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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission File Number 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
(Address of principal executive offices)

30324
(Zip Code)

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

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	ROL	NYSE

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. Yes ☒ No ☐

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). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 provided 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).

Yes ☐ No ☒

Rollins, Inc. had 484,640,003 shares of its $1 par value Common Stock outstanding as of July 14, 2025.

ROLLINS, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

PART 1 FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2025 AND DECEMBER 31, 2024
(in thousands except share data)
(unaudited)

	June 30, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	**$ 123,035**	$ 89,630
Trade receivables, net of allowance for expected credit losses of $22,882 and $19,770, respectively	**229,735**	196,081
Financed receivables, short-term, net of allowance for expected credit losses of $2,840 and $2,536, respectively	**43,722**	40,301
Materials and supplies	**43,239**	39,531
Other current assets	**98,176**	77,080
Total current assets	**537,907**	442,623
Equipment and property, net of accumulated depreciation of $354,876 and $382,266, respectively	**129,713**	124,839
Goodwill	**1,337,903**	1,161,085
Customer contracts, net	**424,119**	383,092
Trademarks & tradenames, net	**167,972**	149,895
Other intangible assets, net	**8,879**	8,602
Operating lease right-of-use assets	**418,717**	414,474
Financed receivables, long-term, net of allowance for expected credit losses of $6,923 and $6,150, respectively	**102,625**	89,932
Other assets	**52,205**	45,153
Total assets	**$ 3,180,040**	$ 2,819,695
LIABILITIES		
Short-term debt	**$ 59,989**	$ —
Accounts payable	**73,798**	49,625
Accrued insurance - current	**64,483**	54,840
Accrued compensation and related liabilities	**120,826**	122,869
Unearned revenues	**200,110**	180,851
Operating lease liabilities - current	**130,822**	121,319
Other current liabilities	**138,052**	115,658
Total current liabilities	**788,080**	645,162
Accrued insurance, less current portion	**57,706**	61,946
Operating lease liabilities, less current portion	**291,093**	295,899
Long-term debt	**485,278**	395,310
Other long-term accrued liabilities	**114,012**	90,785
Total liabilities	**1,736,169**	1,489,102
Commitments and contingencies (see Note 9)		
STOCKHOLDERS' EQUITY		
Preferred stock, without par value; 500,000 shares authorized, zero shares issued	**—**	—
Common stock, par value $1 per share; 800,000,000 shares authorized, 484,640,136 and 484,372,303 shares issued and outstanding, respectively	**484,640**	484,372
Additional paid in capital	**159,824**	155,205
Accumulated other comprehensive loss	**(22,607)**	(43,634)
Retained earnings	**822,014**	734,650
Total stockholders' equity	**1,443,871**	1,330,593
Total liabilities and stockholders' equity	**$ 3,180,040**	$ 2,819,695

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

ROLLINS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(in thousands except per share data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
REVENUES				
Customer services	**$ 999,527**	$ 891,920	**$ 1,822,031**	$ 1,640,269
COSTS AND EXPENSES				
Cost of services provided (exclusive of depreciation and amortization below)	**461,861**	410,285	**861,995**	775,843
Sales, general and administrative	**307,596**	271,547	**558,109**	494,604
Depreciation and amortization	**31,737**	27,711	**60,946**	55,021
Total operating expenses	**801,194**	709,543	**1,481,050**	1,325,468
OPERATING INCOME	**198,333**	182,377	**340,981**	314,801
Interest expense, net	**7,380**	7,775	**13,176**	15,500
Other (income) expense, net	**(292)**	(412)	**(984)**	(351)
CONSOLIDATED INCOME BEFORE INCOME TAXES	**191,245**	175,014	**328,789**	299,652
PROVISION FOR INCOME TAXES	**49,756**	45,617	**82,052**	75,861
NET INCOME	**$ 141,489**	$ 129,397	**$ 246,737**	$ 223,791
NET INCOME PER SHARE - BASIC AND DILUTED	**$ 0.29**	$ 0.27	**$ 0.51**	$ 0.46
Weighted average shares outstanding – basic	**484,643**	484,244	**484,530**	484,187
Weighted average shares outstanding – diluted	**484,674**	484,419	**484,559**	484,356
DIVIDENDS PAID PER SHARE	**$ 0.165**	$ 0.150	**$ 0.330**	$ 0.300

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

ROLLINS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(in thousands)
(unaudited)

	Three Months Ending June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
NET INCOME	**$ 141,489**	$ 129,397	**$ 246,737**	$ 223,791
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	**15,272**	1,306	**20,503**	(4,468)
Pension settlement	**—**	—	**493**	—
Unrealized gain (loss) on available for sale securities	**62**	(30)	**31**	27
Other comprehensive income (loss), net of tax	**15,334**	1,276	**21,027**	(4,441)
Comprehensive income	**$ 156,823**	$ 130,673	**$ 267,764**	$ 219,350

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

ROLLINS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED JUNE 30, 2025 AND 2024
(in thousands)
(unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income / (Loss)	Retained Earnings	Total
Balance at March 31, 2025	**484,619**	**$ 484,619**	**$ 149,086**	**$ (37,941)**	**$ 759,988**	**$ 1,355,752**
Net income	—	—	—	—	141,489	141,489
Other comprehensive income, net of tax:						
Foreign currency translation adjustments	—	—	—	15,272	—	15,272
Unrealized gains on available for sale securities	—	—	—	62	—	62
Cash dividends	—	—	—	—	(79,463)	(79,463)
Stock compensation	25	25	10,985	—	—	11,010
Shares withheld for payment of employee taxes	(4)	(4)	(247)	—	—	(251)
Balance at June 30, 2025	**484,640**	**$ 484,640**	**$ 159,824**	**$ (22,607)**	**$ 822,014**	**$ 1,443,871**

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income / (Loss)	Retained Earnings	Total
Balance at March 31, 2024	**484,230**	**$ 484,230**	**$ 127,531**	**$ (32,472)**	**$ 588,207**	**$ 1,167,496**
Net income	—	—	—	—	129,397	129,397
Other comprehensive (loss) income, net of tax:						
Foreign currency translation adjustments	—	—	—	1,306	—	1,306
Unrealized losses on available for sale securities	—	—	—	(30)	—	(30)
Cash dividends	—	—	—	—	(72,578)	(72,578)
Stock compensation	97	97	10,589	—	—	10,686
Shares withheld for payment of employee taxes	(13)	(13)	(206)	—	—	(219)
Balance at June 30, 2024	**484,314**	**$ 484,314**	**$ 137,914**	**$ (31,196)**	**$ 645,026**	**$ 1,236,058**

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

ROLLINS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(in thousands)
(unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income / (Loss)	Retained Earnings	Total
	Shares	Amount				
Balance at December 31, 2024	**484,372**	**$ 484,372**	**$ 155,205**	**$ (43,634)**	**$ 734,650**	**$ 1,330,593**
Net income	—	—	—	—	246,737	246,737
Other comprehensive income, net of tax:						
Foreign currency translation adjustments	—	—	—	20,503	—	20,503
Pension settlement	—	—	—	493	—	493
Unrealized gains on available for sale securities	—	—	—	31	—	31
Cash dividends	—	—	—	—	(159,373)	(159,373)
Stock compensation	566	566	19,243	—	—	19,809
Shares withheld for payment of employee taxes	(298)	(298)	(14,624)	—	—	(14,922)
Balance at June 30, 2025	**484,640**	**$ 484,640**	**$ 159,824**	**$ (22,607)**	**$ 822,014**	**$ 1,443,871**

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income / (Loss)	Retained Earnings	Total
	Shares	Amount				
Balance at December 31, 2023	**484,080**	**$ 484,080**	**$ 131,840**	**$ (26,755)**	**$ 566,402**	**$ 1,155,567**
Net income	—	—	—	—	223,791	223,791
Other comprehensive (loss) income, net of tax:						
Foreign currency translation adjustments	—	—	—	(4,468)	—	(4,468)
Unrealized gains on available for sale securities	—	—	—	27	—	27
Cash dividends	—	—	—	—	(145,167)	(145,167)
Stock compensation	511	511	17,356	—	—	17,867
Shares withheld for payment of employee taxes	(277)	(277)	(11,282)	—	—	(11,559)
Balance at June 30, 2024	**484,314**	**$ 484,314**	**$ 137,914**	**$ (31,196)**	**$ 645,026**	**$ 1,236,058**

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

ROLLINS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(in thousands)
(unaudited)

	Six Months Ended June 30,	
	2025	2024
OPERATING ACTIVITIES		
Net income	**$ 246,737**	$ 223,791
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**60,946**	55,021
Stock-based compensation expense	**19,809**	15,560
Provision for expected credit losses	**16,461**	15,137
Gain on sale of assets, net	**(984)**	(781)
Provision for deferred income taxes	**12,470**	—
Other operating activities, net	**(1,223)**	—
Changes in operating assets and liabilities:		
Trade accounts receivable	**(44,654)**	(39,904)
Financing receivables	**(12,927)**	(12,523)
Materials and supplies	**(2,086)**	(4,142)
Other current assets	**(18,062)**	(30,775)
Accounts payable and accrued expenses	**43,967**	15,289
Unearned revenue	**17,893**	24,304
Other long-term assets and liabilities	**(16,333)**	11,571
Net cash provided by operating activities	**322,014**	272,548
INVESTING ACTIVITIES		
Acquisitions, net of cash acquired	**(253,578)**	(81,654)
Capital expenditures	**(13,857)**	(15,867)
Proceeds from sale of assets	**3,470**	2,313
Other investing activities, net	**874**	1,587
Net cash used in investing activities	**(263,091)**	(93,621)
FINANCING ACTIVITIES		
Payment of contingent consideration	**(3,447)**	(30,289)
Issuance of senior notes	**492,215**	—
Borrowings under revolving commitment	**11,000**	271,000
Borrowings under commercial paper, net	**59,989**	—
Repayments of revolving commitment	**(408,000)**	(260,000)
Payment of debt issuance costs	**(5,986)**	—
Payment of dividends	**(159,373)**	(145,167)
Cash paid for common stock purchased	**(14,922)**	(11,559)
Other financing activities, net	**(46)**	2,129
Net cash used in financing activities	**(28,570)**	(173,886)
Effect of exchange rate changes on cash	**3,052**	(2,169)
Net increase in cash and cash equivalents	**33,405**	2,872
Cash and cash equivalents at beginning of period	**89,630**	103,825
Cash and cash equivalents at end of period	**$ 123,035**	$ 106,697
Supplemental disclosure of cash flow information:		
Cash paid for interest	**$ 5,211**	$ 17,558
Cash paid for income taxes, net	**$ 85,017**	$ 93,272
Non-cash additions to operating lease right-of-use assets	**$ 70,534**	$ 103,235

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

NOTE 1. BASIS OF PREPARATION

Basis of Preparation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP, the instructions to Form 10-Q and applicable sections of Securities and Exchange Commission ("SEC") regulation S-X, and therefore do not include all information and footnotes required by U.S. GAAP for complete financial statements. There have been no material changes in the Company’s significant accounting policies or the information disclosed in the notes to the consolidated financial statements included in the Annual Report on Form 10-K of Rollins, Inc. (including its subsidiaries unless the context otherwise requires, “Rollins,” “we,” “us,” “our,” or the “Company”) for the year ended December 31, 2024. Accordingly, the quarterly condensed consolidated financial statements and related disclosures herein should be read in conjunction with the 2024 Annual Report on Form 10-K.

The Company’s condensed consolidated financial statements reflect estimates and assumptions made by management that affect the reported amounts of assets and liabilities and related disclosures as of the date of the condensed consolidated financial statements. The Company considered the impact of economic trends on the assumptions and estimates used in preparing the condensed consolidated financial statements. In the opinion of management, all material adjustments necessary for a fair presentation of the Company’s financial results for the quarter have been made. These adjustments are of a normal recurring nature but complicated by the continued uncertainty surrounding economic trends. The results of operations for the three and six months ended June 30, 2025 are not necessarily indicative of results for the entire year. The severity, magnitude and duration of certain economic trends continue to be uncertain and are difficult to predict. Therefore, our accounting estimates and assumptions may change over time in response to economic trends and may change materially in future periods.

