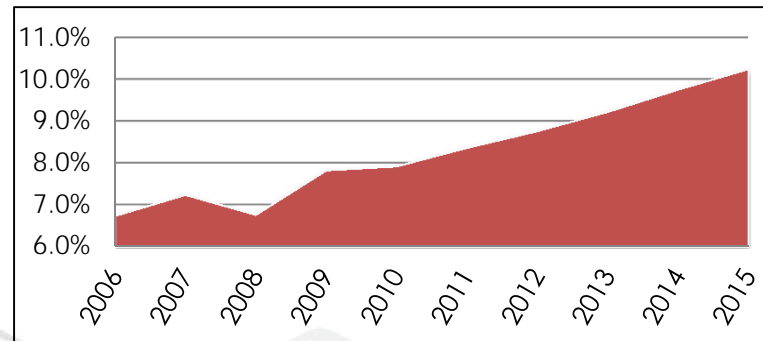
Net Income (000's)



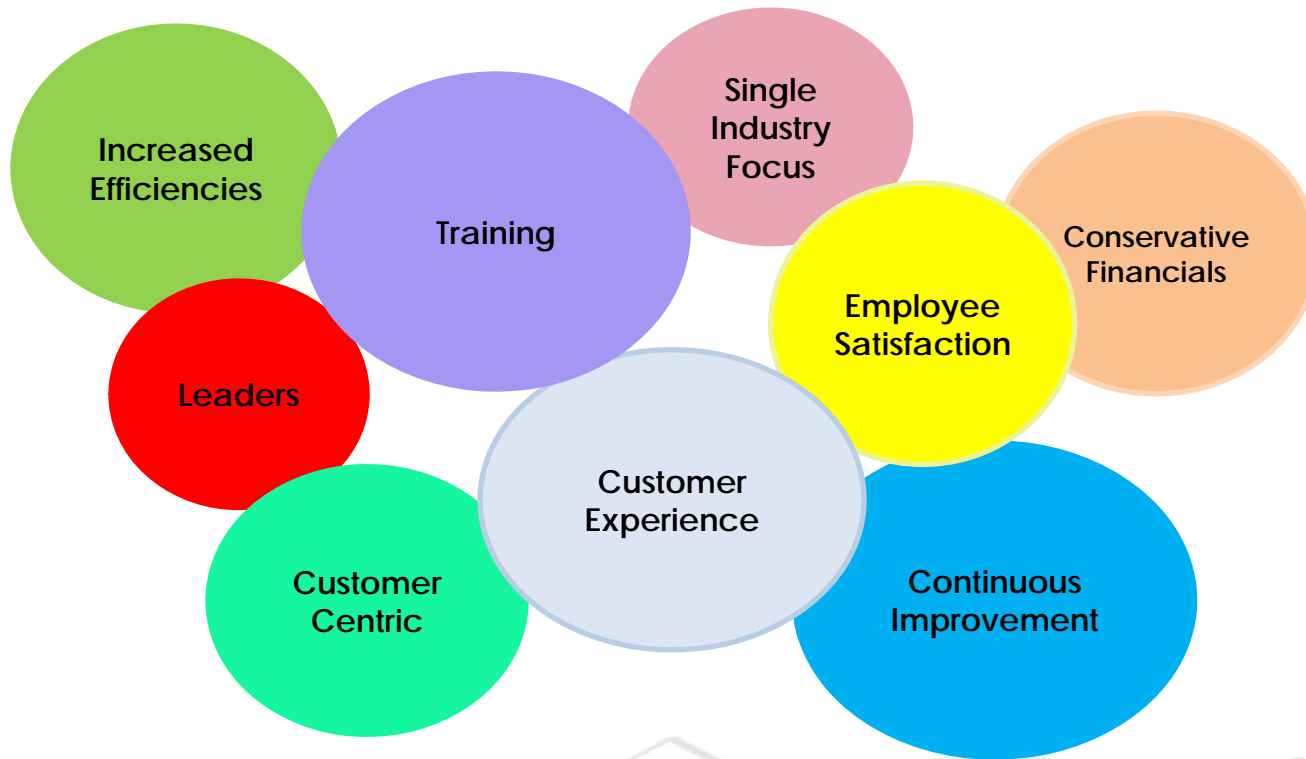
Earnings Per Share



Margin



# Key Financial Drivers



# Speakers (in presentation order)

Gary Rollins – Chief Executive Officer, Vice Chairman



John Wilson – President and Chief Operating Officer



Gene Iarocci – President of Orkin North America



Lee W. Crump – Chief Information Officer



Freeman Elliott – President of Orkin U.S.



