



**Business Services Research**

June 17, 2025

# Robert W. Baird & Co. 2Q 2025 Textile Rental Services Survey

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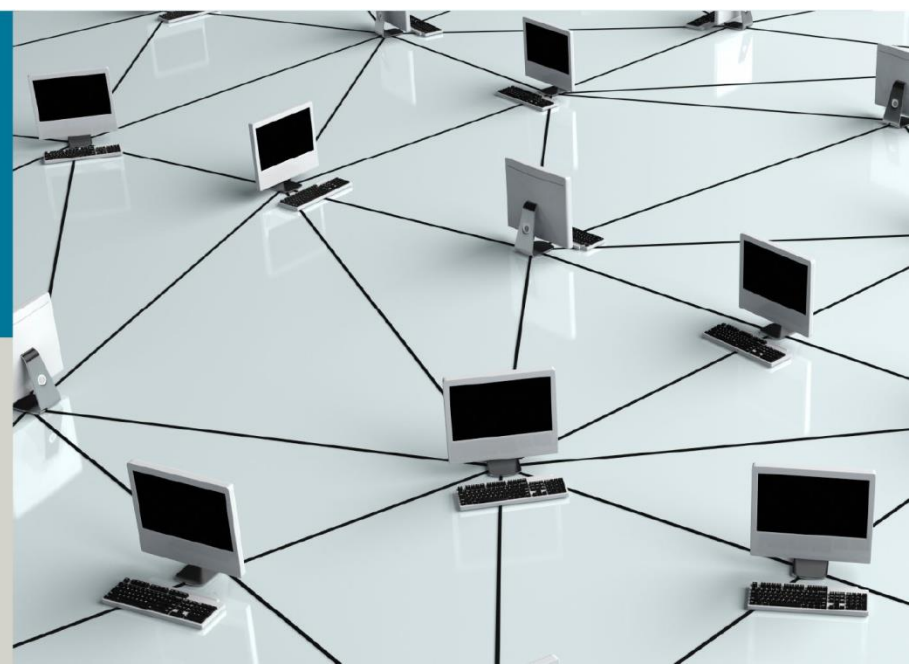
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**Please refer to Appendix – Important Disclosures and  
Analyst Certification on pages 20-23**



# Overview



- Thank you to the ~500 professionals who received copies of our survey!
- Please take the 60 seconds next quarter to respond to the survey request!
- If you have any questions or comments, please email:  
Senior Analyst Andrew Wittmann ([awittmann@rwbaird.com](mailto:awittmann@rwbaird.com))  
Senior Analyst Justin Hauke ([jhauke@rwbaird.com](mailto:jhauke@rwbaird.com))  
Analyst Rohan Vasudeva ([rvasudeva@rwbaird.com](mailto:rvasudeva@rwbaird.com))

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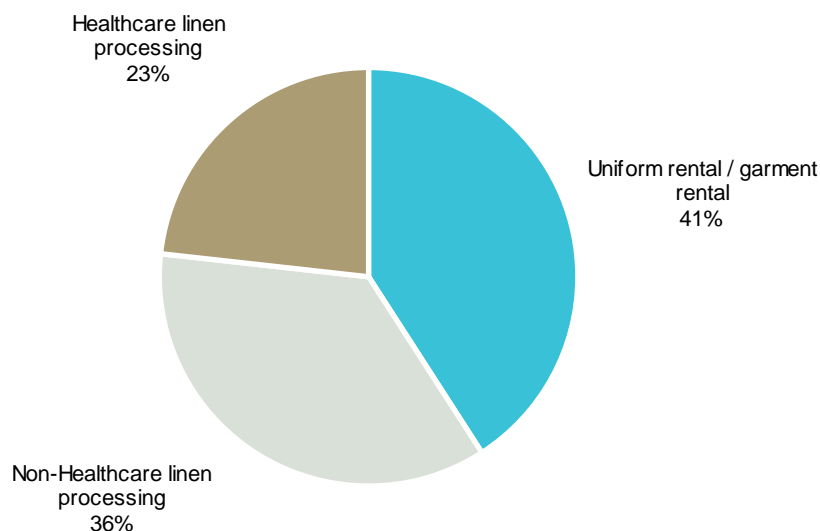
*All responses are presented in aggregate form*

*We never share or discuss individual responses*

## Survey Participants

- The participants in the Baird textile rental services survey are senior executives at uniform and/or linen rental firms
- Respondents are evenly distributed across the United States, with some operations in Canada and other international locations
- Total response pool consisted of ~500 independent firms (*32 responses*)