NOTE 2. RECENT ACCOUNTING PRONOUNCEMENTS

Accounting standards issued but not yet adopted

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The guidance is effective for annual periods beginning after December 15, 2024, with early adoption permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 should be applied on a prospective basis, while retrospective application is permitted. The Company is currently evaluating the potential impact of adopting this new ASU on its disclosures.

In November 2024, the FASB issued ASU 2024-03, "Disaggregation of Income Statement Expenses (DISE)", which requires additional disclosure of the nature of expenses included in the income statement in response to longstanding requests from investors for more information about an entity’s expenses. The new standard requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. The guidance will be effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. The requirements will be applied prospectively with the option for retrospective application. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of this ASU will have on its consolidated financial statements and related disclosures.

NOTE 3. ACQUISITIONS

Saela Pest Control Acquisition

On April 1, 2025, the Company acquired 100% of Saela Holdings, LLC ("Saela") for $207.1 million. The Company funded this acquisition using cash on hand and borrowings under the commercial paper program.

The acquisition will expand the Rollins family of brands, and management believes the acquisition will drive long-term value given Saela's attractive financial profile and complementary end market exposure.

The Saela acquisition has been accounted for as a business combination, and Saela's results of operations are included in the Company's operations from the acquisition date. Saela contributed revenues of $18.9 million and net earnings of $2.7 million during the three months ended June 30, 2025.

The valuation of the Saela acquisition is being performed by a third-party valuation specialist under management’s supervision.The preliminary values of identified assets acquired and liabilities assumed for Saela are summarized as follows (in thousands):

	April 1, 2025
Cash	$ 1,506
Accounts receivable	832
Materials and supplies	573
Operating lease right-of-use assets	991
Other current assets	414
Equipment and property	4,648
Goodwill	132,959
Customer contracts	52,200
Trademarks & tradenames	17,300
Accounts payable	(1,961)
Accrued compensation and related liabilities	(949)
Other current liabilities	(389)
Operating lease liabilities	(991)
Assets acquired and liabilities assumed	$ 207,133

Included in the total consideration above are cash payments of $193.7 million made upon closing, contingent consideration valued at $8.8 million that is based on Saela's expected financial performance in the two years following the acquisition, and holdback liabilities valued at $4.6 million to be held by the Company to settle indemnity claims and purchase price adjustments. The fair value of the contingent consideration was estimated using a Monte Carlo simulation. During the three months ended June 30, 2025, we recognized a charge of $1.1 million related to adjustments to the fair value of contingent consideration resulting from the acquisition of Saela. This charge is reported in sales, general and administrative expenses on our condensed consolidated statement of income.

The acquired Saela customer contracts are estimated to have a remaining useful life of 6.5 years. The acquired trademarks and tradenames are expected to have an indefinite useful life. See Note 6, Goodwill and Intangible Assets, for further details.

Goodwill from this acquisition represents the excess of the purchase price over the fair value of net assets of the business acquired. The factors contributing to the amount of goodwill are based on strategic and synergistic benefits that are expected to be realized. The recognized goodwill is expected to be deductible for tax purposes. Valuations of certain assets and liabilities, including intangible assets and goodwill, as of the acquisition date have not been finalized at this time and are provisional.

Pro Forma Financial Information

The following table presents unaudited consolidated pro forma information as if the acquisition of Saela had occurred on January 1, 2024. This 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.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2025**	2024	**2025**	2024
Revenues	**$ 999,527**	$ 907,560	**$ 1,850,939**	$ 1,667,502
Net income	**140,628**	132,723	**253,371**	226,433

This information adjusts for the effects of material business combination items, including the alignment of accounting policies, the effect of fair value adjustments including the amortization of acquired intangible assets, and income tax effects.

Other 2025 Acquisitions

The Company made 12 other acquisitions during the six months ended June 30, 2025.The aggregate preliminary values of major classes of assets acquired and liabilities assumed recorded at the dates of acquisition are summarized as follows (in thousands):

	June 30, 2025
Cash	**$ 263**
Accounts receivable	**1,348**
Materials and supplies	**856**
Other current assets	**231**
Equipment and property	**5,006**
Goodwill	**35,120**
Customer contracts	**25,982**
Trademarks & tradenames	**887**
Other intangible assets	**1,253**
Current liabilities	**(319)**
Unearned revenue	**(938)**
Other assets and liabilities, net	**(2,551)**
Assets acquired and liabilities assumed	**$ 67,138**

Included in the total consideration of $67.1 million are acquisition holdback liabilities of $8.3 million.

The Company also made payments of $2.8 million for prior year acquisitions during the six months ended June 30, 2025.

Goodwill from acquisitions represents the excess of the purchase price over the fair value of net assets of businesses acquired. The factors contributing to the amount of goodwill are based on strategic and synergistic benefits that are expected to be realized. A majority of the recognized goodwill is expected to be deductible for tax purposes. Valuations of certain assets and liabilities, including intangible assets and goodwill, as of the acquisition date have not been finalized at this time and are provisional.

NOTE 4. REVENUE

Revenue, classified by the major geographic areas in which our customers are located, was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2025**	2024	**2025**	2024
United States	**$ 927,682**	$ 827,839	**$ 1,691,251**	$ 1,521,699
Other countries	**71,845**	64,081	**130,780**	118,570
Total revenues	**$ 999,527**	$ 891,920	**$ 1,822,031**	$ 1,640,269

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2025**	2024	**2025**	2024
Residential revenues	**$ 455,665**	$ 408,414	**$ 811,978**	$ 737,752
Commercial revenues	**320,490**	287,770	**604,847**	545,884
Termite and ancillary revenues	**211,855**	186,024	**383,985**	338,084
Franchise revenues	**3,908**	4,445	**7,678**	8,406
Other revenues	**7,609**	5,267	**13,543**	10,143
Total revenues	**$ 999,527**	$ 891,920	**$ 1,822,031**	$ 1,640,269

The Company records unearned revenue when we have either received payment or contractually have the right to bill for services in advance of the services or performance obligations being performed. Unearned revenue recognized in the three months ended June 30, 2025 and 2024 was $68.9 million and $63.4 million, respectively. Unearned revenue recognized in the six months ended June 30, 2025 and 2024 was $135.9 million and $125.3 million, respectively. Changes in unearned revenue were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2025**	2024	**2025**	2024
Beginning balance	**$ 233,365**	$ 222,967	**$ 223,872**	$ 210,059
Deferral of unearned revenue	**78,975**	74,369	**155,481**	149,165
Recognition of unearned revenue	**(68,881)**	(63,437)	**(135,894)**	(125,325)
Ending balance	**$ 243,459**	$ 233,899	**$ 243,459**	$ 233,899

As of June 30, 2025 and December 31, 2024, the Company had long-term unearned revenue of $43.3 million and $43.0 million, respectively, recorded in other long-term accrued liabilities on our condensed consolidated statements of financial position. Unearned short-term revenue is recognized over the next 12-month period. During the three and six months ended June 30, 2025, we recognized $45.2 million and $90.4 million of revenue that was included in the balance of unearned revenue at December 31, 2024. During the three and six months ended June 30, 2024, we recognized $43.1 million and $86.2 million of revenue that was included in the balance of unearned revenue at December 31, 2023. The majority of unearned long-term revenue is recognized over a period of five years or less with immaterial amounts recognized through 2035.

Incremental Costs of Obtaining a Contract with a Customer

Incremental costs of obtaining a contract include only those costs that we incur to obtain a contract that we would not have incurred if the contract had not been obtained, primarily sales commissions. These costs are recorded as an asset and amortized to expense over the life of the contract to the extent such costs are expected to be recovered. As of June 30, 2025, we have $36.3 million of unamortized capitalized costs to obtain a contract, of which $23.9 million is recorded within other current assets and $12.4 million is recorded within other assets on our condensed consolidated statements of financial position. As of December 31, 2024, we had $23.4 million of unamortized capitalized costs to obtain a contract, of which $19.3 million was recorded within other current assets and $4.1 million was recorded within other assets on our condensed consolidated statements of financial position. During the three and six months ended June 30, 2025, we recorded approximately $7.9 million and $15.0 million, respectively, of amortization of capitalized costs, which is recorded within sales, general and administrative expense on our condensed consolidated statement of income. During the three and six months ended June 30, 2024, we recorded $4.2 million and $8.0 million of amortization of capitalized costs.

NOTE 5. ALLOWANCE FOR CREDIT LOSSES

The Company is exposed to credit losses primarily related to accounts receivables and financed receivables derived from customer services revenue. To reduce credit risk for residential pest control accounts receivable, we promote enrollment in our auto-pay programs. In general, we may suspend future services for customers with past due balances. The Company's credit risk is generally low with a large number of individuals and entities comprising Rollins' customer base and dispersion across many different geographical regions.

The Company manages its financed receivables on an aggregate basis when assessing and monitoring credit risks. The Company's established credit evaluation and monitoring procedures seek to minimize the amount of business we conduct with higher risk customers. The credit quality of a potential obligor is evaluated at the loan origination based on an assessment of the individual's 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, require a significant down payment or turn down the contract. Delinquencies of accounts are monitored each month. Financed receivables include installment receivable amounts, some of which are due subsequent to one year from the balance sheet dates.

The Company's allowances for credit losses for trade accounts receivable and financed receivables are developed using historical collection experience, current economic and market conditions, reasonable and supportable forecasts, and a review of the current status of customers' receivables. The Company's receivable pools are classified between residential customers, commercial customers, large commercial customers, and financed receivables. Accounts are written off against the allowance for credit losses when the Company determines that amounts are uncollectible, and recoveries of amounts previously written off are recorded when collected. The Company stops accruing interest to these receivables when they are deemed uncollectible. Below is a roll forward of the Company's allowance for credit losses for the three and six months ended June 30, 2025 and 2024.

	Allowance for Credit Losses		
(in thousands)	Trade Receivables	Financed Receivables	Total Receivables
Balance at December 31, 2024	**$ 19,770**	**$ 8,686**	**$ 28,456**
Provision for expected credit losses	8,081	2,649	10,730
Write-offs charged against the allowance	(5,428)	(2,460)	(7,888)
Recoveries collected	1,276	241	1,517
Balance at March 31, 2025	**$ 23,699**	**$ 9,116**	**$ 32,815**
Provision for expected credit losses	3,031	2,700	5,731
Write-offs charged against the allowance	(5,057)	(2,339)	(7,396)
Recoveries collected	1,209	286	1,495
Balance at June 30, 2025	**$ 22,882**	**$ 9,763**	**$ 32,645**

(in thousands)	Allowance for Credit Losses Trade Receivables	Financed Receivables	Total Receivables
Balance at December 31, 2023	$ 15,797	$ 5,602	$ 21,399
Provision for expected credit losses	4,823	2,870	7,693
Write-offs charged against the allowance	(7,184)	(2,362)	(9,546)
Recoveries collected	1,428	146	1,574
Balance at March 31, 2024	$ 14,864	$ 6,256	$ 21,120
Provision for expected credit losses	4,503	2,941	7,444
Write-offs charged against the allowance	(4,690)	(2,985)	(7,675)
Recoveries collected	1,423	195	1,618
Balance at June 30, 2024	$ 16,100	$ 6,407	$ 22,507

NOTE 6. GOODWILL AND INTANGIBLE ASSETS

The following table summarizes changes in goodwill during the six months ended June 30, 2025 (in thousands):

Balance at December 31, 2024	**$ 1,161,085**
Additions	168,079
Measurement adjustments	(1,144)
Adjustments due to currency translation and other	9,883
Balance at June 30, 2025	**$ 1,337,903**

The following table sets forth the components of indefinite-lived and amortizable intangible assets as of June 30, 2025 and December 31, 2024 (in thousands):

	June 30, 2025 Gross	Accumulated Amortization	Carrying Value	December 31, 2024 Gross	Accumulated Amortization	Carrying Value	Useful Life in Years
Amortizable intangible assets:							
Customer contracts	$ 722,944	$ (298,825)	$ 424,119	$ 671,242	$ (288,150)	$ 383,092	3-20
Trademarks and tradenames	25,220	(14,279)	10,941	24,559	(12,480)	12,079	7-20
Other intangible assets	28,041	(19,162)	8,879	26,507	(17,905)	8,602	3-20
Total amortizable intangible assets	$ 776,205	$ (332,266)	$ 443,939	$ 722,308	$ (318,535)	$ 403,773	
Indefinite-lived intangible assets			157,031			137,816	
Total intangible assets, excluding goodwill			$ 600,970			$ 541,589	

Amortization expense related to intangible assets was$22.9 million and $19.3 million for the three months ended June 30, 2025 and 2024, respectively. Amortization expense related to intangible assets was $43.7 million and $38.0 million for the six months ended June 30, 2025 and 2024, respectively. Amortizable intangible assets are amortized on a straight-line basis over their economic useful lives.