Jerry Gahlhoff – President, Specialty Brands



Kevin Smith – Chief Marketing Officer



Steve Leavitt – President, Emerging Opportunities Group



Eddie Northen – VP, Chief Financial Officer and Treasurer



# Rollins, Inc.

Gary Rollins  
CEO, Vice Chairman

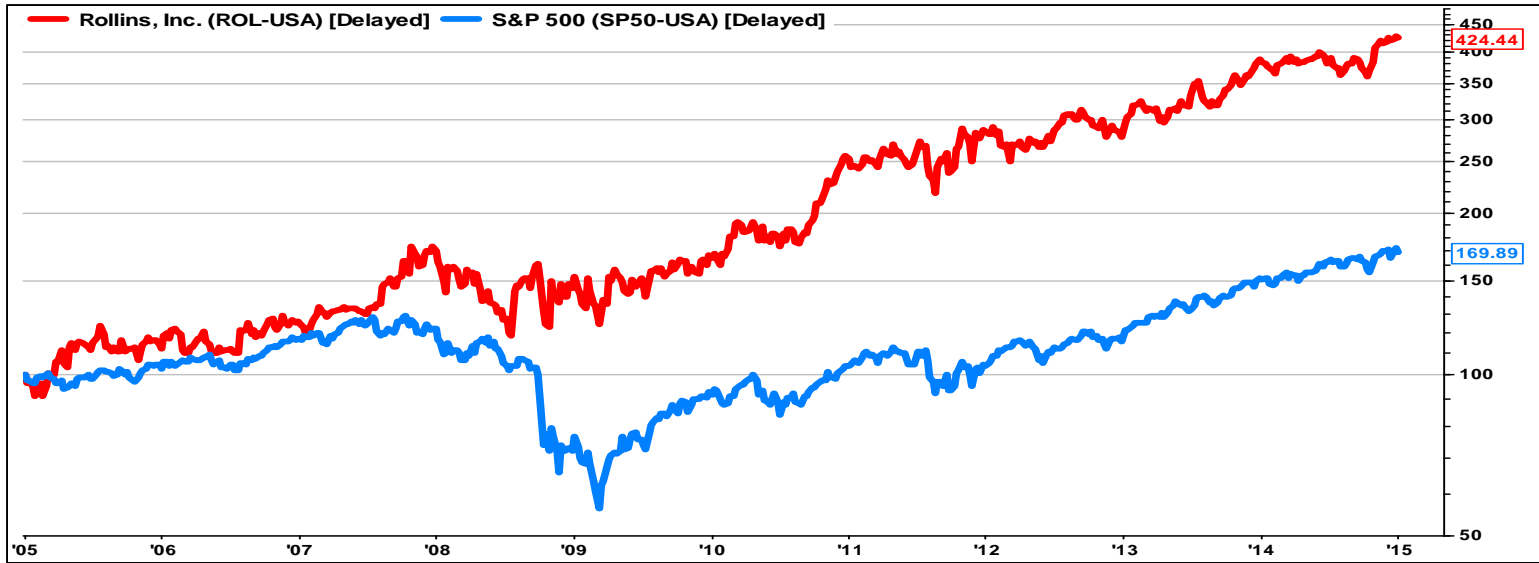




# Rollins Welcome



## Rollins, Inc. 10-year stock performance (with dividends reinvested) vs. S&P 500 Index 12/31/2005 – 12/31/2015

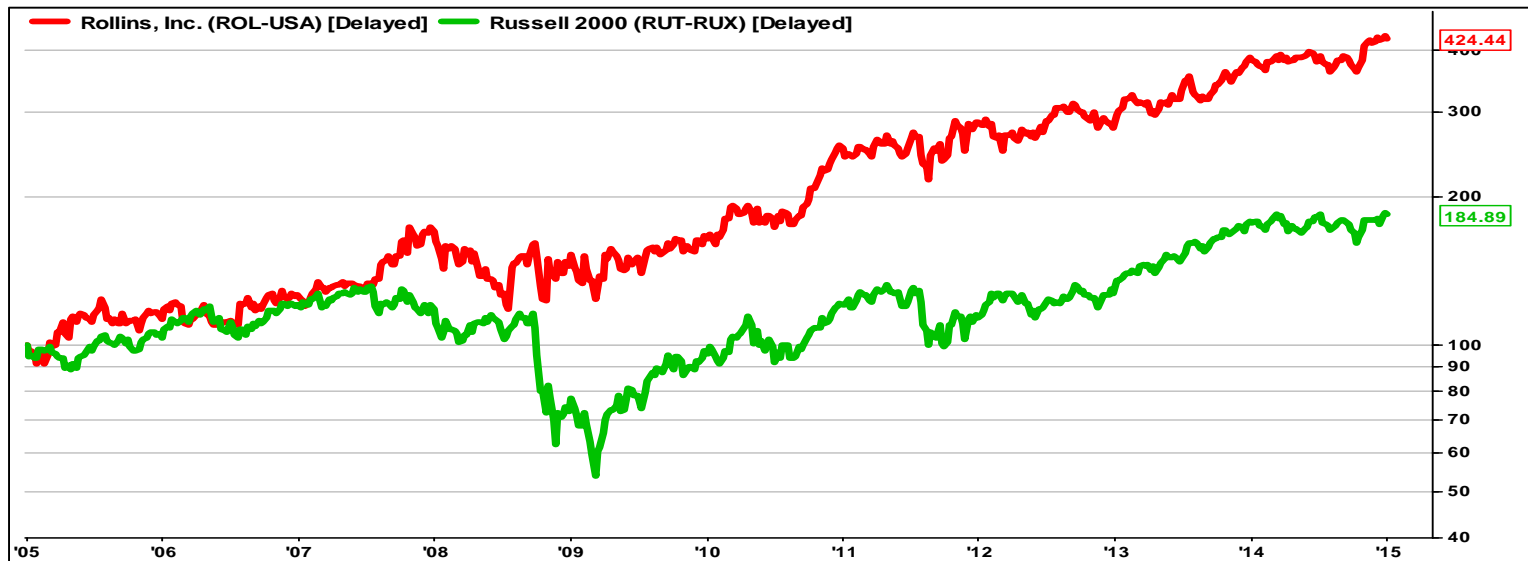


10-Year Performance w/ dividends  
Reinvested (12/31/2004 – 12/31/2014):

		Total	Annualized
Rollins Inc.	<span style="color: red;">—</span>	392.6%	17.3%
S&P 500 Index	<span style="color: blue;">—</span>	109.3%	7.7%



## Rollins, Inc. 10-year stock performance (with dividends reinvested) vs. Russell 2000 Index 12/31/2005 – 12/31/2015



10-Year Performance w/ dividends

Reinvested (12/31/2005 – 12/31/2015):

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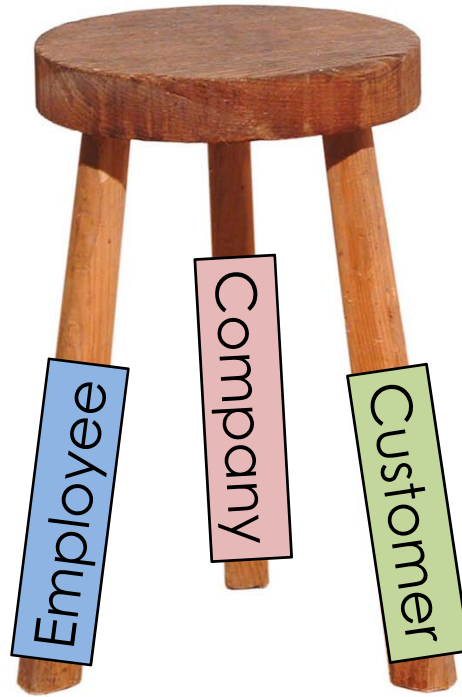
# Rollins Culture



“If someone asked you what Rollins’ most important assets are, you would probably answer our People and our Customers. That’s a ‘no brainer’. I would add our Culture as a close number three. You see, we believe that a strong, positive and enduring culture is critical to a company’s success”

— *Gary W. Rollins*  
*CEO, Vice Chairman*

# Three Legged Stool



# Our People



# Conservative but ...





# Hard Working



# Ethical and Honest



# Customer is Always Right



# Net Promoter Score



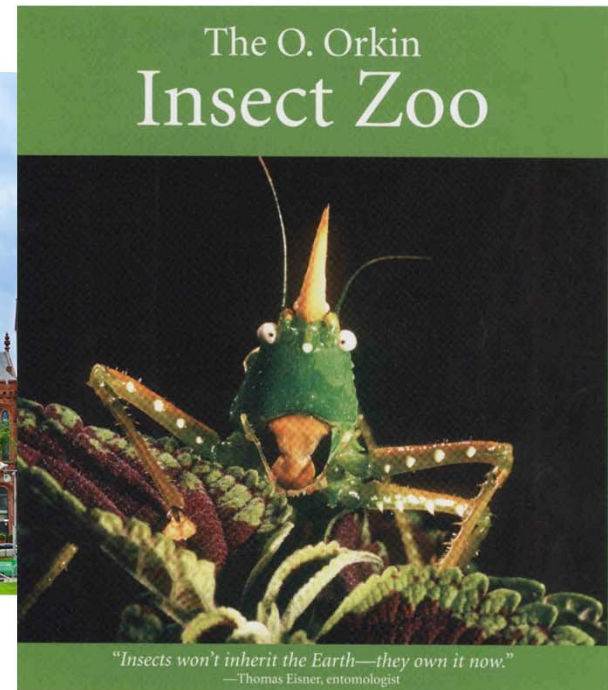
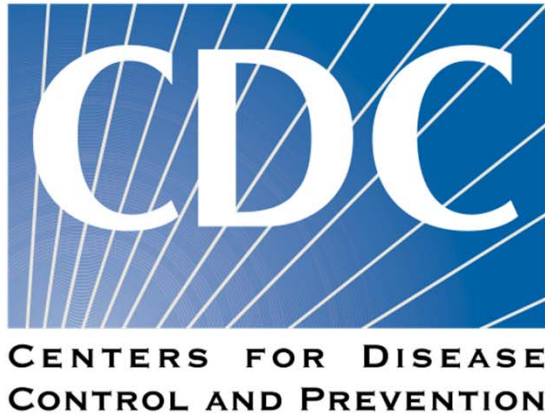
# Listen360



# Image and Reputation



# Partnerships, Associations and Relationships



# Dedicated to Continuous Improvement



# Constantly Evolving





# Providing Essential Services



# Foundation for a Well Run Service Company

John Wilson

President and Chief Operating Officer











# Employee Retention

Goal – 80% or better

- Hire “A” Players – Select Well
- Train them for Success
- Survey them regularly for job satisfaction
- Recognize and reward top performers
- Move poor selections off the team quickly





# Undercover Boss – Bob Knox



# Customer Retention

Goal – 85% or better

- Give the Customer a voice – Listen 360
- Not all customers are the same
- Guarantee Satisfaction
- Customize the Service Experience
- Make it easy to do business with us – Auto Pay



# Revenue Growth

- Improving Customer Retention
- Marketing – Digital, Yellow Pages, Brand Building Efforts
- Pricing Opportunities
- Share of Wallet Opportunities
- Mergers and Acquisitions

# Earnings Growth

Employer of Choice:



**Employee Retention**

- Loyal team members
- Loyal customers

Pest Provider of Choice:



**Customer Retention**

- Loyal customers
- Sustainable growth

**Investment of Choice: Revenue Growth, Earnings Growth**

- Sustainable growth
- Long term earnings growth

# Talent Management

Gene Iarocci  
President of Orkin North America



# Sourcing The Best

- Continuously Recruit
  - Always Seeking New Talent
  - Engage Prior to Need
  - Build Bench Strength for Future Needs
- Hire Hard
  - Insure a Cultural Fit
  - Clearly Define Accomplishments/Expectations
  - Hire the Best Available in Market
  - Provide Competitive Compensation

# Organizational Vitality

- On-Boarding and Training
  - Ride Along/Field and Company Orientations
  - Award Winning Learning Center
  - Structured Curriculums
  - On-the-Job Field Reinforcement



# Single Family Home





# Restaurant



# Commercial Kitchen



# Broadcast Studio



# Succession Planning

- Leadership Development
  - Career Opportunity Plans
  - Challenging Cross Fertilization
  - Field & Corporate Assignments
  - Company Wide Major Project Management
- High Potential Identification
  - Advanced Leadership Programs
  - Future Leaders

# A Technological Journey

Lee W. Crump  
Chief Information Officer, GVP





# Our Four Technology Pillars

- Our IT strategy
  - Fully aligned with the business strategy with a focus on our employees and customers, providing tools for our Technicians and Sales People
- Retain our Employees
- Retain and Attract New Customers
- Increase Revenues, Profit and Margins