**Survey Respondent Prolife: Revenue by Service Line (%)**



Source: Baird Research

# **UNIFORM RENTAL TRENDS**

# Executive Summary: Uniform Rental

## UNIFORM RENTAL SURVEY SUMMARY

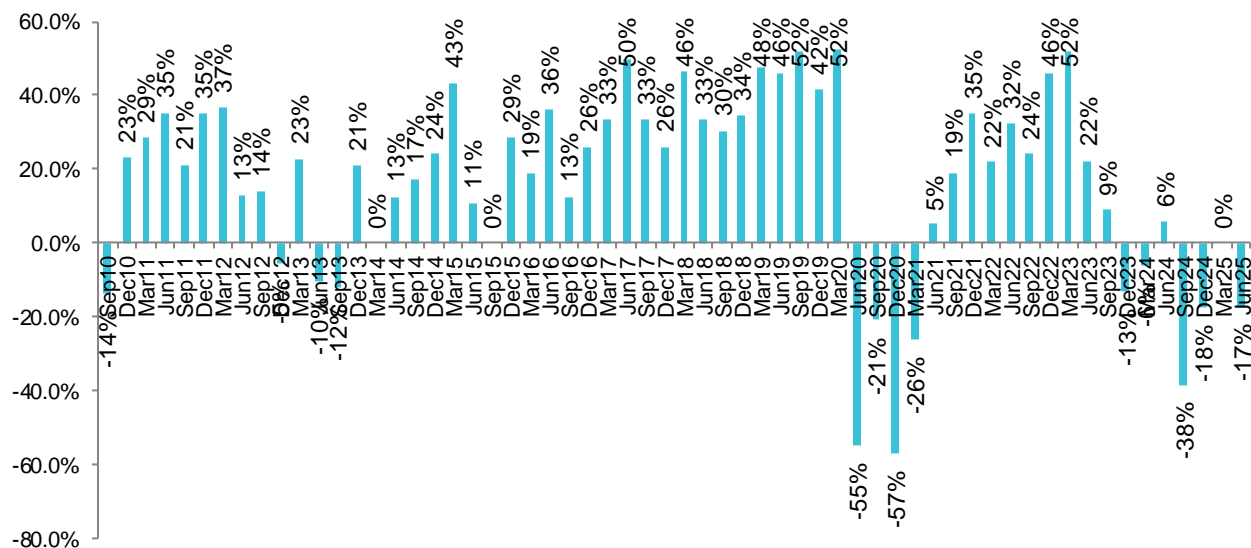
- Our 2Q25 uniform rental industry survey saw better employment trends, more competitive pricing, and generally little change to expectations. "Same store sales" (add/stops) inflected positively for the first time since March 2024, a positive, contrasting with still sluggish (and some incremental fears in) employment data. Offsetting, pricing remains negative, particularly as previous years' larger price gains come up for renewal. Net, growth expectations and trends little changed.

## 2Q25 UNIFORM RENTAL SURVEY HIGHLIGHTS

- **Revenue trends are still mixed, but more respondents see trends below expectations.** 30% of respondents reported revenues below expectations in 2Q25 while just 13% came in ahead. Still, 57% of responses were in-line, which we see as consistent with general stability.
- **Add/Stops turned slightly positive-key data point.** Employment-driven expansion at existing accounts (i.e., Add/Stop Diffusion Index) was positive (54.8) for the first time since March 2024. Employment-driven gains at existing accounts are typically among the most profitable sources of growth and thus a key metric we monitor.
- **New business pricing remains fundamentally negative, following previous years' larger baseline gains.** The average base price increase was reported +2.1% in 2Q25, unchanged, and consistent with pre-inflationary long-term average levels. Pricing for new contracts (as opposed to existing annual increases) is always competitive, but our diffusion index dipped sharply lower to 27.3 this quarter.
- **Revenue growth expectations are down slightly, but mostly in-line with recent quarters.** Respondents expect +3.2% rental revenue growth over the next 12 months, down from 4.1% last quarter, which was the strongest outlook in a year. Previous quarters generally forecast a ~2-3% revenue growth outlook, so we see today's forecast as mostly unchanged.
- **New business interest is still fairly muted.** Our no-programmer diffusion index (a measure of the amount of new business available in the marketplace) remains essentially neutral (47.7). This index has been vacillating between positive/negative over the past two years.