Estimated amortization expense for the existing carrying amount of amortizable intangible assets for each of the five succeeding fiscal years as of June 30, 2025 are as follows:

(in thousands)	
2025 (excluding the six months ended June 30, 2025)	$ 45,593
2026	89,189
2027	85,073
2028	73,915
2029	59,965

NOTE 7. DEBT

Long-term Debt

Components of long-term debt were as follows:

(in thousands)	**June 30, 2025**	December 31, 2024
2035 Senior Notes	**$ 500,000**	$ —
Revolving Credit Facility	**—**	397,000
Total long-term debt	**$ 500,000**	$ 397,000
Less: unamortized debt discount	**(7,515)**	—
Less: unamortized debt issuance costs	**(7,207)**	(1,690)
Total long-term debt, net	**$ 485,278**	$ 395,310

2035 Senior Notes and Exchange Offer

In February 2025, we issued ten-year notes with an aggregate principal amount of $500 million due on February 24, 2035 (the "2035 Senior Notes") in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act. We issued the 2035 Senior Notes at 98.443% of par, representing a discount of $7.8 million and paid approximately $6.0 million for debt issuance costs. The interest is payable semi-annually in arrears on February 24 and August 24 of each year at 5.25% per annum, beginning on August 24, 2025, and the entire principal amount is due at the time of maturity. We used the net proceeds from this offering primarily to repay outstanding borrowings under the Revolving Credit Facility, as defined below, as well as for general corporate purposes.

The 2035 Senior Notes are senior unsecured obligations of the Company and, at the time of issuance, were guaranteed by the Company's subsidiaries that were guarantors under its Revolving Credit Facility, provided for by the Credit Agreement defined below. Subsequent to the issuance of the 2035 Senior Notes, and described further below, we amended our Credit Agreement to release the Company's subsidiaries as guarantors, which also released them as guarantors on the 2035 Senior Notes.

The indenture governing the 2035 Senior Notes contains customary covenants that limit the Company and its subsidiaries' ability to, among other things, incur liens and certain types of indebtedness. The indenture also provides for customary events of default, which, if any of them occurs, would permit or require the principal, premium, if any, interest and any other monetary obligations on all the then outstanding 2035 Senior Notes to be due and payable immediately. We were in compliance with all covenants as of June 30, 2025.

On May 6, 2025, we commenced an offer to exchange $500 million of the 2035 Senior Notes privately placed in February 2025 ("Initial Notes") for the $500 million of the 2035 Senior Notes that have been registered under the Securities Act of 1933 ("Exchange Notes"). Approximately 99.6% of the $500 million aggregate principal amount of the Initial Notes were validly tendered and not withdrawn prior to the expiration of the exchange offer, and were exchanged for Exchange Notes as of June 4, 2025, pursuant to the terms of the exchange offer. The Exchange Notes are identical in all material respects to the Initial Notes, except that the Exchange Notes will have no transfer restrictions or registration rights.

The effective interest rate of our 2035 Senior Notes was 5.6% as of June 30, 2025.

Revolving Credit Facility

In February 2023, the Company entered into a credit agreement (the "Credit Agreement") with, among others, JPMorgan Chase Bank, N.A. ("JPMorgan Chase"), as administrative agent (in such capacity, the "Administrative Agent").

In March 2025, the Company entered into Amendment No. 1 to the Credit Agreement (the "Amendment No 1"), among the Company, JPMorgan Chase, and the lenders party thereto, which amended the Credit Agreement with, among others, the Company and the Administrative Agent. The Amendment No. 1, among other things, released each of Orkin, LLC, Northwest Exterminating Co., LLC, Clark Pest Control of Stockton, Inc. and Hometeam Pest Defense, Inc. (collectively, the "Existing Guarantors") as guarantors under the Credit Agreement. Following the release of the Existing Guarantors from their guarantees of the obligations under the Credit Agreement, no subsidiary of the Company guarantees the obligations under the Credit Agreement.

The Credit Agreement provides for a $1.0 billion revolving credit facility ("Revolving Credit Facility"), which may be denominated in U.S. Dollars and other currencies, subject to a $400 million foreign currency sublimit. Rollins has the ability to expand its borrowing availability under the Credit Agreement in the form of increased revolving commitments or one or more tranches of term loans by up to an additional $750 million, subject to the agreement of the participating lenders and certain other customary conditions. The maturity date of the loans under the Credit Agreement is February 24, 2028.

Loans under the Credit Agreement bear interest, at Rollins' election, at (i) for loans denominated in U.S. Dollars, (A) an alternate base rate (subject to a floor of 0.00%), which is the greatest of (x) the prime rate publicly announced from time to time by JPMorgan Chase, (y) the greater of the federal funds effective rate and the Federal Reserve Bank of New York overnight bank funding rate, plus 50 basis points, and (z) Adjusted Term SOFR for a one month interest period, plus a margin ranging from 0.00% to 0.50% per annum based on Rollins' consolidated total net leverage ratio; or (B) the greater of term SOFR for the applicable interest period plus 10 basis points ("Adjusted Term SOFR") and zero, plus a margin ranging from 1.00% to 1.50% per annum based on Rollins' consolidated total net leverage ratio; and (ii) for loans denominated in other currencies, such interest rates as set forth in the Credit Agreement.

The Credit Agreement contains customary terms and conditions, including, without limitation, certain financial covenants including covenants restricting Rollins' ability to incur certain indebtedness or liens, or to merge or consolidate with or sell substantially all of its assets to another entity. Further, the Credit Agreement contains a financial covenant restricting Rollins' ability to permit the ratio of Rollins' consolidated total net debt to EBITDA to exceed 3.50 to 1.00. Following certain acquisitions, Rollins may elect to increase the financial covenant level to 4.00 to 1.00 temporarily. The Company is in compliance with applicable debt covenants as of June 30, 2025.

As of June 30, 2025, the Company had no outstanding borrowings under the Revolving Credit Facility. As of December 31, 2024, the Company had outstanding borrowings of $397.0 million under the Revolving Credit Facility.

Short-term Debt

Commercial Paper Program

In March 2025, we established a commercial paper program under which we may issue unsecured commercial paper up to a total of $1 billion outstanding at any time, with maturities of up to 397 days from the date of issue. Borrowings under this program are generally outstanding for 30 days or less. The net proceeds from the issuance of commercial paper are used for various purposes, including general corporate purposes and funding for acquisitions. Information with respect to our outstanding commercial paper borrowings is as follows:

(in thousands)	June 30, 2025	December 31, 2024
Outstanding borrowings [(1)]	$ 59,989	$ —
Weighted average annual interest rate	4.57 %	—
Weighted average remaining term	2.5 days	—

(1) Outstanding commercial paper borrowings are net of unamortized discount and are presented under the short-term debt caption of our condensed consolidated statements of financial position.

Letters of Credit

The Company maintained $82.4 million in letters of credit as of June 30, 2025 and $72.0 million as of December 31, 2024. These letters of credit are required by the Company’s insurance companies, due to the Company’s high deductible insurance program, 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 potential future insurance claims.

NOTE 8. FAIR VALUE MEASUREMENT

Assets and liabilities recorded at fair value are measured using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The levels of the fair value hierarchy are:

- Level 1: observable inputs such as quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices in active markets in Level 1 that are either directly or indirectly observable; and
- Level 3: unobservable inputs for which little or no market data exists.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Debt Securities

As of June 30, 2025 and December 31, 2024, we had investments in international bonds of $7.9 million and $8.2 million, respectively. These bonds are accounted for as available for sale securities and are Level 2 assets under the fair value hierarchy. The bonds are recorded at their fair market values and reported within other current assets and other assets on our condensed consolidated statements of financial position. The unrealized gain or loss activity during the three and six months ended June 30, 2025 and 2024 was not significant.

Contingent Consideration

As of June 30, 2025 and December 31, 2024, the Company had $40.2 million and $21.0 million of acquisition holdback and earnout liabilities payable to former owners of acquired companies, respectively. The earnout liabilities were adjusted 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.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands)	**2025**	2024	**2025**	2024
Beginning balance	**$ 25,005**	$ 51,858	**$ 21,008**	$ 46,104
New acquisitions and measurement adjustments	**16,977**	3,785	**21,707**	10,449
Payouts	**(2,254)**	(33,012)	**(3,447)**	(34,486)
Interest and fair value adjustments	**1,177**	9	**1,197**	543
Charge offset, forfeit and other	**(690)**	(3)	**(250)**	27
Ending balance	**$ 40,215**	$ 22,637	**$ 40,215**	$ 22,637

Other Fair Value Disclosures

The carrying amount of cash and cash equivalents, trade and financed receivables, accounts payable, and short-term liabilities, including short-term borrowings under our commercial paper program, approximate fair value due to their short-term nature. The carrying amounts of borrowings outstanding under our Revolving Credit Facility approximate fair value, as interest rates are variable and reflective of market rates.

The following table presents the aggregate fair value and carrying value of our 2035 Senior Notes, which are classified as Level 2 within the fair value hierarchy:

	June 30, 2025		December 31, 2024	
(in thousands)	Fair Value	Carrying Value	Fair Value	Carrying Value
2035 Senior Notes	**$ 502,150**	**$ 485,278**	$ —	$ —

NOTE 9. CONTINGENCIES

In the normal course of business, the Company and its subsidiaries are involved in, and will continue to be involved in, various claims, arbitrations, contractual disputes, investigations, and regulatory and litigation matters relating to, and arising out of, our businesses and our operations. These matters may involve, but are not limited to, allegations that our services or vehicles caused damage or injury, claims that our services did not achieve the desired results, claims related to acquisitions and allegations by federal, state or local authorities, including taxing authorities, of violations of regulations or statutes. In addition, we are parties to employment-related investigations, cases, and claims from time to time, which may include claims on a representative or class action basis alleging wage and hour law violations, claims filed under California's Private Attorneys General Act, and claims and investigations related to our enforcement of post-employment restrictive covenants. We are also involved from time to time in certain environmental matters primarily arising in the normal course of business. We evaluate pending and threatened claims and establish loss contingency reserves based upon outcomes we currently believe to be probable and reasonably estimable in accordance with ASC 450.

The Company retains, up to specified limits, certain risks related to general liability, workers' compensation and auto liability. 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 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 accruals and reserves we hold are based on estimates that involve a degree of judgment and are inherently variable and could be overestimated or insufficient. If actual claims exceed our estimates, our operating results could be materially affected, and our ability to take timely corrective actions to limit future costs may be limited.

Item 103 of SEC Regulation S-K requires disclosure of certain environmental legal proceedings if the proceeding reasonably involves potential monetary sanctions of $300,000 or more. The Company has received a notice of alleged violations and information requests from local governmental authorities in California for our Orkin and Clark Pest Control operations and is currently working with several local governments regarding compliance with environmental regulations governing the management of hazardous waste and pesticide disposal. The investigation appears to be part of a broader effort to investigate waste handling and disposal processes of a number of industries. While we are unable to predict the outcome of this investigation, we do not believe the outcome will have a material effect on our results of operations, financial condition, or cash flows.

Management does not believe that any pending or threatened claim, proceeding, litigation, regulatory action or investigation, 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 could result in a charge that might be material to the results of an individual quarter or year.

NOTE 10. STOCKHOLDERS' EQUITY

During the three months ended June 30, 2025, the Company paid $79.5 million, or $0.165 per share, in cash dividends compared to $72.6 million, or $0.150 per share, during the same period in 2024. During the six months ended June 30, 2025, the Company paid $159.4 million, or $0.330 per share, in cash dividends compared to $145.2 million or $0.300 per share, during the same period in 2024.