# Major Investments in Technology

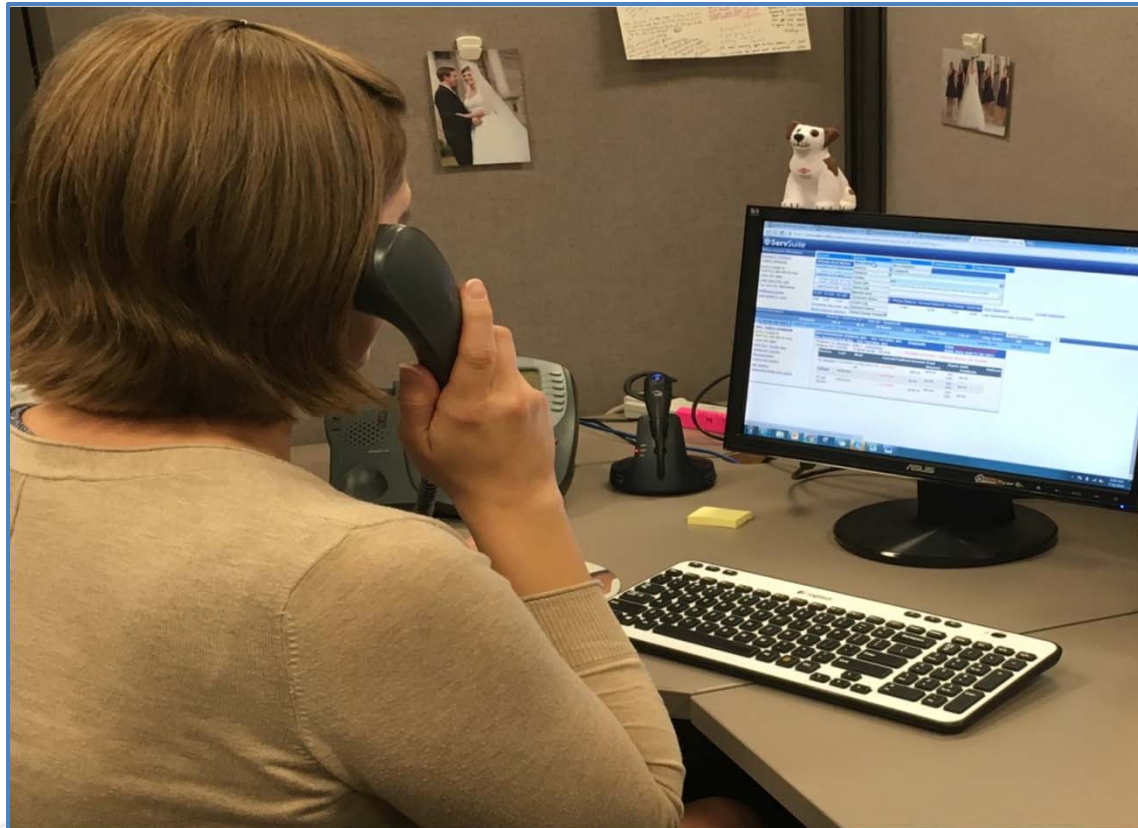
- Primary strategic initiative is our new Branch Operations Support System (BOSS) for our Orkin Brand
  - Five years development and implementation
  - Rolled out over 400 locations and 7,500 employees over 22 months and completed at Orkin in August 2016
  - Foundational for our future plans and future divisions



# BOSS Key Functionality

- For our Technicians
  - iPhones (6,200+) to provide a paperless service delivery capability
  - All customer information for technicians planned stops readily available
  - Service posted and credit cards charged at completion of service
  - New starts, schedule changes, and re-service requests received real-time
  - Bait station and rodent trap bar code scanning

# For our Office Team



# BOSS Key Functionality

- At the Branch Office
  - 360 View of all customer services and locations
  - Key metric dashboards w/ drill-down capability for our managers
  - Branch month-end close measured in minutes vs. hours; August closed one day sooner with all our Orkin branches now live on BOSS
  - Additional time available for more customer service, less time on paperwork

# Boss Key Functionality

- VRM (Virtual Route Management and Scheduling)
  - Enhanced routing and scheduling utilizing Google Maps and our proprietary features
  - Routing and Scheduling functionality being delivered in staged enhancements

# Boss Key Functionality

- VRM (Virtual Route Management and Scheduling)

A thank you email from a Branch Manager after our July release:

**From:** Norman E. Haskins III  
**Date:** July 15, 2016 at 10:42:56 AM EDT  
**To:** Orlando Winder  
**Subject:** Route Optimizer Tool

*Ahhhh....cool!*

*The new updates they did to the Route Optimizer are nice. You can now search on an address on the map and it will drop a pin on the location amongst the other stops on a route. That's just one of the upgrades.*

*But, also I have optimized all the routes, particularly with Lucas on Route 9. He runs both PC and Mosquito. The second week of this month he came into my office smiling.*

*He said: "Man, my route is so tight now its taking me less time to get my work done."*

# Our Future IT Focus

- Where to from here?
  - Continued monthly BOSS enhancements
  - Ongoing Routing and Scheduling Enhancements
  - Commercial Customer Web Portal
  - Customer touch-point contact preferences (voice, email, text)
  - Continued focus on network and systems security

# Orkin USA

Freeman Elliott  
President of Orkin U.S.





# Orkin USA

- Over 400 company-owned locations nationwide
- Over 50 franchises
- Over 7,500 employees
- Over \$1 billion in revenues

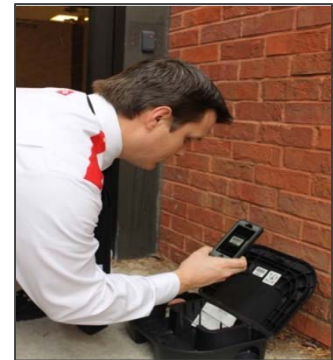
# Revenue Mix

- Orkin USA revenue mix consists of
  - Residential Pest Control 43%
  - Commercial Pest Control 38%
  - Termite Control 19%
- Fastest growing segments are Bed Bug and Mosquito Control
- Franchising strategy - Select proven Pest company managers in markets that can be developed in early stage for our eventual acquisition

# BOSS Operational Benefits



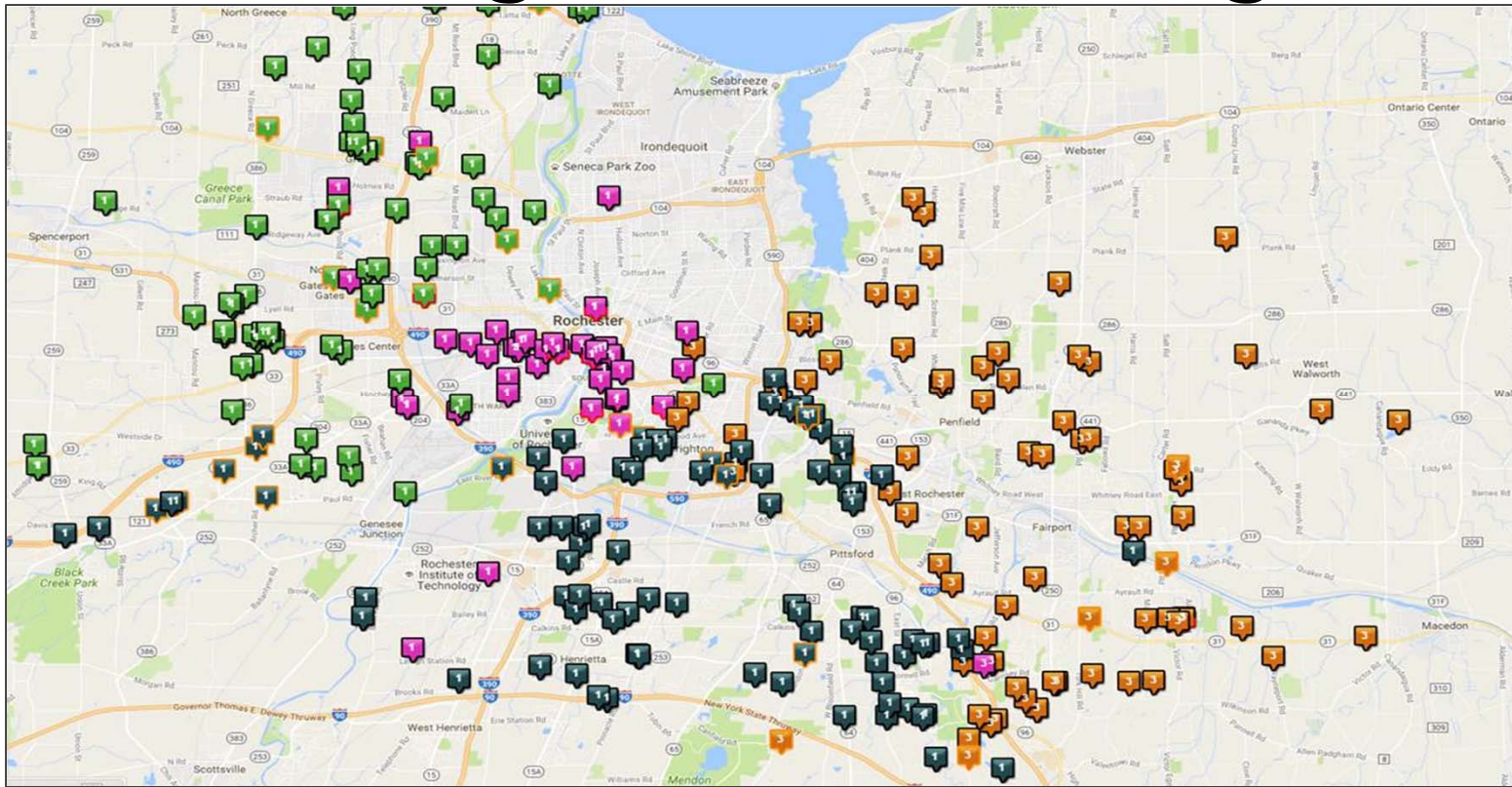
- Enhanced customer communication
- Auto-Posting
- Virtual Route Manager (VRM)