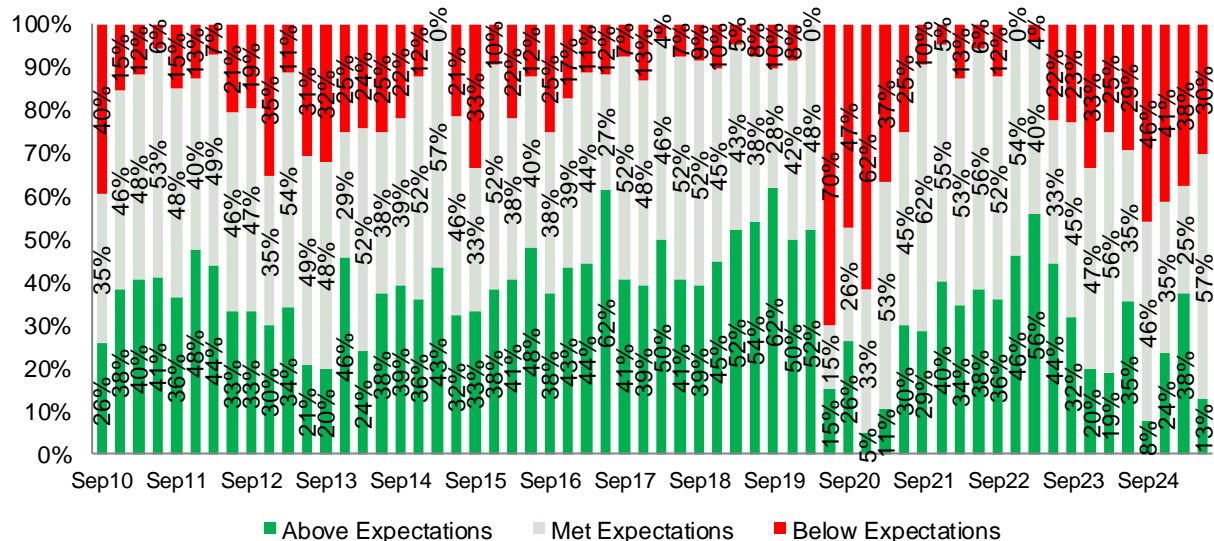
# Uniform Rental: Revenue Trends Versus Expectations

Relative Spread Between Respondents Exceeding Revenue Expectations Versus Falling Below Expectations



Source: Baird Research

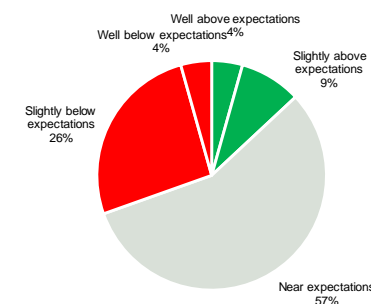
"Which of the following best describes your rental revenue trend during the past 90 days?"



Source: Baird Research

**Rental Revenue Trends.** 30% of respondents reported revenues below expectations in 2Q25 while just 13% came in ahead. Still, 57% of responses were in-line, which we see as consistent with general stability.

Which of the following best describes your rental revenue trend during the past 90 days?