The Company withholds shares from employees for the payment of their taxes on equity awards that have vested. The Company withheld $0.3 million and $0.2 million in connection with employee tax obligations during the three month periods ended June 30, 2025 and 2024, respectively. The Company withheld $14.9 million and $11.6 million in connection with employee tax obligations during the six month periods ended June 30, 2025 and 2024, respectively.

The Company did not repurchase shares on the open market during the three and six months ended June 30, 2025 and June 30, 2024.

The following table summarizes the components of the Company's stock-based compensation programs, including time-lapsed restricted share awards, performance share unit awards, and employee stock purchase plan, recorded as expense:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
(in thousands)	**2025**	2024	**2025**	2024
Stock-based compensation expense	**$ 11,010**	$ 8,379	**$ 19,809**	$ 15,560

NOTE 11. EARNINGS PER SHARE

The Company reports both basic and diluted earnings per share. Basic earnings per share is computed by dividing net income available to participating common stockholders by the weighted average number of participating common shares outstanding for the period. Diluted earnings per share is calculated by dividing the net income available to participating common shareholders by the diluted weighted average number of shares outstanding for the period. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive equity.

A reconciliation of weighted average shares outstanding is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Weighted-average outstanding common shares	**482,868**	482,147	**482,725**	482,012
Add participating securities:				
Weighted-average time-lapse restricted awards	**1,775**	2,097	**1,805**	2,175
Total weighted-average shares outstanding – basic	**484,643**	484,244	**484,530**	484,187
Dilutive effect of restricted stock units and PSUs	**31**	175	**29**	169
Weighted-average shares outstanding – diluted	**484,674**	484,419	**484,559**	484,356

NOTE 12. INCOME TAXES

The Company's provision for income taxes is recorded on an interim basis based upon the Company's estimate of the annual effective income tax rate for the full year applied to "ordinary" income or loss, adjusted each quarter for discrete items. The Company recorded a provision for income taxes of $49.8 million and $45.6 million for the three months ended June 30, 2025 and 2024, and $82.1 million and $75.9 million for the six months ended June 30, 2025 and 2024, respectively.

The Company's effective tax rate decreased to 26.0% in the second quarter of 2025 compared with 26.1% in the second quarter of 2024. During the six months ended June 30, 2025, the Company's effective tax rate decreased to 25.0% compared to 25.3% in 2024. The reduced rate was due to a decrease in state income tax expense in 2025.

NOTE 13. SEGMENT AND GEOGRAPHIC INFORMATION

The Company operates under one reportable segment which contains our residential, commercial, and termite and ancillary service offerings. The Company's chief operating decision maker ("CODM") is the chief executive officer. The CODM uses net income to assess financial performance and allocate resources. This financial metric is used by the CODM to make key operating decisions, such as the determination of the rate of growth investments and the allocation of budget between cost categories. The measure of segment assets is reported on the condensed consolidated statements of financial position as total consolidated assets.

The following table presents selected financial information with respect to the Company’s single reportable segment

(in thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Revenue	**$ 999,527**	$ 891,920	**$ 1,822,031**	$ 1,640,269
Less:				
Cost of services provided (exclusive of depreciation and amortization below):				
Employee expenses	**298,354**	268,043	**560,077**	506,572
Materials and supplies	**59,500**	57,047	**107,991**	101,833
Insurance and claims	**20,734**	15,034	**37,258**	32,678
Fleet expenses	**41,834**	34,653	**78,691**	65,351
Other cost of services provided [1]	**41,439**	35,508	**77,978**	69,409
Total cost of services provided (exclusive of depreciation and amortization below)	**$ 461,861**	$ 410,285	**$ 861,995**	$ 775,843
Sales, general and administrative:				
Selling and marketing expenses	**140,177**	125,449	**238,428**	208,360
Administrative employee expenses	**89,303**	79,417	**170,783**	155,195
Insurance and claims	**12,939**	9,088	**22,943**	19,614
Fleet expenses	**10,443**	9,195	**19,846**	16,960
Other sales, general and administrative [2]	**54,734**	48,398	**106,109**	94,475
Total sales, general and administrative	**$ 307,596**	$ 271,547	**$ 558,109**	$ 494,604
Depreciation and amortization	**31,737**	27,711	**60,946**	55,021
Interest expense, net	**7,380**	7,775	**13,176**	15,500
Other (income) expense, net	**(292)**	(412)	**(984)**	(351)
Income tax expense	**49,756**	45,617	**82,052**	75,861
Net income	**$ 141,489**	$ 129,397	**$ 246,737**	$ 223,791

1) Other cost of services provided includes facilities costs, professional services, maintenance and repairs, software license costs, and other expenses directly related to providing services.

2) Other sales, general and administrative includes facilities costs, professional services, maintenance and repairs, software license costs, bad debt expense, and other administrative expenses.

See the consolidated financial statements for other financial information regarding the Company’s reportable segment. See Note 4, Revenue for further information on revenue.

The Company's long-lived tangible assets, as well as the Company's operating lease right-of-use assets recognized in the condensed consolidated statements of financial position were located as follows:

(in thousands)	June 30, 2025	December 31, 2024
United States	**$ 506,544**	$ 503,767
International	**41,886**	35,546

NOTE 14. SUBSEQUENT EVENTS

Quarterly Dividend

On July 22, 2025, the Company's Board of Directors declared a regular quarterly cash dividend on its common stock of $0.165 per share payable on September 10, 2025 to shareholders of record at the close of business on August 11, 2025.

Tax Legislation

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act ("OBBBA"). Significant provisions of the OBBBA include the permanent extension of certain provisions of the 2017 Tax Cuts and Jobs Act, modifications to the international tax framework, and the restoration of favorable tax treatment for certain business provisions. The Company is currently evaluating the OBBBA and does not expect it will have a material impact on our condensed consolidated financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this quarterly report on Form 10-Q.

GENERAL OPERATING COMMENTS

Below is a summary of the key operating results for the three months ended June 30, 2025:

- Second quarter revenues were $999.5 million, an increase of 12.1% over the second quarter of 2024 with organic revenues* increasing 7.3%.
- Quarterly operating income was $198.3 million, an increase of 8.7% over the second quarter of 2024. Quarterly operating margin was 19.8%, a decrease of 60 basis points versus the second quarter of 2024. Adjusted operating income* was $205.9 million, an increase of 10.3% over the prior year. Adjusted operating margin* was 20.6%, a decrease of 30 basis points compared to the prior year.
- Adjusted EBITDA* was $231.2 million, an increase of 10.0% over the prior year. Adjusted EBITDA margin* was 23.1%, a decrease of 50 basis points versus the second quarter of 2024.
- Quarterly net income was $141.5 million, an increase of 9.3% over the prior year. Adjusted net income* was $146.9 million, an increase of 11.1% over the prior year.
- Quarterly EPS was $0.29 per diluted share, a 7.4% increase over the prior year EPS of $0.27. Adjusted EPS* was $0.30 per diluted share, an increase of 11.1% over the prior year.
- Operating cash flow was $175.1 million for the quarter, an increase of 20.7% compared to the prior year. The Company invested $226.4 million in acquisitions, $7.1 million in capital expenditures, and paid dividends totaling $79.5 million.

Demand remains favorable to start the third quarter and the pipeline of acquisition activity remains healthy. Although we continue to navigate a highly uncertain macroeconomic environment, we believe we are well positioned to continue to deliver strong results in 2025.

We remain focused on driving 7% to 8% organic revenue growth while adding 3% to 4% of inorganic revenue growth for 2025. We continue to focus on improving the efficiency of our business model while investing in programs aimed at growing our business across our service offerings.

*Amounts are non-GAAP financial measures. See the schedules below for a discussion of non-GAAP financial metrics including a reconciliation of the most directly comparable GAAP measure.

RECENT DEVELOPMENTS AND ECONOMIC CONDITIONS

The continued disruption in economic markets due to inflation, changing interest rates, business interruptions due to natural disasters and changes in weather patterns, employee shortages, and supply chain issues all pose challenges which may adversely affect our future performance. The Company continues to execute various strategies previously implemented to help mitigate the impact of these economic disruptors. However, the Company cannot reasonably estimate whether these strategies will help mitigate the impact of these economic disruptors in the future.

Additionally, the Company continues to monitor ongoing changes to global trade policies, including the imposition of tariffs. The broader economic impact of these policies is uncertain, and while we may experience changes in fleet-related expenses and materials and supplies, we do not expect to be materially affected.

The Company's condensed consolidated financial statements reflect estimates and assumptions made by management that affect the reported amounts of assets and liabilities and related disclosures as of the date of the condensed consolidated financial statements. The Company considered the impact of economic trends on the assumptions and estimates used in preparing the condensed consolidated financial statements. In the opinion of management, all material adjustments necessary for a fair presentation of the Company's financial results for the quarter have been made. These adjustments are of a normal recurring nature but are complicated by the continued uncertainty surrounding these economic trends. The severity, magnitude and duration of certain economic trends continue to be uncertain and are difficult to predict. Therefore, our accounting estimates and assumptions may change over time in response to economic trends and may change materially in future periods.

The extent to which these economic trends will continue to impact the Company's business, financial condition and results of operations is uncertain. Therefore, we cannot reasonably estimate the full future impacts of these matters at this time.

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act ("OBBBA"). Significant provisions of the OBBBA include the permanent extension of certain provisions of the 2017 Tax Cuts and Jobs Act, modifications to the international tax framework, and the restoration of favorable tax treatment for certain business provisions. The Company is currently evaluating the OBBBA and does not expect it will have a material impact on our condensed consolidated financial statements.

RESULTS OF OPERATIONS

Quarter ended June 30, 2025 compared to quarter ended June 30, 2024

	Three Months Ended June 30,			
			Variance	
(in thousands, except per share data)	**2025**	2024	$	%
GAAP Metrics				
Revenues	**$ 999,527**	$ 891,920	$ 107,607	12.1 %
Gross profit [1]	**$ 537,666**	$ 481,635	$ 56,031	11.6 %
Gross profit margin [1]	**53.8 %**	54.0 %		(20) bps
Operating income	**$ 198,333**	$ 182,377	$ 15,956	8.7 %
Operating margin	**19.8 %**	20.4 %		(60) bps
Net income	**$ 141,489**	$ 129,397	$ 12,092	9.3 %
EPS	**$ 0.29**	$ 0.27	$ 0.02	7.4 %
Operating cash flow	**$ 175,122**	$ 145,115	$ 30,007	20.7 %
Non-GAAP Metrics				
Adjusted operating income [2]	**$ 205,900**	$ 186,596	$ 19,304	10.3 %
Adjusted operating margin [2]	**20.6 %**	20.9 %		(30) bps
Adjusted net income [2]	**$ 146,902**	$ 132,229	$ 14,673	11.1 %
Adjusted EPS [2]	**$ 0.30**	$ 0.27	$ 0.03	11.1 %
Adjusted EBITDA [2]	**$ 231,152**	$ 210,088	$ 21,064	10.0 %
Adjusted EBITDA margin [2]	**23.1 %**	23.6 %		(50) bps
Free cash flow [2]	**$ 168,046**	$ 136,419	$ 31,627	23.2 %

[1] Exclusive of depreciation and amortization

[2] Amounts are non-GAAP financial measures. See "Non-GAAP Financial Measures" of this Form 10-Q for a discussion of non-GAAP financial metrics including a reconciliation of the most directly comparable GAAP measure.