# Routing & Scheduling (VRM)

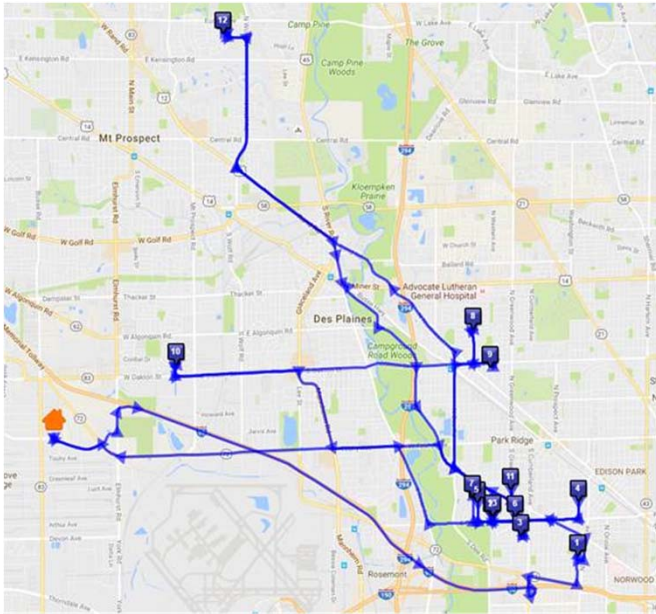
- Ability to reduce mileage and drive time, thus increasing productivity
- Provides an organizational tool that enables an efficient means to reach our customers
- Enhances customer and employee experience
- Allows for seasonal and routine “on demand” optimization

# Routing and Scheduling

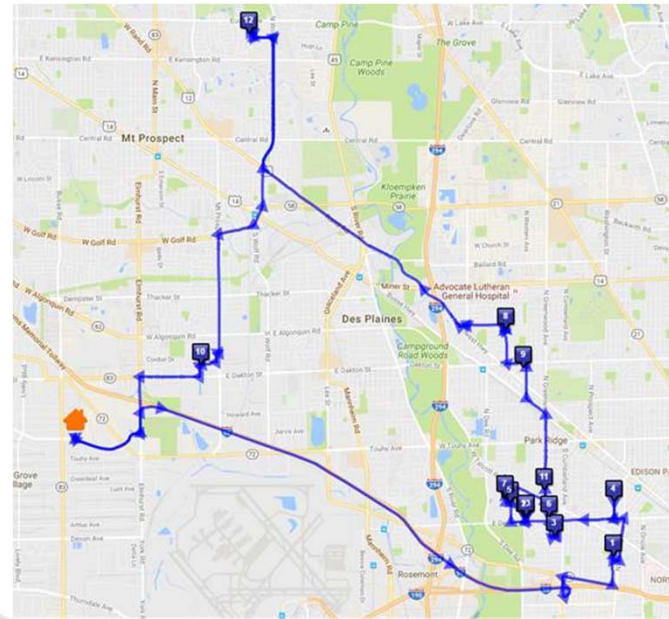


# Routing and Scheduling

Before Optimization  
52 Miles, 2 Hours, 15 Minutes



After Optimization  
29 Miles, 1 Hour, 18 Minutes





# Break

(Presentations to resume at 10:40 a.m.)





# HomeTeam

Jerry Gahlhoff  
President, Specialty Brands



# What is Taexx®?



# Customers Benefit From HomeTeam's Business Model



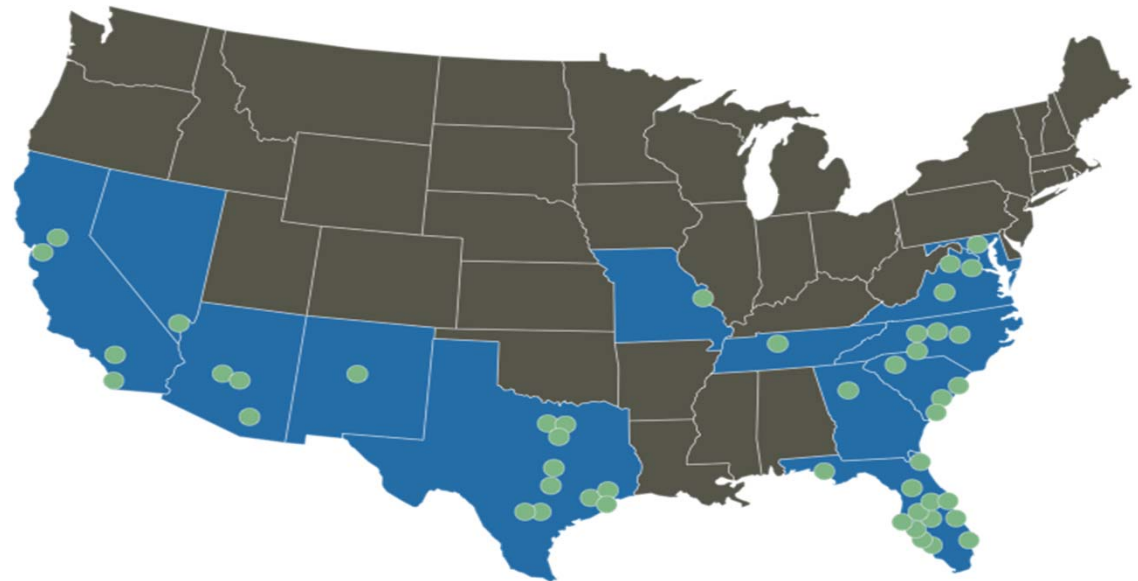


# A Day in the Life of a HomeTeam Technician



# HomeTeam's Competitive Advantage

- Service footprint overlays well with the Top 15 National Homebuilders
- Established relationships with leading homebuilders
- A model that enhances customer service delivery



# Marketing

Kevin Smith  
Chief Marketing Officer

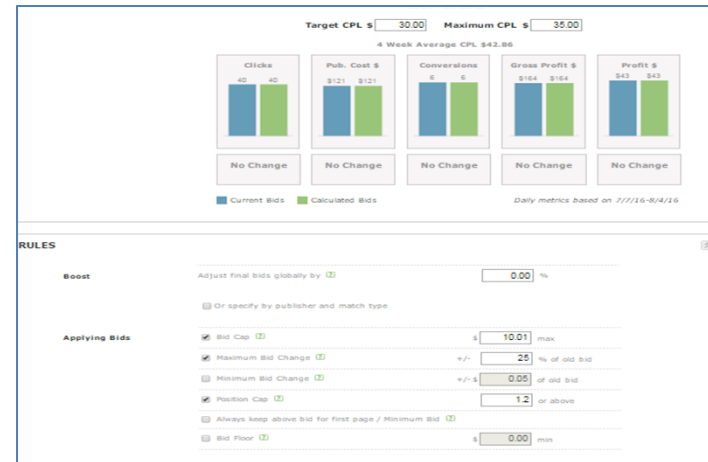


# Measurement – Cornerstone of Marketing Success

- Rollins Marketing - 8 Centers of Excellence
  - Pricing & **Analytics**, Branding, **Sales Enablement**, Media & Content Deployment, **Marketing Technology**, Innovation, **Customer Acquisition**, PR & Communications
- Performance Management Emphasis
- Core Customer Acquisition Metrics
  - Cost per Lead, Sold, Started(CPLSS)
  - Customer Lifetime Value (CLTV)