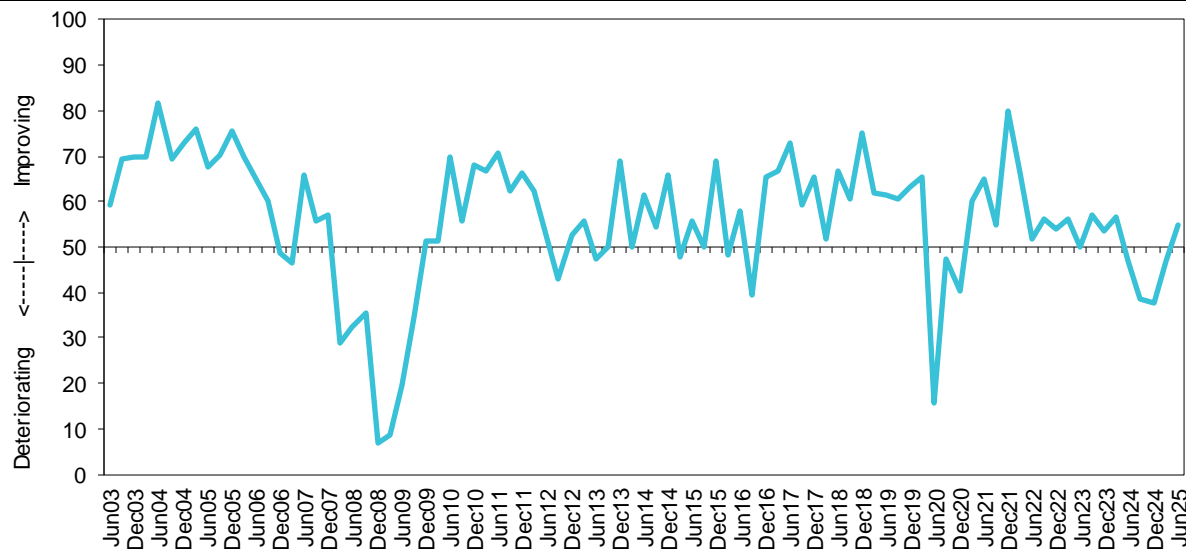
Source: Baird Research

## Uniform Rental: Add/Stop Trends

- **Add/Stops.** Employment-driven expansion at existing accounts (i.e., Add/Stop Diffusion Index) was positive (54.8) for the first time since March 2024. Employment-driven gains at existing accounts are typically among the most profitable sources of growth and thus a key metric we monitor.

*Note: A diffusion index represents a normalized index (to 50=neutral) that is based on the percentage of respondents citing improvement (100) versus deterioration (0), with 50 representing a "base" level (equal number of positive/negative responses)*

**Baird Add/Stop Diffusion Index: "During the past 90 days add/stop rates at existing accounts have been..."**

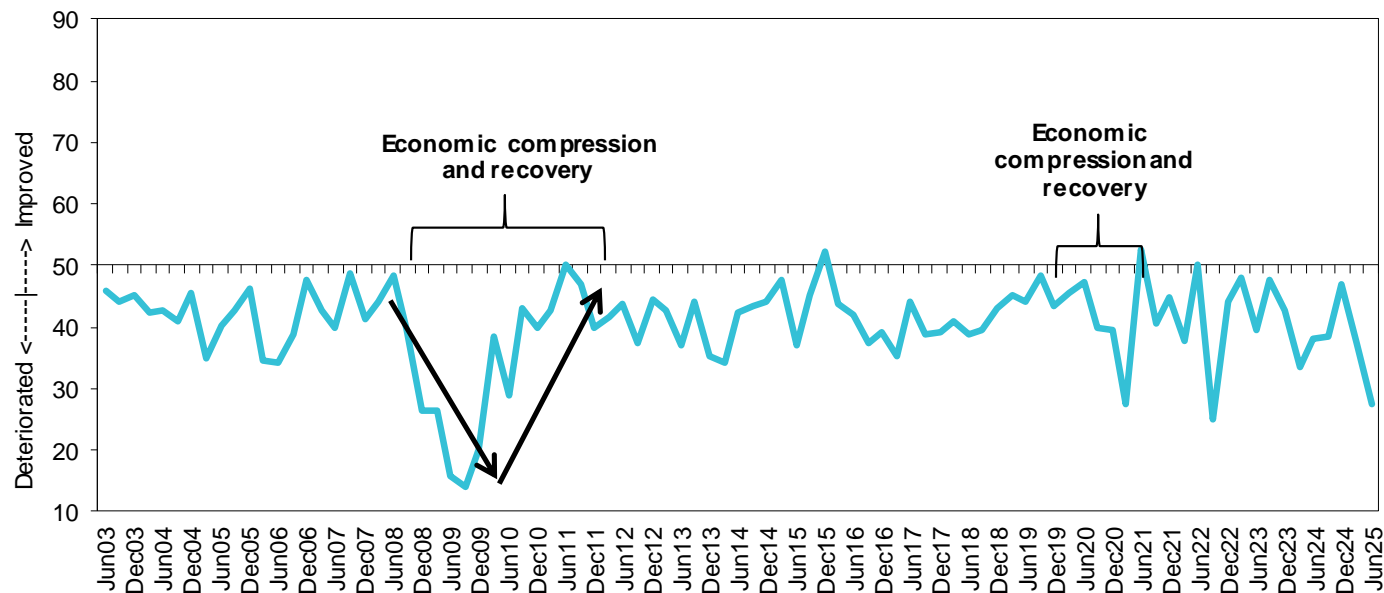


Source: Baird Research

## Uniform Rental: New Account Pricing Trends

- **New Account Pricing.** Pricing for new contracts (as opposed to existing annual increases) is always competitive, but our diffusion index dipped sharply lower to 27.3 this quarter.

Baird Price Diffusion Index: "During the past 90 days the base price quoted for new accounts has..."