The following table presents financial information, including our significant expense categories, for the three months ended June 30, 2025 and 2024:

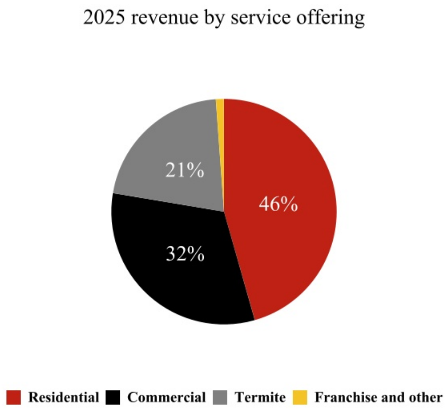
(unaudited, in thousands)	Three Months Ended June 30, 2025		2024	
	$	% of Revenue	$	% of Revenue
Revenue	**$ 999,527**	**100.0 %**	$ 891,920	100.0 %
Less:				
Cost of services provided (exclusive of depreciation and amortization below):				
Employee expenses	**298,354**	**29.8 %**	268,043	30.1 %
Materials and supplies	**59,500**	**6.0 %**	57,047	6.4 %
Insurance and claims	**20,734**	**2.1 %**	15,034	1.7 %
Fleet expenses	**41,834**	**4.2 %**	34,653	3.9 %
Other cost of services provided [(1)]	**41,439**	**4.1 %**	35,508	4.0 %
Total cost of services provided (exclusive of depreciation and amortization below)	**$ 461,861**	**46.2 %**	$ 410,285	46.0 %
Sales, general and administrative:				
Selling and marketing expenses	**140,177**	**14.0 %**	125,449	14.1 %
Administrative employee expenses	**89,303**	**8.9 %**	79,417	8.9 %
Insurance and claims	**12,939**	**1.3 %**	9,088	1.0 %
Fleet expenses	**10,443**	**1.0 %**	9,195	1.0 %
Other sales, general and administrative [(2)]	**54,734**	**5.5 %**	48,398	5.4 %
Total sales, general and administrative	**$ 307,596**	**30.8 %**	$ 271,547	30.4 %
Depreciation and amortization	**31,737**	**3.2 %**	27,711	3.1 %
Interest expense, net	**7,380**	**0.7 %**	7,775	0.9 %
Other (income) expense, net	**(292)**	**— %**	(412)	— %
Income tax expense	**49,756**	**5.0 %**	45,617	5.1 %
Net income	**$ 141,489**	**14.2 %**	$ 129,397	14.5 %

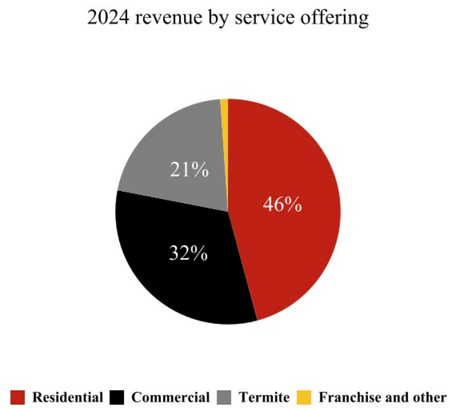
1) Other cost of services provided includes facilities costs, professional services, maintenance & repairs, software license costs, and other expenses directly related to providing services.

2) Other sales, general and administrative includes facilities costs, professional services, maintenance & repairs, software license costs, bad debt expense, and other administrative expenses.

Revenues

The following presents a summary of revenues by service offering for the three months ended June 30, 2025 and June 30, 2024, respectively:





Revenues for the quarter ended June 30, 2025 were $999.5 million, an increase of $107.6 million, or 12.1%, from 2024 revenues of $891.9 million. The increase in revenues was driven by demand from our customers across all major service offerings. Organic revenue* growth was 7.3% with acquisitions adding 4.8% in the quarter. Residential pest control revenue increased 11.6%, commercial pest control revenue increased 11.4% and termite and ancillary services grew 13.9% including both organic and acquisition-related growth in each area. Organic revenue* growth was strong across our service offerings, growing 4.9% in residential, 8.4% in commercial, and 10.3% in termite and ancillary activity.

*Amounts are non-GAAP financial measures. See "Non-GAAP Financial Measures" of this Form 10-Q for a discussion of non-GAAP financial metrics including a reconciliation of the most closely correlated GAAP measure.

Revenues are impacted by the seasonal nature of the Company's pest and termite control services. The increase in pest activity, as well as the metamorphosis of termites in the spring and summer (the occurrence of which is determined by the change in seasons), has historically resulted in an increase in the Company's revenues as evidenced by the following table:

	Consolidated Net Revenues		
(in thousands)	**2025**	2024	2023
First quarter	**$ 822,504**	$ 748,349	$ 658,015
Second quarter	**999,527**	891,920	820,750
Third quarter	—	916,270	840,427
Fourth quarter	—	832,169	754,086
Year to date	**$ 1,822,031**	$ 3,388,708	$ 3,073,278

Gross Profit (exclusive of Depreciation and Amortization)

Gross profit for the quarter ended June 30, 2025 was $537.7 million, an increase of $56.0 million, or 11.6%, compared to $481.6 million for the quarter ended June 30, 2024.

Gross margin declined 20 basis points to 53.8% in 2025 compared to 54.0% in 2024. We saw leverage across a number of cost categories, including 30 basis points in employee expenses and 40 basis points in materials and supplies. This was fully offset by 40 basis points of higher insurance and claims costs associated with legacy auto claims and 30 basis points of higher fleet expenses.

Sales, General and Administrative

For the quarter ended June 30, 2025, sales, general and administrative ("SG&A") expenses were $307.6 million, an increase of $36.0 million, or 13.3%, compared to the quarter ended June 30, 2024.

As a percentage of revenue, SG&A increased 40 basis points to 30.8% from 30.4% in the prior year, primarily due to 30 basis points of higher insurance and claims costs associated with legacy auto claims. This was partially offset by 10 basis points of lower selling and marketing costs, primarily due to timing of advertising spend offset by other continued investments in growth initiatives.

Depreciation and Amortization

For the quarter ended June 30, 2025, depreciation and amortization increased $4.0 million, or 14.5%, compared to the quarter ended June 30, 2024. The increase was due to higher amortization of intangible assets from acquisitions, most notably from the acquisition of Saela Pest Control ("Saela").

Operating Income

For the quarter ended June 30, 2025, operating income increased $16.0 million, or 8.7%, compared to the prior year.

As a percentage of revenue, operating income was 19.8%, a decrease of 60 basis points compared to the second quarter of 2024. Operating margin declined mostly due to higher insurance and claims costs and higher fleet costs, partially offset by leverage in materials and supplies, employee expenses, and selling and marketing costs.

Interest Expense, Net

During the quarter ended June 30, 2025, interest expense, net decreased $0.4 million compared to the prior year primarily due to a lower average interest rate on our borrowings.

Other (Income) Expense, Net

During the quarter ended June 30, 2025, other income decreased $0.1 million primarily due to lower gains on non-operational asset sales.

Income Taxes

The Company’s effective tax rate was 26.0% in the second quarter of 2025 and 26.1% in the second quarter of 2024. The reduced rate was due to a decrease in state income tax expense in 2025.

Six months ended June 30, 2025 compared to six months ended June 30, 2024

	Six Months Ended June 30,			
			Variance	
(in thousands, except per share data)	2025	2024	$	%
GAAP Metrics				
Revenues	**$ 1,822,031**	$ 1,640,269	$ 181,762	11.1 %
Gross profit [1]	**$ 960,036**	$ 864,426	$ 95,610	11.1 %
Gross profit margin [1]	**52.7 %**	52.7 %		— bps
Operating income	**$ 340,981**	$ 314,801	$ 26,180	8.3 %
Operating margin	**18.7 %**	19.2 %		(50) bps
Net income	**$ 246,737**	$ 223,791	$ 22,946	10.3 %
EPS	**$ 0.51**	$ 0.46	$ 0.05	10.9 %
Operating cash flow	**$ 322,014**	$ 272,548	$ 49,466	18.1 %
Non-GAAP Metrics				
Adjusted operating income [2]	**$ 352,769**	$ 324,285	$ 28,484	8.8 %
Adjusted operating margin [2]	**19.4 %**	19.8 %		(40) bps
Adjusted net income [2]	**$ 254,775**	$ 230,586	$ 24,189	10.5 %
Adjusted EPS [2]	**$ 0.53**	$ 0.48	$ 0.05	10.4 %
Adjusted EBITDA [2]	**$ 403,009**	$ 370,871	$ 32,138	8.7 %
Adjusted EBITDA margin [2]	**22.1 %**	22.6 %		(50) bps
Free cash flow [2]	**$ 308,157**	$ 256,681	$ 51,476	20.1 %

[1] Exclusive of depreciation and amortization

[2] Amounts are non-GAAP financial measures. See "Non-GAAP Financial Measures" of this Form 10-Q for a discussion of non-GAAP financial metrics including a reconciliation of the most closely correlated GAAP measure.

The following table presents financial information, including our significant expense categories, for the six months ended June 30, 2025 and 2024:

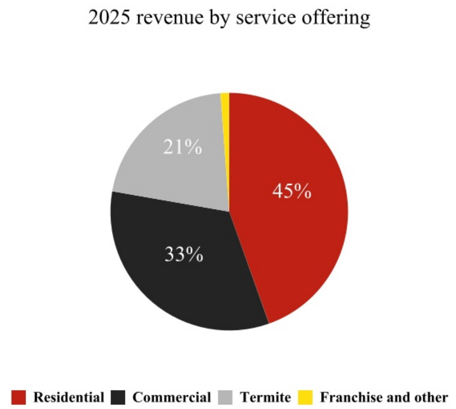
(unaudited, in thousands)	Six Months Ended June 30,			
	2025		2024	
	$	% of Revenue	$	% of Revenue
Revenue	**$ 1,822,031**	**100.0 %**	$ 1,640,269	100.0 %
Less:				
Cost of services provided (exclusive of depreciation and amortization below):				
Employee expenses	**560,077**	**30.7 %**	506,572	30.9 %
Materials and supplies	**107,991**	**5.9 %**	101,833	6.2 %
Insurance and claims	**37,258**	**2.0 %**	32,678	2.0 %
Fleet expenses	**78,691**	**4.3 %**	65,351	4.0 %
Other cost of services provided [(1)]	**77,978**	**4.3 %**	69,409	4.2 %
Total cost of services provided (exclusive of depreciation and amortization below)	**$ 861,995**	**47.3 %**	$ 775,843	47.3 %
Sales, general and administrative:				
Selling and marketing expenses	**238,428**	**13.1 %**	208,360	12.7 %
Administrative employee expenses	**170,783**	**9.4 %**	155,195	9.5 %
Insurance and claims	**22,943**	**1.3 %**	19,614	1.2 %
Fleet expenses	**19,846**	**1.1 %**	16,960	1.0 %
Other sales, general and administrative [(2)]	**106,109**	**5.8 %**	94,475	5.8 %
Total sales, general and administrative	**$ 558,109**	**30.6 %**	$ 494,604	30.2 %
Depreciation and amortization	**60,946**	**3.3 %**	55,021	3.4 %
Interest expense, net	**13,176**	**0.7 %**	15,500	0.9 %
Other (income) expense, net	**(984)**	**(0.1)%**	(351)	— %
Income tax expense	**82,052**	**4.5 %**	75,861	4.6 %
Net income	**$ 246,737**	**13.5 %**	$ 223,791	13.6 %

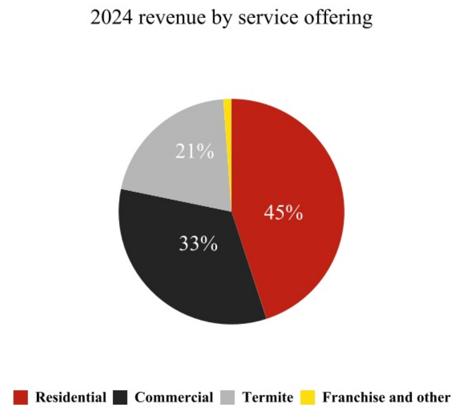
[1)] Other cost of services provided includes facilities costs, professional services, maintenance & repairs, software license costs, and other expenses directly related to providing services.

[2)] Other sales, general and administrative includes facilities costs, professional services, maintenance & repairs, software license costs, bad debt expense, and other administrative expenses.