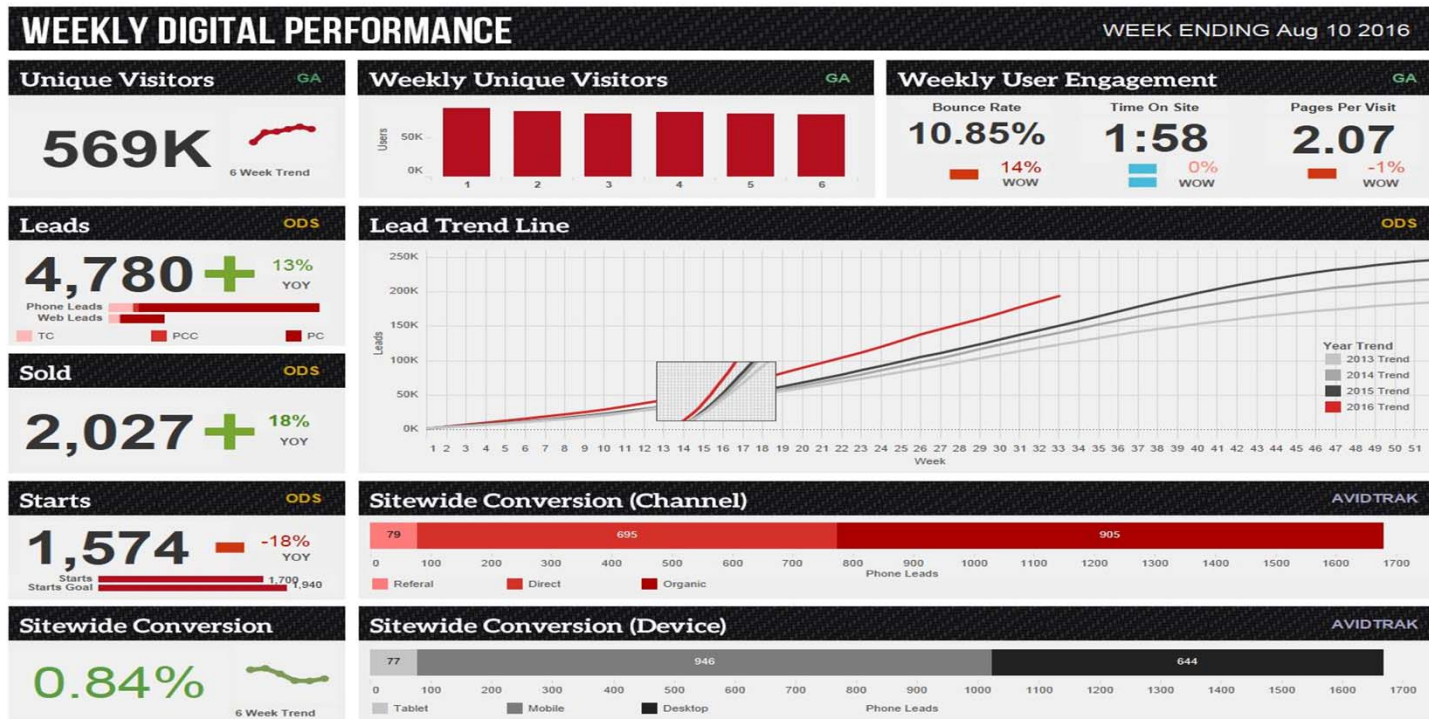
# Paid Search Management and Tracking



Keyword	Conv.	Cost/Conv. \$	Search Bid \$	Avg. CPC \$
pest control	173	42.30	2.63	6.47
exterminator	169	42.30	3.22	7.29
pest control	111	41.97	3.32	6.34
terminix	31	18.46	4.07	2.75
exterminator	30	59.42	4.25	9.48
pest control companies	12	17.73	5.51	4.95
pest control companies	12	28.67	4.86	4.59
exterminators	12	13.62	5.35	3.03
pest control services	5	44.26	6.16	5.53
pest inspection	4	13.22	4.11	2.94

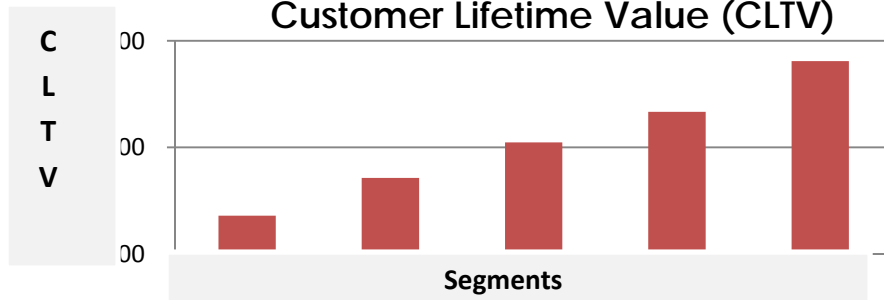


# Performance Management

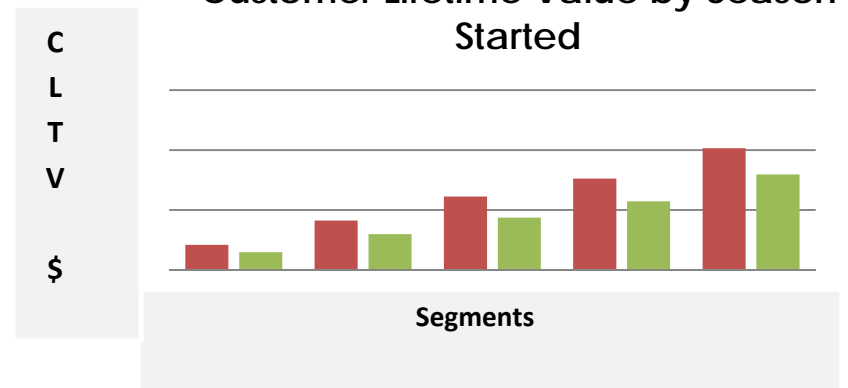


# Resource Allocation

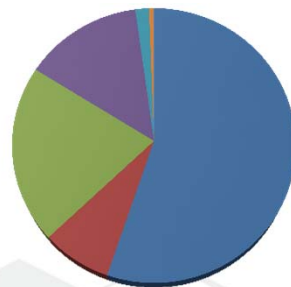
Recurring Residential Pest Control  
Customer Lifetime Value (CLTV)



Customer Lifetime Value by Season  
Started



Demand Creation



- National Media
- Direct Traffic
- Non Branded Paid Search
- Local Media
- Branded Paid Search
- Other Programs



# Residential Sales - HomeSuite

**ORKIN Treatment / Inspection Report**

Name Raymond & Sylvia J Smith Email \_\_\_\_\_  
 Treating Address 335 Highland Ave City/State Oak Hill , WV Zip 25901  
 Home Phone (304) 429-8901 Business Phone \_\_\_\_\_ Inspected By Roger L Kennedy CO 3290  
 Has Pest Control?  Yes  No Treatment Scheduled Date Apr 18, 2016 Date Inspected Apr 14, 2016

This report is limited to a visual inspection of the exposed structure. There may be hidden infestations and/or damage that are not evident from a visual inspection. The purpose of this treatment/inspection report is to document areas of concern from the interior and exterior inspection. Specifically: (1) Visible conditions conducive to infestation; (2) Visible evidence of infestation, damage, or past infestation. This report is not valid for real estate transactions. This report DOES NOT INCLUDE MOULD or any mold-like conditions. Mold is generally not a wood destroying organism and is outside the scope of this report. If you wish your property to be inspected for mold or mold-like conditions, please contact the appropriate mold professional.

Description: Main Structure LF 296 Treatment LF 296 1 Block = 2 Feet

**ORKIN Treatment / Inspection Report**

**LEGEND**

- AC Unit
- Door
- Electric Panel
- Pier
- Shrub
- Staircase
- Vent Exists
- Active Infestation
- Subterranean Termites
- Visible Damage
- Drill and treat
- Short rod soil treatment
- Drill/treat hollow block/slab
- Drill/treat exterior
- Trench and rod
- Trench/treat piers/soil/pipes

**ORKIN Treatment / Inspection Report**

Customer's name \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_

Fumigation Only  
 Root Type \_\_\_\_\_ Square ft. \_\_\_\_\_ Closest Building \_\_\_\_\_  
 Eave Height \_\_\_\_\_ Peak Height \_\_\_\_\_ Cubic Feet \_\_\_\_\_

Moisture Reading % - Basement/Crawlspace  
 Left Front \_\_\_\_\_ Right Rear \_\_\_\_\_  
 Right Front \_\_\_\_\_ Center Front \_\_\_\_\_  
 Left Rear \_\_\_\_\_ Center Back \_\_\_\_\_

**EXTERIOR**

1. Type Foundation:  
 Hollow Block  Double Brick  Triple Brick  Foam (ICF)  Wood  
 Tile Block  Hollow Block w/Brick  Solid Pour  Stone  Brick Veneer

2. Type Construction:  
 Monolithic Slab  Combination  Crawl  
 Floating Slab  Piers Only

Vinyl  Stucco on Block/solid Pour  Stucco on Frame or Wire Mesh  
 Brick Veneer  Other

Left: \_\_\_\_\_ Rear: \_\_\_\_\_

If the structure to be treated  Yes  No. If yes, indicate location on this report. Inset Protocol for Well(s), Cistern(s), Lake(s), or Spring(s), as detailed in the Special Treatations Manual.



# Commercial Sales - BizSuite

**ORKIN Inspection & Service Recommendations**

**PEST CONTROL DOWN TO A SCIENCE.**

**ORKIN Inspection & Service Recommendations**

Main

Women's Restroom  
Men's Restroom  
Kitchen  
Bar

01 02 03 04

FS CR

17' 9' 50' 23' 33' 61'

1 ft. 1X Print Tiles?

**NEW REPORT** **SEARCH**

**Past Reports**

- Johnny's Retail Store - 2170 Piedmont Road  
10/22/15, 3:15 PM
- Test With 9/21/15 Build - 1234 Anywhere Street  
9/21/15, 9:57 AM
- IHG - Room 111 (Bed Bug Test) - 1234 Anywhere Street  
9/11/15, 3:53 PM
- Test With 9/11/15 Build -  
9/11/15, 2:53 PM
- Test 8/14/15 -  
8/14/15, 9:03 AM

Last Synced on Jul 14, 2016, 4:50 PM



# SCOUT – Employee Engagement

AT&T LTE 8:47 AM 94%



## WELCOME TO SCOUT

Welcome to Scout, Orkin's new intranet platform and app.

Need help?

Contact the Service Desk by phone (404-888-2492 or 800-826-2492) or email (servicedesk@rollins.com).