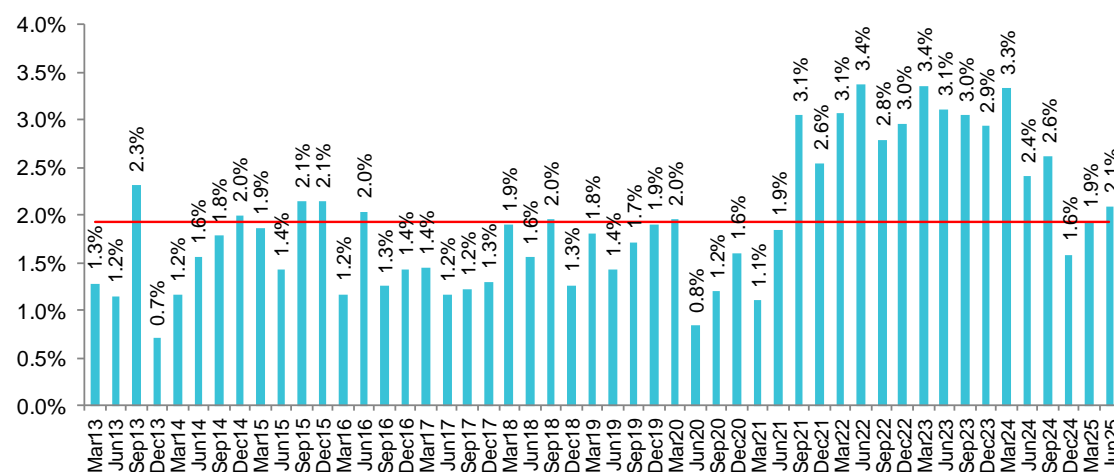
Source: Baird Research



# Uniform Rental: Existing Account Pricing Trends

- **Base (Existing) Account Pricing.** The average base price increase was reported +2.1% in 2Q25, unchanged, and consistent with pre-inflationary long-term average levels.

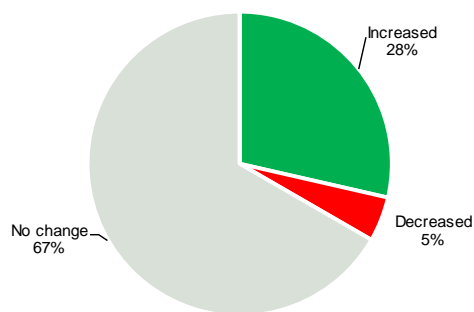
"For accounts which underwent an annual price review in the past 90 days, the average price change was..."



Note: Growth rates reflect average responses of survey participants; Red line indicates sample average

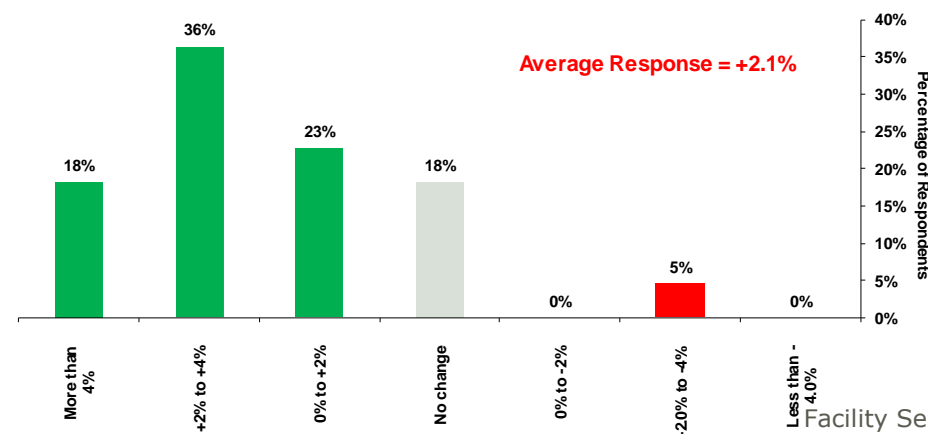
Source: Baird Research

During the past 90 days, pricing on existing rental accounts has:



Source: Baird Research

For existing accounts which underwent an annual price review this quarter, the average price change was:

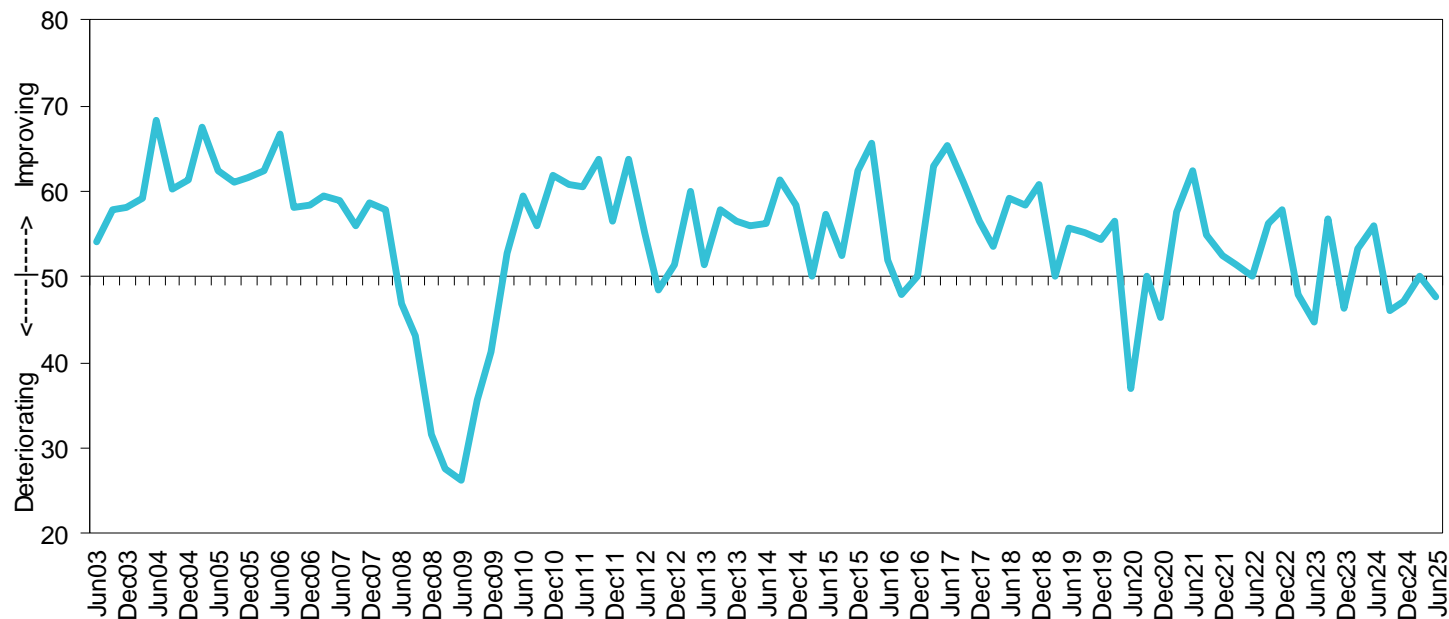


Source: Baird Research

## Uniform Rental: New Business (No-Programmers) Trends

- **No-Programmers.** Our no-programmer diffusion index (a measure of the amount of new business available in the marketplace) remains essentially neutral (47.7). This index has been vacillating between positive/negative over the past two years.