Revenues

The following presents a a summary of revenues by service offering for the six months ended June 30, 2025 and June 30, 2024, respectively:





Revenues for the six months ended June 30, 2025 were $1.8 billion, an increase of $181.8 million, or 11.1%, from 2024 revenues of $1.6 billion. The increase in revenues was driven by demand from our customers across all major service offerings, partially offset by foreign currency headwind of 20 basis points primarily related to the Canadian Dollar. Organic revenue* growth was 7.4% with acquisitions adding 3.7% in the six months ended June 30, 2025. Residential pest control revenue increased 10.1%, commercial pest control revenue increased 10.8% and termite and ancillary services grew 13.6%, including both organic and acquisition-related growth in each area. Organic revenue* growth was strong across our service offerings, growing 5.2% in residential, 7.9% in commercial, and 10.7% in termite and ancillary activity despite having one less business day in the six months ended June 30, 2025 compared to the same period in 2024.

*Amounts are non-GAAP financial measures. See "Non-GAAP Financial Measures" of this Form 10-Q for a discussion of non-GAAP financial metrics including a reconciliation of the most closely correlated GAAP measure.

Gross Profit (exclusive of Depreciation and Amortization)

Gross profit for the six months ended June 30, 2025 was $960.0 million, an increase of $95.6 million, or 11.1%, compared to $864.4 million for the six months ended June 30, 2024.

Gross margin was consistent at 52.7% in 2025 and 2024. We saw leverage across a number of cost categories, including 30 basis points in materials and supplies and 20 basis points in employee expenses. This was offset by 30 basis points of higher fleet expenses.

Sales, General and Administrative

For the six months ended June 30, 2025, SG&A expenses increased $63.5 million, or 12.8%, compared to the six months ended June 30, 2024.

As a percentage of revenue, SG&A expenses increased 40 basis points to 30.6% from 30.2% in the prior year, primarily due to 40 basis points of higher selling and marketing costs associated with continued investments in growth initiatives, 10 basis points of higher insurance and claims costs associated with legacy auto claims, and 10 basis points of higher fleet expenses. This was partially offset by 10 basis points of lower employee expenses.

Depreciation and Amortization

For the six months ended June 30, 2025, depreciation and amortization increased $5.9 million, or 10.8%, compared to the six months ended June 30, 2024. The increase was primarily due to higher amortization of intangible assets from acquisitions, most notably from the acquisition of Saela.

Operating Income

For the six months ended June 30, 2025, operating income increased $26.2 million, or 8.3%, compared to the six months ended June 30, 2024.

As a percentage of revenue, operating income decreased 50 basis points to 18.7% from 19.2% in the prior year. Operating margin declined mostly due to higher selling and marketing costs, higher fleet costs, and higher insurance and claims costs. This was partially offset by leverage in materials and supplies and employee expenses.

Interest Expense, Net

For the six months ended June 30, 2025, interest expense, net decreased $2.3 million, compared to the six months ended June 30, 2024, primarily due to a lower average interest rate on our borrowings.

Other (Income) Expense, Net

During the six months ended June 30, 2025, other income increased $0.6 million compared to the six months ended June 30, 2024, primarily due to higher gains on non-operational asset sales.

Income Taxes

During the six months ended June 30, 2025, the Company’s effective tax rate decreased to 25.0% compared to 25.3% in 2024The reduced rate was due to a decrease in state income tax expense in 2025.

Non-GAAP Financial Measures

Reconciliation of GAAP and non-GAAP Financial Measures

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 condensed consolidated statements of income, financial position, or 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.

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 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.

The Company has used the following non-GAAP financial measures in this Form 10-Q:

Organic revenues

Organic revenues are calculated as revenues less the revenues from acquisitions completed within the prior 12 months and excluding the revenues from divested businesses. Acquisition revenues are based on the trailing 12-month revenue of our acquired entities. Management uses organic revenues, and organic revenues by type to compare revenues over various periods excluding the impact of acquisitions and divestitures.

Adjusted operating income and adjusted operating margin

Adjusted operating income and adjusted operating margin are calculated by adding back to net income those expenses resulting from the amortization of intangible assets and adjustments to the fair value of contingent consideration resulting from the acquisitions of Fox Pest Control and Saela Pest Control. Adjusted operating margin is calculated as adjusted operating income divided by revenues. Management uses adjusted operating income and adjusted operating margin as measures of operating performance because these measures allow the Company to compare performance consistently over various periods.

Adjusted net income and adjusted EPS

Adjusted net income and adjusted EPS are calculated by adding back to the GAAP measures amortization of intangible assets and adjustments to the fair value of contingent consideration resulting from the acquisitions of Fox Pest Control and Saela Pest Control, excluding gains and losses on the sale of non-operational assets and gains on the sale of businesses, and by further subtracting the tax impact of those expenses, gains, or losses. Management uses adjusted net income and adjusted EPS as measures of operating performance because these measures allow the Company to compare performance consistently over various periods.

EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, incremental EBITDA margin and adjusted incremental EBITDA margin

EBITDA is calculated by adding back to net income depreciation and amortization, interest expense, net, and provision for income taxes. EBITDA margin is calculated as EBITDA divided by revenues. Adjusted EBITDA and adjusted EBITDA margin are calculated by further adding back those expenses resulting from the adjustments to the fair value of contingent consideration resulting from the acquisitions of Fox Pest Control and Saela Pest Control, and excluding gains and losses on the sale of non-operational assets and gains on the sale of businesses. Management uses EBITDA, EBITDA margin, adjusted EBITDA and adjusted EBITDA margin as measures of operating performance because these measures allow the Company to compare performance consistently over various periods. Incremental EBITDA margin is calculated as the change in EBITDA divided by the change in revenue. Management uses incremental EBITDA margin as a measure of operating performance because this measure allows the Company to compare performance consistently over various periods. Adjusted incremental EBITDA margin is calculated as the change in adjusted EBITDA divided by the change in revenue. Management uses adjusted incremental EBITDA margin as a measure of operating performance because this measure allows the Company to compare performance consistently over various periods.

Free cash flow and free cash flow conversion

Free cash flow is calculated by subtracting capital expenditures from cash provided by operating activities. Management uses free cash flow to demonstrate the Company's ability to maintain its asset base and generate future cash flows from operations. Free cash flow conversion is calculated as free cash flow divided by net income. Management uses free cash flow conversion to demonstrate how much net income is converted into cash. Management believes that free cash flow is an important financial measure for use in evaluating the Company's liquidity. Free cash flow should be considered in addition to, rather than as a substitute for, net cash provided by operating activities as a measure of our liquidity. Additionally, the Company's definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures, due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, management believes it is important to view free cash flow as a measure that provides supplemental information to our consolidated statements of cash flows.

Adjusted sales, general, and administrative ("SG&A")

Adjusted SG&A is calculated by removing the adjustments to the fair value of contingent consideration resulting from the acquisitions of Fox Pest Control and Saela Pest Control. Management uses adjusted SG&A to compare SG&A expenses consistently over various periods.

Leverage ratio

Leverage ratio, a financial valuation measure, is calculated by dividing adjusted net debt by adjusted EBITDAR. Adjusted net debt is calculated by adding short-term debt and operating lease liabilities to total long-term debt less a cash adjustment of 90% of total consolidated cash. Adjusted EBITDAR is calculated by adding back to net income depreciation and amortization, interest expense, net, provision for income taxes, operating lease cost, and stock-based compensation expense. Management uses leverage ratio as an assessment of overall liquidity, financial flexibility, and leverage.

Set forth below is a reconciliation of the non-GAAP financial measures contained in this report with their most directly comparable GAAP measures (unaudited, in thousands, except per share data and margins).

	Three Months Ended June 30,				Six Months Ended June 30,			
			Variance				Variance	
	2025	2024	$	%	**2025**	2024	$	%
Reconciliation of Revenues to Organic Revenues								
Revenues	**$ 999,527**	$ 891,920	107,607	12.1	**$ 1,822,031**	$ 1,640,269	181,762	11.1
Revenues from acquisitions	**(42,602)**	—	(42,602)	4.8	**(61,152)**	—	(61,152)	3.7
Organic revenues	**$ 956,925**	$ 891,920	65,005	7.3	**$ 1,760,879**	$ 1,640,269	120,610	7.4
Reconciliation of Residential Revenues to Organic Residential Revenues								
Residential revenues	**$ 455,665**	$ 408,414	47,251	11.6	**$ 811,978**	$ 737,752	74,226	10.1
Residential revenues from acquisitions	**(27,208)**	—	(27,208)	6.7	**(35,574)**	—	(35,574)	4.9
Residential organic revenues	**$ 428,457**	$ 408,414	20,043	4.9	**$ 776,404**	$ 737,752	38,652	5.2
Reconciliation of Commercial Revenues to Organic Commercial Revenues								
Commercial revenues	**$ 320,490**	$ 287,770	32,720	11.4	**$ 604,847**	$ 545,884	58,963	10.8
Commercial revenues from acquisitions	**(8,689)**	—	(8,689)	3.0	**(15,721)**	—	(15,721)	2.9
Commercial organic revenues	**$ 311,801**	$ 287,770	24,031	8.4	**$ 589,126**	$ 545,884	43,242	7.9
Reconciliation of Termite and Ancillary Revenues to Organic Termite and Ancillary Revenues								
Termite and ancillary revenues	**$ 211,855**	$ 186,024	25,831	13.9	**$ 383,985**	$ 338,084	45,901	13.6
Termite and ancillary revenues from acquisitions	**(6,705)**	—	(6,705)	3.6	**(9,857)**	—	(9,857)	2.9
Termite and ancillary organic revenues	**$ 205,150**	$ 186,024	19,126	10.3	**$ 374,128**	$ 338,084	36,044	10.7

	Three Months Ended June 30,		Variance		Six Months Ended June 30,		Variance	
	2025	2024	$	%	**2025**	2024	$	%
Reconciliation of Operating Income to Adjusted Operating Income and Adjusted Operating Margin								
Operating income	**$ 198,333**	$ 182,377			**$ 340,981**	$ 314,801		
Acquisition-related expenses (1)	**7,567**	4,219			**11,788**	9,484		
Adjusted operating income	**$ 205,900**	$ 186,596	19,304	10.3	**$ 352,769**	$ 324,285	28,484	8.8
Revenues	**$ 999,527**	$ 891,920			**$ 1,822,031**	$ 1,640,269		
Operating margin	**19.8 %**	20.4 %			**18.7 %**	19.2 %		
Adjusted operating margin	**20.6 %**	20.9 %			**19.4 %**	19.8 %		
Reconciliation of Net Income to Adjusted Net Income and Adjusted EPS								
Net income	**$ 141,489**	$ 129,397			**$ 246,737**	$ 223,791		
Acquisition-related expenses (1)	**7,567**	4,219			**11,788**	9,484		
Gain on sale of assets, net (2)	**(292)**	(412)			**(984)**	(351)		
Tax impact of adjustments (3)	**(1,862)**	(975)			**(2,766)**	(2,338)		
Adjusted net income	**$ 146,902**	$ 132,229	14,673	11.1	**$ 254,775**	$ 230,586	24,189	10.5
EPS - basic and diluted	**$ 0.29**	$ 0.27			**$ 0.51**	$ 0.46		
Acquisition-related expenses (1)	**0.02**	0.01			**0.02**	0.02		
Gain on sale of assets, net (2)	**—**	—			**—**	—		
Tax impact of adjustments (3)	**—**	—			**(0.01)**	—		
Adjusted EPS - basic and diluted (4)	**$ 0.30**	$ 0.27	0.03	11.1	**$ 0.53**	$ 0.48	0.05	10.4
Weighted average shares outstanding – basic	**484,643**	484,244			**484,530**	484,187		
Weighted average shares outstanding – diluted	**484,674**	484,419			**484,559**	484,356		
Reconciliation of Net Income to EBITDA, Adjusted EBITDA, EBITDA Margin, Incremental EBITDA Margin, Adjusted EBITDA Margin, and Adjusted Incremental EBITDA Margin								
Net income	**$ 141,489**	$ 129,397			**$ 246,737**	$ 223,791		
Depreciation and amortization	**31,737**	27,711			**60,946**	55,021		
Interest expense, net	**7,380**	7,775			**13,176**	15,500		
Provision for income taxes	**49,756**	45,617			**82,052**	75,861		
EBITDA	**$ 230,362**	$ 210,500	19,862	9.4	**$ 402,911**	$ 370,173	32,738	8.8
Acquisition-related expenses (1)	**1,082**	—			**1,082**	1,049		
Gain on sale of assets, net (2)	**(292)**	(412)			**(984)**	(351)		
Adjusted EBITDA	**$ 231,152**	$ 210,088	21,064	10.0	**$ 403,009**	$ 370,871	32,138	8.7
Revenues	**$ 999,527**	$ 891,920	107,607		**$ 1,822,031**	$ 1,640,269		
EBITDA margin	**23.0 %**	23.6 %			**22.1 %**	22.6 %		
Incremental EBITDA margin			18.5 %				18.0 %	
Adjusted EBITDA margin	**23.1 %**	23.6 %			**22.1 %**	22.6 %		
Adjusted incremental EBITDA margin			19.6 %				17.7 %	
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow and Free Cash Flow Conversion								
Net cash provided by operating activities	**$ 175,122**	$ 145,115			**$ 322,014**	$ 272,548		
Capital expenditures	**(7,076)**	(8,696)			**(13,857)**	(15,867)		
Free cash flow	**$ 168,046**	$ 136,419	31,627	23.2	**$ 308,157**	$ 256,681	51,476	20.1
Free cash flow conversion	**118.8 %**	105.4 %			**124.9 %**	114.7 %		