< <https://scout.rollins.c...> >

AT&T LTE 4:45 PM 82%



## MY FAVORITES



Nov. 16, 2015

### HEALTH AND SAFETY - ALERTS/ANNOUNCEMENTS

< <https://scout.rollins.c...> >

AT&T LTE 4:52 PM 81%



← BACK

## HELLO, MARTHA CRAFT

Log Out

Account:  
E-mail:  
Work Phone:  
Mobile Phone:  
Job Title: VP of Public Relations  
Branch: 9999 Home Office  
SIP Address: Atlanta, GA  
Years of Service: 17  
President's Club:  
Start Date: 12/30/1999

< <https://scout.rollins.c...> >



# Emerging Opportunities

Steve Leavitt  
President, Emerging Opportunity Group





# Our Emerging Opportunities

- Industrial Fumigant Company
- Wildlife Control
  - Trutech
  - Critter Control
- International
  - Orkin Canada
  - Rollins Australia
  - Rollins United Kingdom

# What is Wildlife?

Wildlife



Removal



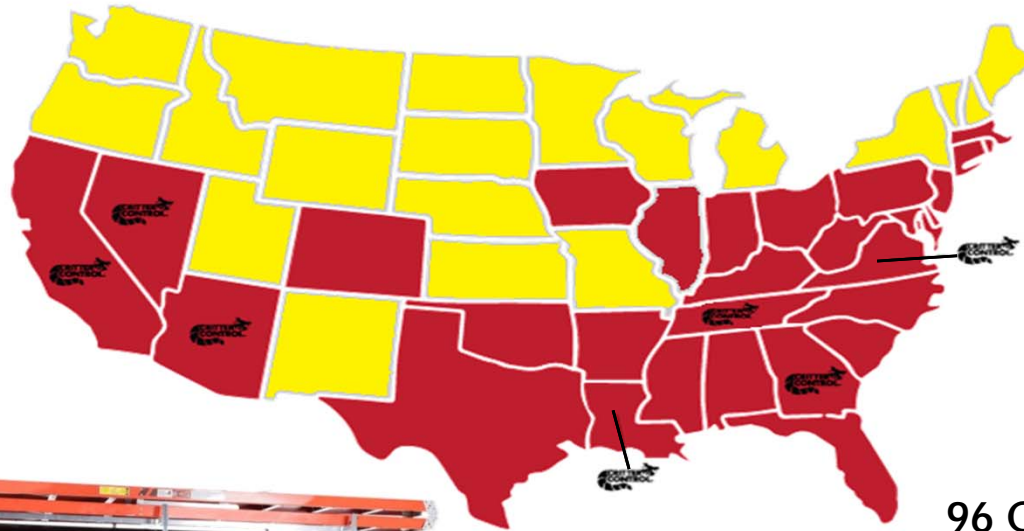
Monitor






Exclusion



# Nationwide Coverage



-  Critter Control Franchise
-  Co. Owned Trutech and Critter Control
-  Co. Owned dba Critter Control



96 Critter Control Franchises  
13 Franchises purchased back YTD  
33 Trutech markets

**TRUTECH**<sup>TM</sup>  
WILDLIFE SERVICE



# International



# ABOUT ORKIN CANADA



- Largest Provider in Canada
- 40% Market Share
- 100% Canadian Coverage
- 59,000+ Commercial Customers
- 600+ Licensed Technicians



# Australia / United Kingdom

- Third largest provider in Australia
- National Footprint

**ALLPEST**

  
**Murray Pest Control**



 **SCIENTIFIC**  
PEST & VEGETATION MANAGEMENT

- Safeguard first operation in England
- Potential to grow commercial/residential pest control