**Baird No-Programmer Diffusion Index: "During the past 90 days interest from no-programmer accounts has been..."**

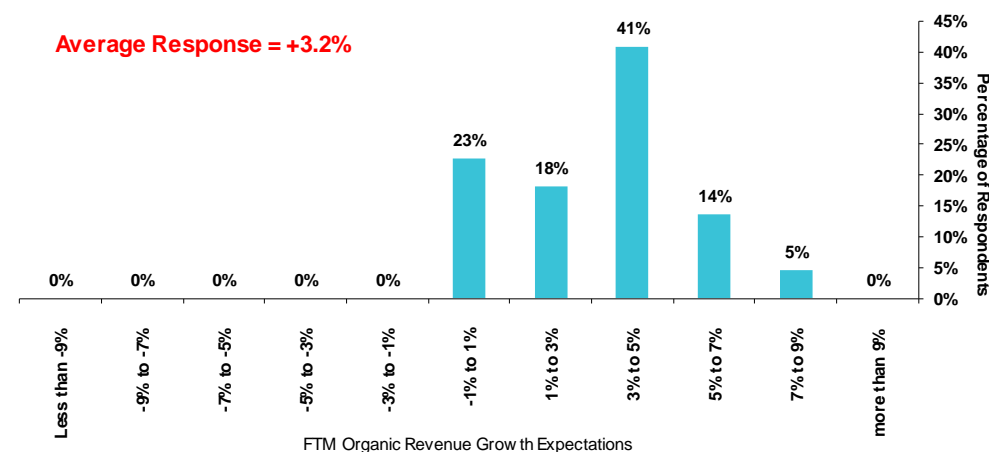


Source: Baird Research

# Uniform Rental: 12-Month Growth Outlook

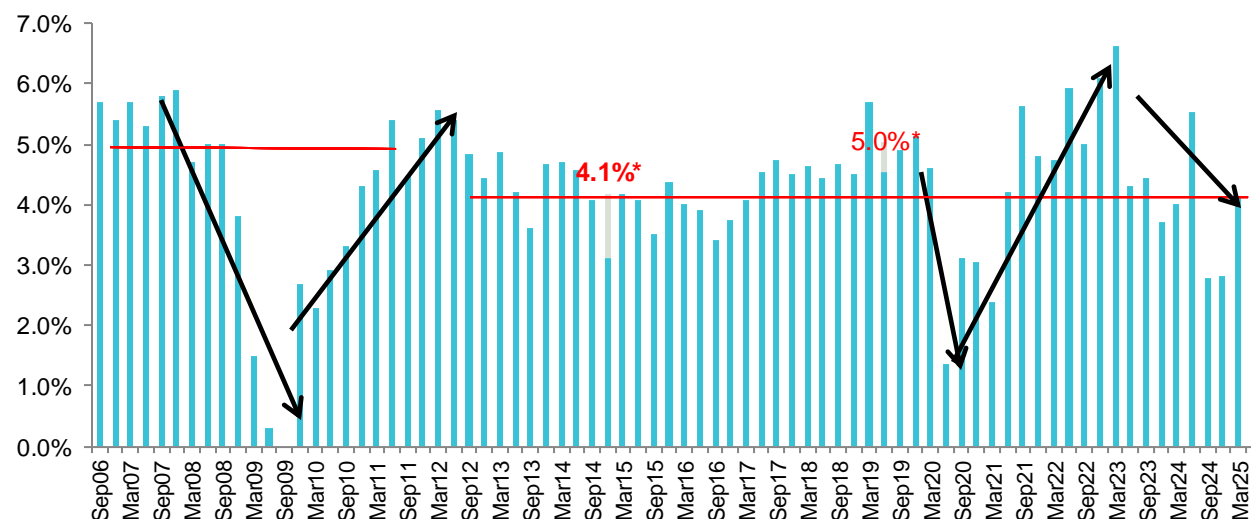
- **Growth Outlook.** Respondents expect +3.2% rental revenue growth over the next 12 months, down from 4.1% last quarter, which was the strongest outlook in a year. Previous quarters generally forecast a ~2-3% revenue growth outlook, so we see today's forecast as mostly unchanged.
- Growth rates are estimated based on ranges offered in our survey collection process.

Organic Rental Growth Expectations (FTM)



Source: Baird Research

"At what rate do you expect your revenue to grow excluding acquisitions in the next 12 months?"



Note: Growth rates reflect average responses of survey participants; \*4Q 14/2Q 19 adjusts for "outlier" response rates

Source: Baird Research

# **LINEN RENTAL TRENDS**

# Executive Summary: Linen Rental

## LINEN RENTAL SURVEY SUMMARY

- **Linen rental trends are stronger than uniform rental.** More than twice as many respondents cited 2Q25 revenue trends better than expectations (versus below expectations) and our no-programmer index held positive for the third sequential quarter. New business similarly weaker, but 12-month growth expectations continue to hover around 4%.