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Reconciliation of SG&A to Adjusted SG&A				
SG&A	**$ 307,596**	$ 271,547	**$ 558,109**	$ 494,604
Acquisition-related expenses (1)	**1,082**	—	**1,082**	1,049
Adjusted SG&A	**$ 306,514**	$ 271,547	**$ 557,027**	$ 493,555
Revenues	**$ 999,527**	$ 891,920	**$ 1,822,031**	$ 1,640,269
Adjusted SG&A as a % of revenues	**30.7 %**	30.4 %	**30.6 %**	30.1 %

	Period Ended June 30, 2025	Period Ended December 31, 2024
Reconciliation of Debt and Net Income to Leverage Ratio		
Short-term debt (5)	**$ 60,000**	$ —
Long-term debt (6)	**500,000**	397,000
Operating lease liabilities (7)	**421,915**	417,218
Cash adjustment (8)	**(110,732)**	(80,667)
Adjusted net debt	**$ 871,183**	$ 733,551
Net income	**489,325**	466,379
Depreciation and amortization	**119,145**	113,220
Interest expense, net	**25,353**	27,677
Provision for income taxes	**170,042**	163,851
Operating lease cost (9)	**148,241**	133,420
Stock-based compensation expense	**34,233**	29,984
Adjusted EBITDAR	**$ 986,339**	$ 934,531
Leverage ratio	**0.9x**	0.8x

(1) Consists of expenses resulting from the amortization of intangible assets and adjustments to the fair value of contingent consideration resulting from the acquisitions of Fox Pest Control and Saela Pest Control. While we exclude such expenses in this non-GAAP measure, the revenue from the acquired companies 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 adjusted EPS calculations due to rounding.

(5) As of June 30, 2025, the Company had outstanding borrowings of $60.0 million under our commercial paper program. The Company's short-term borrowings are presented under the short-term debt caption of our condensed consolidated statements of financial position, net of unamortized discounts.

(6) As of June 30, 2025, the Company had outstanding borrowings of $500.0 million from the issuance of our 2035 Senior Notes and no outstanding borrowings under the Revolving Credit Facility. These borrowings are presented under the long-term debt caption of our condensed consolidated statements of financial position, net of a $7.5 million unamortized discount and $7.2 million in unamortized debt issuance costs as of June 30, 2025. As of December 31, 2024, the Company had outstanding borrowings of $397.0 million under the Revolving Credit Facility. Borrowings under the Revolving Credit Facility are presented under the long-term debt caption of our condensed consolidated statements of financial position, net of $1.7 million in unamortized debt issuance costs as of December 31, 2024.

(7) Operating lease liabilities are presented under the operating lease liabilities - current and operating lease liabilities, less current portion captions of our condensed consolidated statements of financial position.

(8) Represents 90% of cash and cash equivalents per our condensed consolidated statements of financial position as of both periods presented.

(9) Operating lease cost excludes short-term lease cost associated with leases that have a duration of 12 months or less.

LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Cash

The Company’s $123.0 million of total cash at June 30, 2025 is held at various banking institutions. As of June 30, 2025, approximately $60.0 million is held in cash by foreign subsidiaries and the remaining $63.0 million is held at domestic banks and also includes cash-in-transit.

We intend to continue to grow the business in the international markets where we have a presence. As it relates to our unremitted earnings in foreign jurisdictions, we assert that foreign cash earnings in excess of working capital and cash needed for strategic investments and acquisitions are not intended to be indefinitely reinvested offshore.

We believe our current cash and cash equivalents balances, future cash flows expected to be generated from operating activities, access to debt financing based on our creditworthiness, our $1 billion commercial paper program which is backstopped by our Revolving Credit Facility, as defined below, and available borrowings under our Revolving Credit Facility will be sufficient to finance our current operations and obligations and fund expansion of the business for the foreseeable future.

2035 Senior Notes

In February 2025, we issued ten-year notes with an aggregate principal amount of $500 million due on February 24, 2035 (the “2035 Senior Notes”) in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act. We issued the 2035 Senior Notes at 98.443% of par, representing a discount of $7.8 million, and paid approximately $6.0 million for debt issuance costs. The interest is payable semi-annually in arrears on February 24 and August 24 of each year at 5.25% per annum, beginning on August 24, 2025, and the entire principal amount is due at the time of maturity. We used the net proceeds from this offering primarily to repay outstanding borrowings under the Revolving Credit Facility, as well as for general corporate purposes.

On May 6, 2025, we commenced an offer to exchange $500 million of the 2035 Senior Notes privately placed in February 2025 (“Initial Notes”) for the $500 million of the 2035 Senior Notes that have been registered under the Securities Act of 1933 (“Exchange Notes”). Approximately 99.6% of the $500 million aggregate principal amount of the Initial Notes were validly tendered and not withdrawn prior to the expiration of the exchange offer, and were exchanged for Exchange Notes as of June 4, 2025, pursuant to the terms of the exchange offer. The Exchange Notes are identical in all material respects to the Initial Notes, except that the Exchange Notes will have no transfer restrictions or registration rights.

Commercial Paper Program

In March 2025, we established a commercial paper program under which we may issue unsecured commercial paper up to a total of $1 billion outstanding at any time, with maturities of up to 397 days from the date of issue. Borrowings under this program are generally outstanding for 16 days or less. The net proceeds from the issuance of commercial paper are used for various purposes, including general corporate purposes and funding for acquisitions. As of June 30, 2025, there were $60.0 million of outstanding borrowings under the commercial paper program.

Revolving Credit Facility

In February 2023, the Company entered into a credit agreement (the "Credit Agreement") with, among others, JPMorgan Chase Bank, N.A. (“JPMorgan Chase”), as administrative agent (in such capacity, the “Administrative Agent”).

The Credit Agreement provides for a $1.0 billion revolving credit facility ("Revolving Credit Facility"), which may be denominated in U.S. Dollars and other currencies, subject to a $400 million foreign currency sublimit. Rollins has the ability to expand its borrowing availability under the Credit Agreement in the form of increased revolving commitments or one or more tranches of term loans by up to an additional $750 million, subject to the agreement of the participating lenders and certain other customary conditions. The maturity date of the loans under the Credit Agreement is February 24, 2028.

As of June 30, 2025, the Company had no outstanding borrowings under the Revolving Credit Facility. As of December 31, 2024, the Company had outstanding borrowings of $397.0 million under the Revolving Credit Facility.

Letters of Credit

The Company maintained $82.4 million in letters of credit as of June 30, 2025 and $72.0 million as of December 31, 2024. These letters of credit are required by the Company’s insurance companies, due to the Company’s high deductible insurance program, 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 potential future insurance claims.

The following table sets forth a summary of our cash flows from operating, investing and financing activities for the six month periods presented:

(in thousands)	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	Variance $	Variance %
Net cash provided by operating activities	**$ 322,014**	$ 272,548	49,466	18.1
Net cash used in investing activities	**(263,091)**	(93,621)	169,470	181.0
Net cash used in financing activities	**(28,570)**	(173,886)	(145,316)	(83.6)
Effect of exchange rate on cash	**3,052**	(2,169)	5,221	N/M
Net increase in cash and cash equivalents	**$ 33,405**	$ 2,872	30,533	N/M

N/M - calculation not meaningful

Cash Provided by Operating Activities

Cash from operating activities is the principal source of cash generation for our businesses. The most significant source of cash in our cash flow from operations is customer-related activities, the largest of which is collecting cash resulting from services sold. The most significant operating use of cash is to pay our suppliers, employees, and tax authorities. The Company's operating activities generated net cash of $322.0 million and $272.5 million for the six months ended June 30, 2025 and 2024, respectively. The $49.5 million increase was driven primarily by strong operating results and the timing of cash receipts and cash payments to and from customers, vendors, employees, and tax and regulatory authorities.

The U.S. Internal Revenue Service provided disaster relief to all State of Georgia taxpayers due to the impact of Hurricane Helene. Therefore, we did not make an estimated payment for U.S. federal income tax purposes in the fourth quarter of 2024. That tax payment was made during the second quarter of 2025. We have implemented tax planning strategies that have deferred certain additional tax payments into the second half of 2025.

Cash Used in Investing Activities

The Company's investing activities used $263.1 million and $93.6 million for the six months ended June 30, 2025 and 2024, respectively. Cash paid for acquisitions totaled $253.6 million for the six months ended June 30, 2025, compared to $81.7 million for the six months ended June 30, 2024, driven primarily by the Saela acquisition. The Company invested $13.9 million in capital expenditures during the year, offset by $3.5 million in cash proceeds from the sale of assets, compared with $15.9 million of capital expenditures and $2.3 million in cash proceeds from asset sales in 2024. The Company's investing activities were funded primarily through existing cash balances, operating cash flows, and proceeds from borrowings, including our commercial paper program.

Cash Used in Financing Activities

Cash of $28.6 million was used in financing activities during the six months ended June 30, 2025, compared with $173.9 million during the six months ended June 30, 2024. A total of $159.4 million was paid in cash dividends ($0.330 per share) during the six months ended June 30, 2025, compared to $145.2 million in cash dividends paid ($0.300 per share) during the six months ended June 30, 2024.

During the six months ended June 30, 2025, the Company received proceeds of $492.2 million and paid $6.0 million of debt issuance costs related to the issuance of the 2035 Senior Notes. Those proceeds were used primarily to repay borrowings under the credit agreement. The Company received net proceeds of $60.0 million under its commercial paper program during the six months ended June 30, 2025. Proceeds from borrowings under the commercial paper program were primarily used for general corporate purposes, as well as to fund acquisitions. Net proceeds from borrowings during the six months ended June 30, 2025 were $155.2 million, compared to net proceeds of $11.0 million during 2024.

During the six months ended June 30, 2025, the Company paid $3.4 million of contingent consideration, compared to $30.3 million during the six months ended June 30, 2024. The Company withheld $14.9 million and $11.6 million of common stock for the six months ended June 30, 2025 and 2024, respectively, in connection with tax withholding obligations of its employees upon vesting of such employees' equity awards.

Share Repurchase Program

In 2012, the Company's Board of Directors authorized the purchase of up to 5 million shares of the Company's common stock. After adjustments for stock splits, the total authorized shares under the share repurchase plan is 16.9 million shares. As of June 30, 2025, 11.4 million additional shares may be purchased under the share repurchase program.

Active Shelf Registration

The Form S-3 on file with the SEC registered $1.5 billion of the Company's common stock, preferred stock, debt securities, depositary shares, warrants, rights, purchase contracts and units for future issuance. The Company may offer and sell some or all of such securities from time to time or through underwriters, brokers or dealers, directly to one or more other purchasers, through a block trade, through agents on a best-efforts basis, through a combination of any of the above methods of sale or through other types of transactions described in the Form S-3. The Company has not sold any securities as of the date of this Form 10-Q.