**Safeguard**  
THE PEST CONTROL PEOPLE



# Key Financial Drivers

Eddie Northen  
VP, Chief Financial Officer and Treasurer

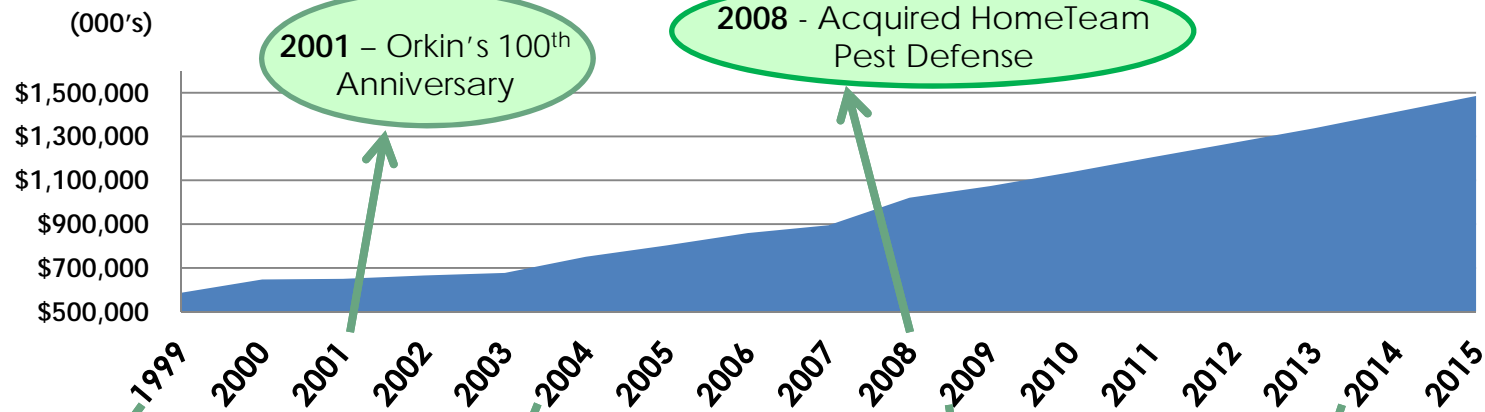




# Rollins Revenue Growth

2.0M Customers

2016 - Rollins first venture in UK with acquisition of Safeguard Pest Control



1999 - Acquired Orkin Canada

2004 - Acquired Western Pest Services; Named Top 100 Training Company

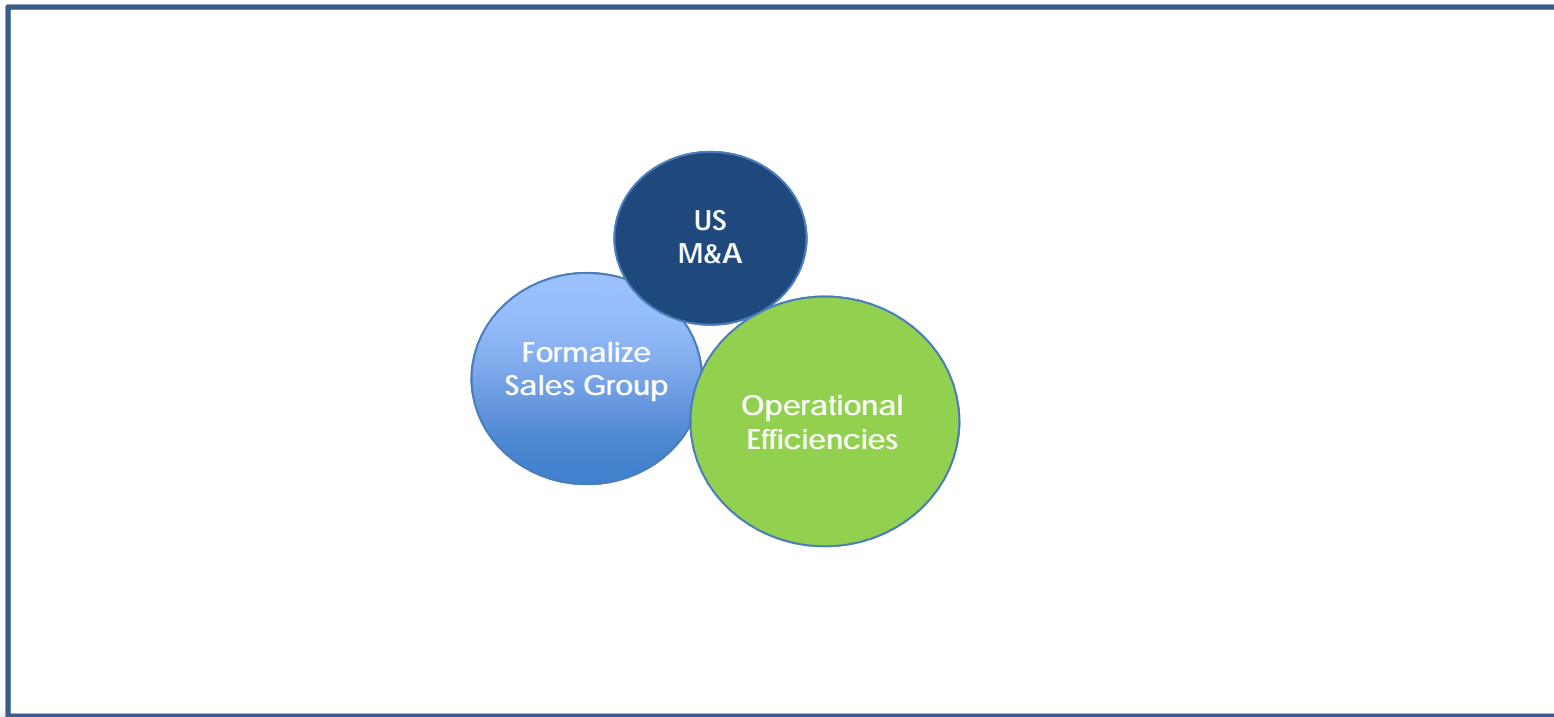
2009 - Formalized pricing process

2014 - Rollins first venture in AU with acquisition of AllPest



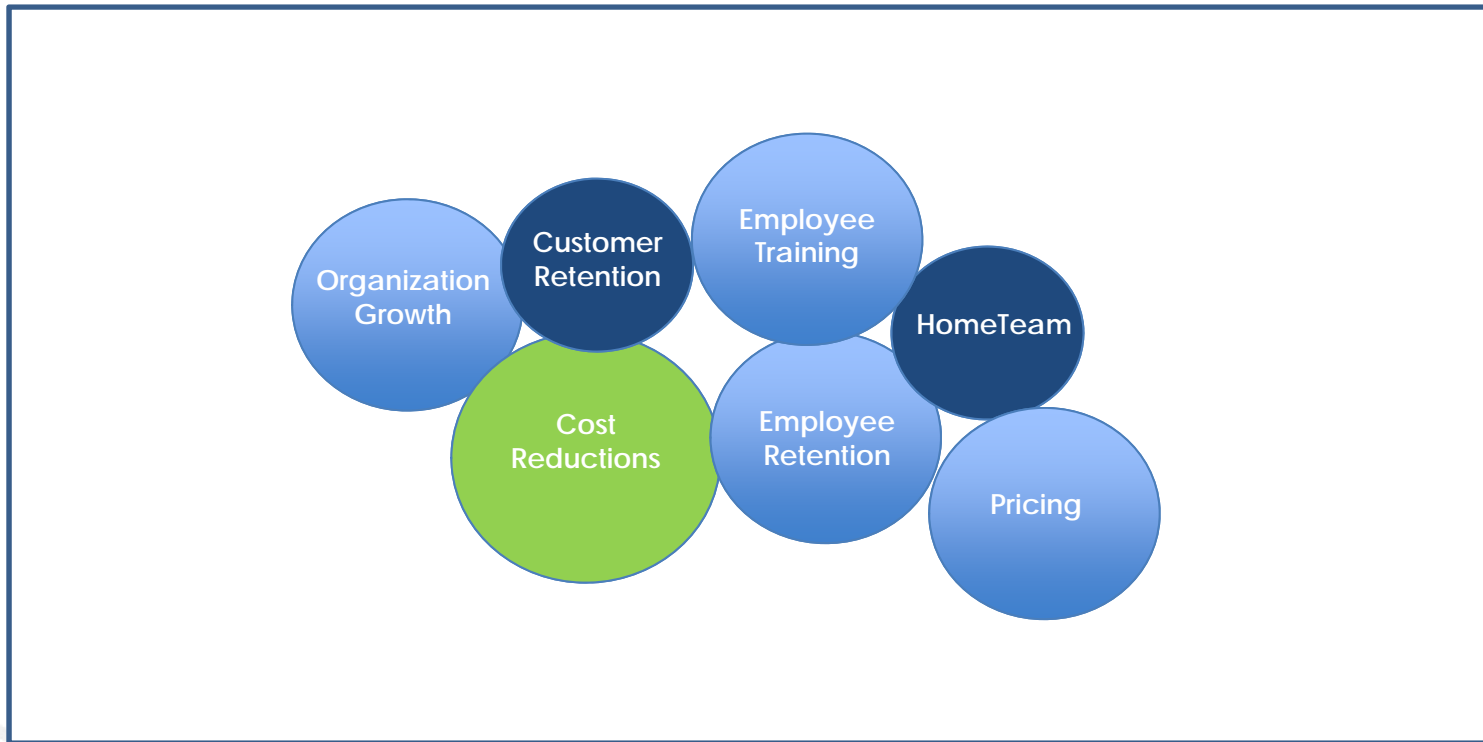
# Key Financial Drivers

2000 - 2005



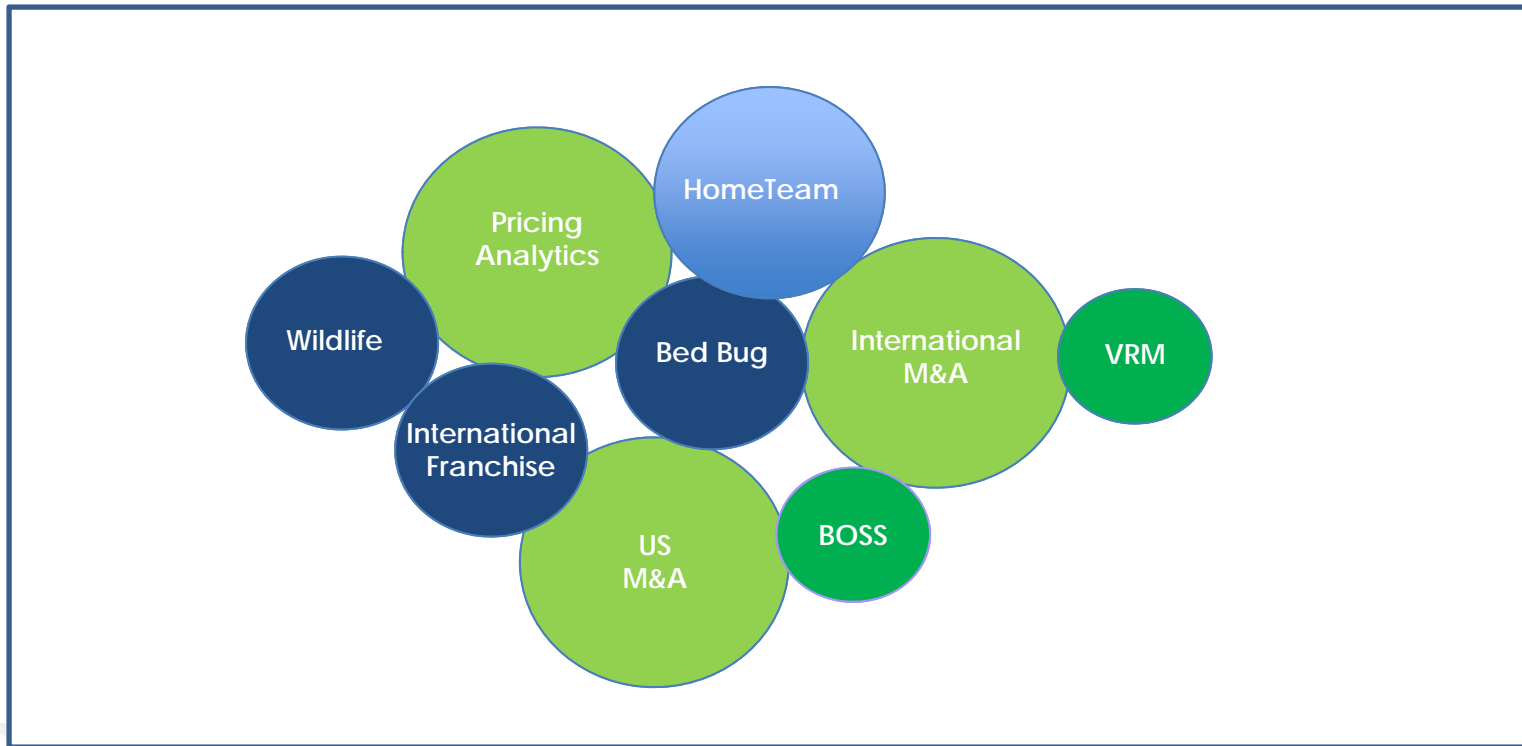
# Key Financial Drivers

2006 – 2010



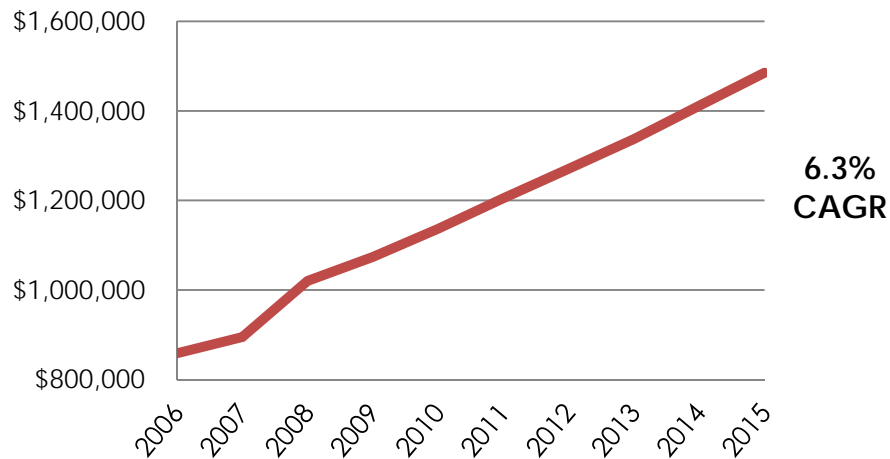