CONTINGENCIES

In the normal course of business, the Company and its subsidiaries are involved in, and will continue to be involved in, various claims, arbitrations, contractual disputes, investigations, litigation, and tax and other regulatory matters relating to, and arising out of, our businesses and our operations. These matters may involve, but are not limited to, allegations that our services or vehicles caused damage or injury, claims that our services did not achieve the desired results, claims related to acquisitions and allegations by federal, state or local authorities, including taxing authorities, of violations of regulations or statutes. In addition, we are parties to employment-related investigations, cases, and claims from time to time, which may include claims on a representative or class action basis alleging wage and hour law violations, claims filed under California's Private Attorneys General Act, and claims and investigations related to our enforcement of post-employment restrictive covenants. We are also involved from time to time in certain environmental matters primarily arising in the normal course of business. We evaluate pending and threatened claims and establish loss contingency reserves based upon outcomes we currently believe to be probable and reasonably estimable in accordance with ASC 450.

The Company retains, up to specified limits, certain risks related to general liability, workers' compensation and auto liability. 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 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 accruals and reserves we hold are based on estimates that involve a degree of judgment and are inherently variable and could be overestimated or insufficient. If actual claims exceed our estimates, our operating results could be materially affected, and our ability to take timely corrective actions to limit future costs may be limited.

Item 103 of SEC Regulation S-K requires disclosure of certain environmental legal proceedings if the proceeding reasonably involves potential monetary sanctions of $300,000 or more. The Company has received a notice of alleged violations and information requests from local governmental authorities in California for our Orkin and Clark Pest Control operations and is currently working with several local governments regarding compliance with environmental regulations governing the management of hazardous waste and pesticide disposal. The investigation appears to be part of a broader effort to investigate waste handling and disposal processes of a number of industries. While we are unable to predict the outcome of this investigation, we do not believe the outcome will have a material effect on our results of operations, financial condition, or cash flows.

Management does not believe that any pending or threatened claim, proceeding, litigation, regulatory action or investigation, 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 could result in a charge that might be material to the results of an individual quarter or year.

CRITICAL ACCOUNTING ESTIMATES

There have been no significant changes in our identified critical accounting estimates as disclosed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates" of our 2024 Form 10-K.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q include, but are not limited to, statements regarding:

- expectations with respect to our financial and business performance and strategy;
- expansion efforts and growth opportunities, including, but not limited, to organic growth and recent and future acquisitions in the United States and in foreign markets where we have a presence and integration efforts with respect to recent acquisitions;
- the Saela acquisition expanding the Rollins family of brands and driving long-term value;
- the Company's credit risk;
- the impact of inflation, changing interest rates, business interruptions due to natural disasters and changes in the weather patterns, employee shortages, and supply chain issues;
- the economic impact of changes to global trade policies, including the imposition of tariffs, and changes in materials and supplies and fleet-related expenses;
- expectations with respect to the One Big Beautiful Bill Act;
- our belief that demand remains favorable, and we are well positioned to continue to deliver strong results in 2025;
- our healthy pipeline for acquisitions;
- sufficiency of current cash and cash equivalents balances, future cash flows, access to debt financing based on our creditworthiness, our $1 billion commercial paper program, and available borrowings under our Revolving Credit Facility to finance our current and future operations and expansions;
- our belief that the Company has adequate liquid assets, funding sources and insurance accruals to accommodate potential future insurance claims;
- our approach to capital allocation inclusive of our intent to pay cash dividends to common shareholders;
- efficiency of our business model while investing in programs aimed at growing our business across our service offerings;
- our belief that no pending or threatened claim, proceeding, litigation, regulatory action or investigation, either alone or in the aggregate, including but not limited to the investigation by certain California governmental authorities regarding compliance with environmental regulations, claims filed under California's Private Attorneys General Act, and claims and investigations related to our enforcement of post-employment restrictive covenants will have a material adverse effect on our financial position, results of operations or liquidity; and
- estimates, assumptions, and projections related to our application of critical accounting policies, described in more detail under “Critical Accounting Estimates.”

These forward-looking statements are based on information available as of the date of this report, 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, 2024 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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For information regarding our exposure to certain market risks, see “Quantitative and Qualitative Disclosures about Market Risk,” in Part II, Item 7.A of our 2024 Form 10-K. There were no material changes to our market risk exposure during the six months ended June 30, 2025.

ITEM 4. CONTROLS AND PROCEDURES

The Disclosure Committee, with the participation of our principal executive officer and principal financial officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) as of June 30, 2025 (the “Evaluation Date”). Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of the Evaluation Date to ensure that the information required to be included in reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

During the second quarter, the Company acquired Saela Holdings, LLC (“Saela Pest Control” or "Saela"). The Company is currently in the process of integrating Saela into its assessment of its internal control over financial reporting. In accordance with the SEC’s published guidance, management’s assessment, and conclusions on the effectiveness of our disclosure controls and procedures as of June 30, 2025, excludes an assessment of the internal control over financial reporting of Saela.

Changes in Internal Controls Over Financial Reporting

Other than as described above with respect to Saela, there were no changes in the Company’s internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act, during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the normal course of business, the Company and its subsidiaries are involved in, and will continue to be involved in, various claims, arbitrations, contractual disputes, investigations, litigation, and tax and other regulatory matters relating to, and arising out of, our businesses and our operations. These matters may involve, but are not limited to, allegations that our services or vehicles caused damage or injury, claims that our services did not achieve the desired results, claims related to acquisitions and allegations by federal, state or local authorities, including taxing authorities, of violations of regulations or statutes. In addition, we are parties to employment-related investigations, cases, and claims from time to time, which may include claims on a representative or class action basis alleging wage and hour law violations, claims filed under California's Private Attorneys General Act, and claims and investigations related to our enforcement of post-employment restrictive covenants. We are also involved from time to time in certain environmental matters primarily arising in the normal course of business.We evaluate pending and threatened claims and establish loss contingency reserves based upon outcomes we currently believe to be probable and reasonably estimable in accordance with ASC 450.

The Company retains, up to specified limits, certain risks related to general liability, workers’ compensation and auto liability. 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 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 accruals and reserves we hold are based on estimates that involve a degree of judgment and are inherently variable and could be overestimated or insufficient. If actual claims exceed our estimates, our operating results could be materially affected, and our ability to take timely corrective actions to limit future costs may be limited.

Item 103 of SEC Regulation S-K requires disclosure of certain environmental legal proceedings if the proceeding reasonably involves potential monetary sanctions of $300,000 or more. The Company has received a notice of alleged violations and information requests from local governmental authorities in California for our Orkin and Clark Pest Control operations and is currently working with several local governments regarding compliance with environmental regulations governing the management of hazardous waste and pesticide disposal. The investigation appears to be part of a broader effort to investigate waste handling and disposal processes of a number of industries. While we are unable to predict the outcome of this investigation, we do not believe the outcome will have a material effect on our results of operations, financial condition, or cash flows.

Management does not believe that any pending or threatened claim, proceeding, litigation, regulatory action or investigation, 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 could result in a charge that might be material to the results of an individual quarter or year.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

The following table presents the Company's share repurchase activity for the period from April 1, 2025 to June 30, 2025.

Period	Total number of shares purchased [1]	Weighted-average price paid per share	Total number of shares purchased as part of publicly announced repurchases [2]	Maximum number of shares that may yet be purchased under the repurchase plan [2]
April 1 to 30, 2025	4,275	$ 55.51	—	11,415,625
May 1 to 31, 2025	246	$ 56.25	—	11,415,625
June 1 to 30, 2025	—	$ —	—	11,415,625
Total	4,521		—	

(1) Represents shares withheld by the Company in connection with tax withholding obligations of its employees upon vesting of such employees' restricted stock awards.

(2) The Company has a share repurchase plan, adopted in 2012, to repurchase up to 16.9 million shares of the Company's common stock. The plan has no expiration date. As of June 30, 2025, the Company had a remaining authorization to repurchase 11.4 million shares of the Company's common stock under this program.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

Securities Trading Plans of Directors and Executive Officers

None of the Company’s directors or “officers” (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended)adopted, modified, or terminated any “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” (as each term is defined in Item 408 of Regulation S-K) during the fiscal quarter ended June 30, 2025.

ROLLINS, INC. AND SUBSIDIARIES

ITEM 6. EXHIBITS

Exhibit No.	Exhibit Description	Incorporated By Reference			Filed Herewith
		Form	Date	Number	
3.1	Restated Certificate of Incorporation of Rollins, Inc., dated July 28, 1981	10-Q	August 1, 2005	(3)(i)(A)	
3.2	Certificate of Amendment of Certificate of Incorporation of Rollins, Inc., dated August 20, 1987	10-K	March 11, 2005	(3)(i)(B)	
3.3	Certificate of Change of Location of Registered Office and of Registered Agent, dated March 22, 1994	10-Q	August 1, 2005	(3)(i)(C)	
3.4	Certificate of Amendment of Certificate of Incorporation of Rollins, Inc., dated April 26, 2011	10-K	February 25, 2015	(3)(i)(E)	
3.5	Certificate of Amendment of Certificate of Incorporation of Rollins, Inc., dated April 28, 2015	10-Q	July 29, 2015	(3)(i)(F)	
3.6	Certificate of Amendment of Certificate of Incorporation of Rollins, Inc., dated April 23, 2019	10-Q	April 26, 2019	(3)(i)(G)	
3.7	Certificate of Amendment of Certificate of Incorporation of Rollins, Inc., dated April 27, 2021	10-Q	July 30, 2021	(3)(i)(H)	
3.8	Amended and Restated By-Laws of Rollins, Inc., dated July 23, 2024	10-Q	July 25, 2024	3.8	
4.1	Form of Common Stock Certificate of Rollins, Inc.	10-K	March 26, 1999	(4)	
4.2	Description of Registrant's Securities	10-K	February 28, 2020	4(b)	
4.3	Indenture, dated as of February 24, 2025, among Rollins, Inc., the subsidiary guarantors party thereto from time to time and Regions Bank, as trustee.	8-K	February 24, 2025	4.1	
4.4	Registration Rights Agreement, dated as of February 24, 2025, among Rollins, Inc., the subsidiary guarantors party thereto, BofA Securities, Inc., J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC.	8-K	February 24, 2025	4.2	
4.5	Form of Note for Rollins, Inc.'s 5.25% Senior Notes due 2035 (incorporated by reference from Exhibit 4.1 hereto).	8-K	February 24, 2025	4.3	
4.6	First Supplemental Indenture, dated as of March 21, 2025, among Rollins, Inc., the subsidiary guarantors party thereto and Regions Bank, as trustee.	8-K	March 21, 2025	4.2	
10.1	Form of Commercial Paper Dealer Agreement between Rollins, Inc., as issuer and the applicable Dealer party thereto.	8-K	March 21, 2025	10.1	
10.2	Amendment No. 1 to Credit Agreement dated as of March 21, 2025, by and among Rollins, Inc. the Lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.	8-K	March 21, 2025	10.2	
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				X
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				X
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				X
101.INS	Inline XBRL Instance Document				X
101.SCH	Inline XBRL Schema Document				X
101.CAL	Inline XBRL Calculation Linkbase Document				X
101.LAB	Inline XBRL Labels Linkbase Document				X
101.PRE	Inline XBRL Presentation Linkbase Document				X
101.DEF	Inline XBRL Definition Linkbase Document				X
104	Cover Page Interactive Data File (embedded with the Inline XBRL document)				X

** Furnished with this report

SIGNATURES

Pursuant to the requirements 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.
(Registrant)

Date: July 24, 2025	By:	/s/ Kenneth D. Krause
		Kenneth D. Krause
		Principal Financial and Accounting Officer

Exhibit 31.1

I, Jerry E. Gahlhoff, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: July 24, 2025

/s/ Jerry E. Gahlhoff, Jr.

Jerry E. Gahlhoff, Jr.
President and Chief Executive Officer
(Principle Executive Officer)

Exhibit 31.2

I, Kenneth D. Krause, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: July 24, 2025

/s/ Kenneth D. Krause

Kenneth D. Krause

Principal Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report of Rollins, Inc., a Delaware corporation (the “Company”), on Form 10-Q for the period ended June 30, 2025, 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: July 24, 2025	By:	/s/ Jerry E. Gahlhoff, Jr.
		Jerry E. Gahlhoff, Jr. President and Chief Executive Officer (Principle Executive Officer)
Date: July 24, 2025	By:	/s/ Kenneth D. Krause
		Kenneth D. Krause Principal Financial 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.