# Key Financial Drivers

2011 - 2016

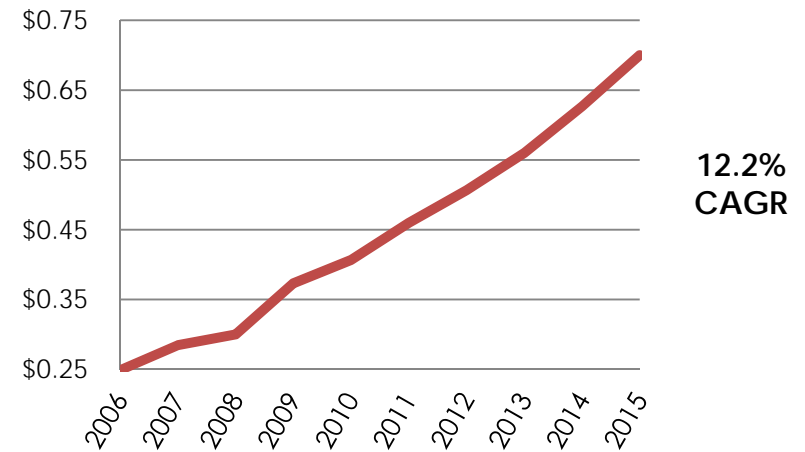


# Revenue and Earnings per Share Growth

## Revenue (000's)



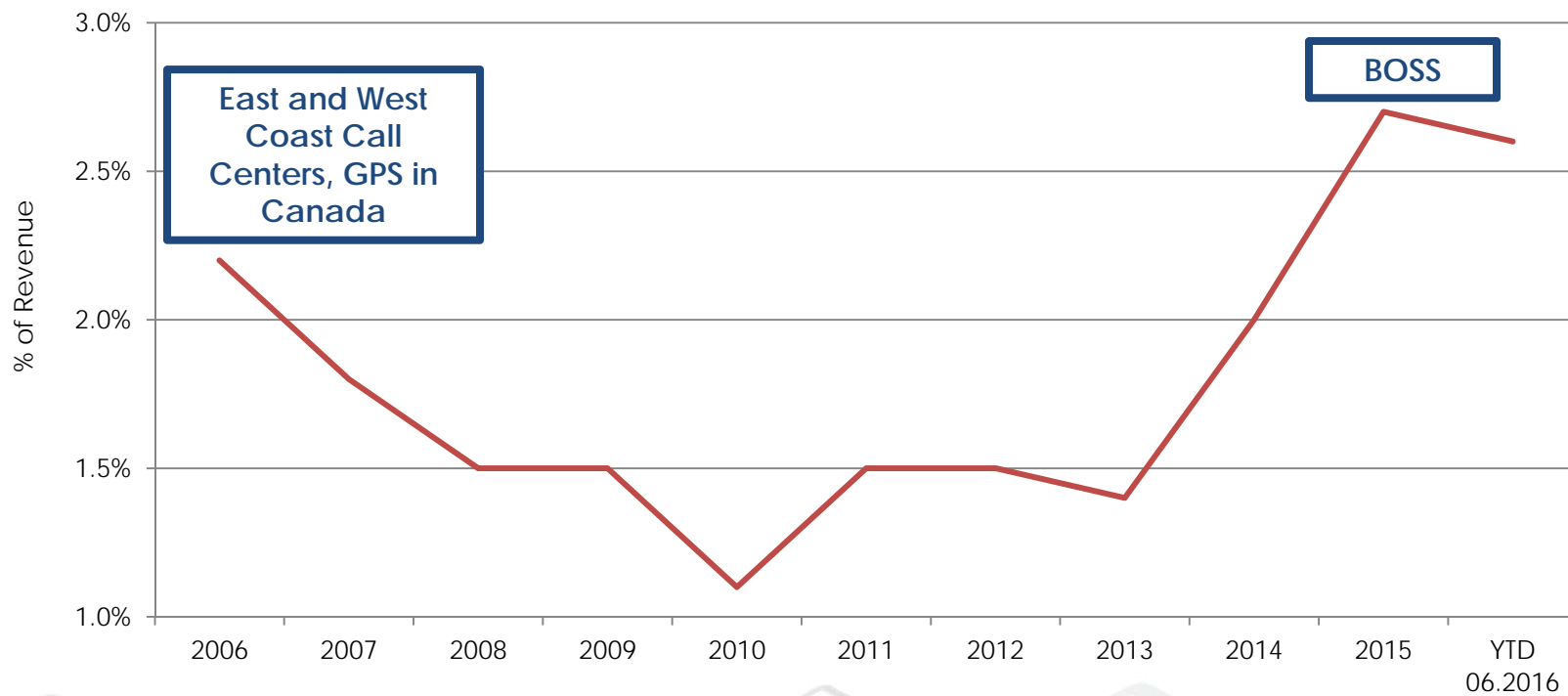
## Earnings per Share



CAGR = Compound Annual Growth Rate



# Capital Expenditure Trend

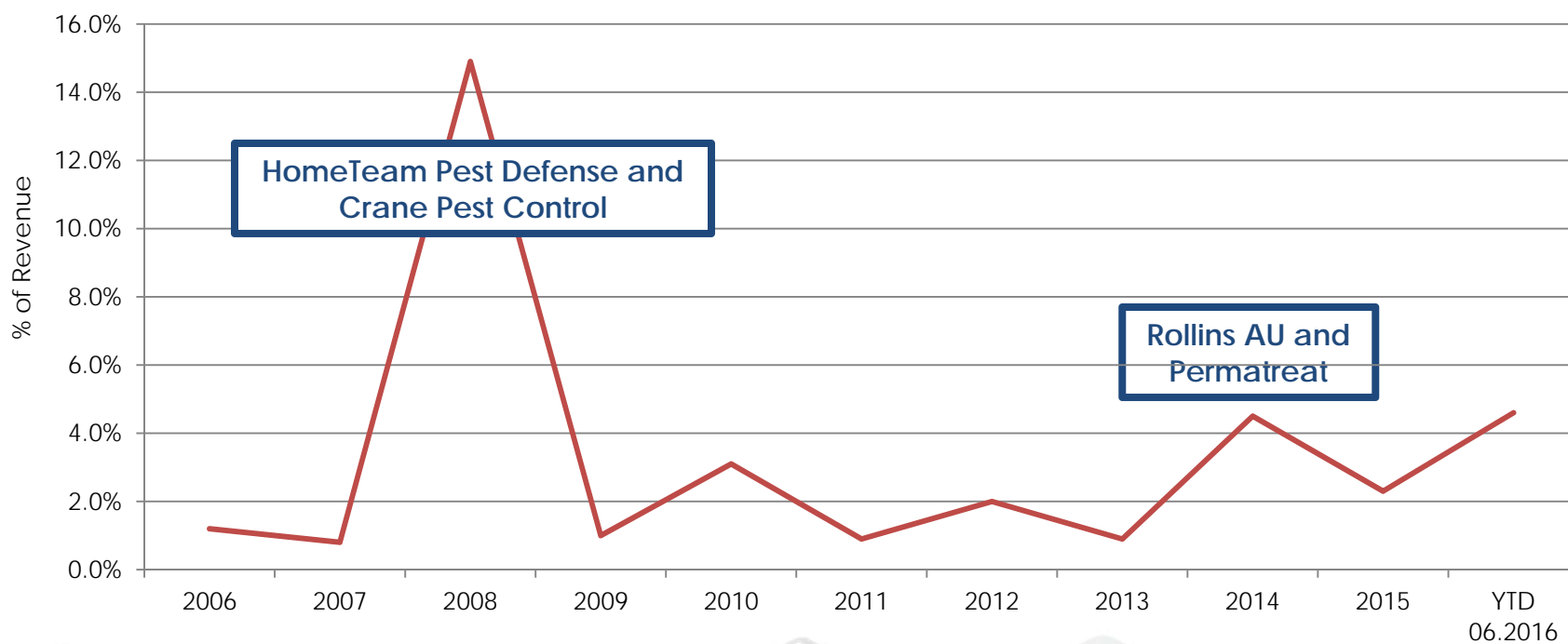




# Capital Allocation at Rollins

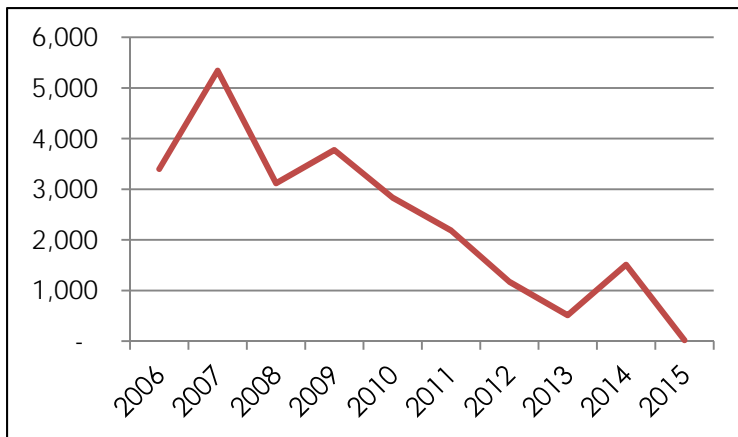
- ✓ Grow the Business
- ✓ Increase the Dividend
- ✓ Repurchase Shares

# Acquisition Investing Activities

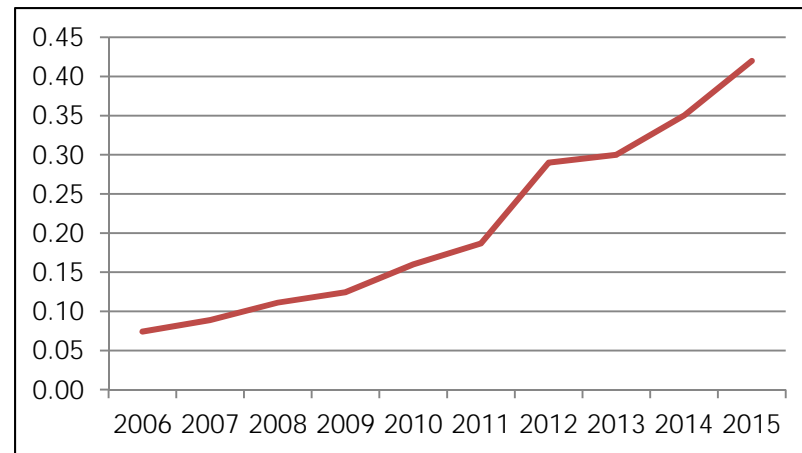


# Committed to Shareholder Distributions

### Shares Repurchased (000's)



### Dividends Paid per Share



# Key Financial Drivers

Looking Forward



# Q & A