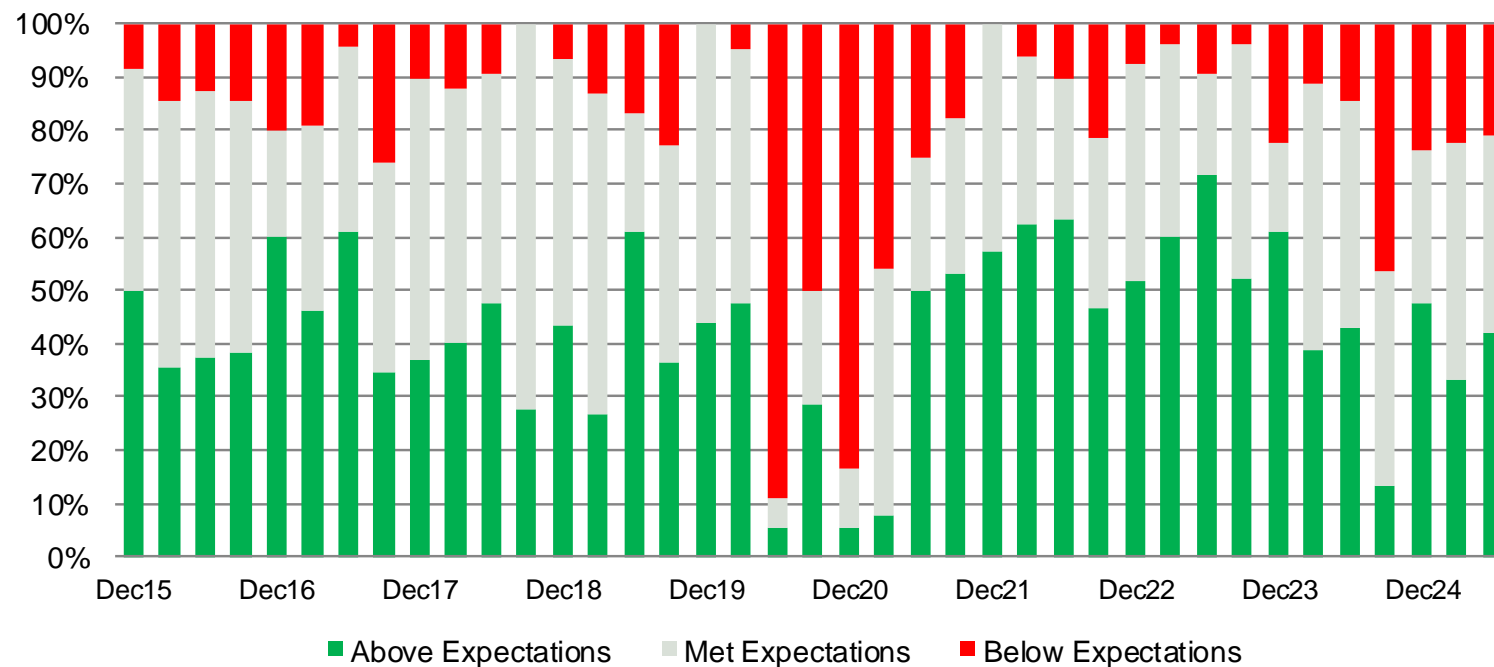
## 2Q25 LINEN RENTAL SURVEY HIGHLIGHTS

- **Rental Revenue Trends.** 42% of respondents cited rental revenue trends above expectations in 2Q25 versus 21% below (37% in line). Thus ~80% at/above expectations.
- **New Account Pricing.** 65% reported no change in new account pricing (which is good), with 30% seeing more aggressive pricing bids versus just 5% seeing easing. Our diffusion index remained negative and dipped lower to 37.5. Like uniforms, this metric has historically been negative.
- **Base Account Pricing.** The average price increase on existing accounts undergoing price review in 2Q25 was +2.4%. This is slightly higher than last quarter and around pre-COVID levels.
- **No-Programmers.** No-programmer interest held positive in 2Q25 at 55.0, its third sequential positive reading.
- **Growth Outlook.** Forecasted 12-month revenue outlook a bit lower (at +3.7%, versus +4.6% last quarter). Growth expectations were steadily in the +5-6% range post-COVID recovery, showing steady moderation over the last 18-24 months.

## Linen Rental: Revenue Trends Versus Expectations

- **Rental Revenue Trends.** 42% of respondents cited rental revenue trends above expectations in 2Q25 versus 21% below (37% in line). Thus ~80% at/above expectations.

“Which of the following best describes your rental revenue trend during the past 90 days?”

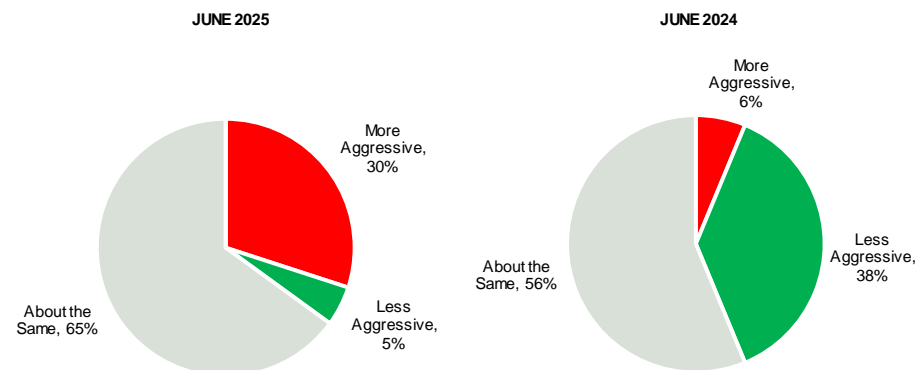


Source: Baird Research

# Linen Rental: New Account Pricing Trends

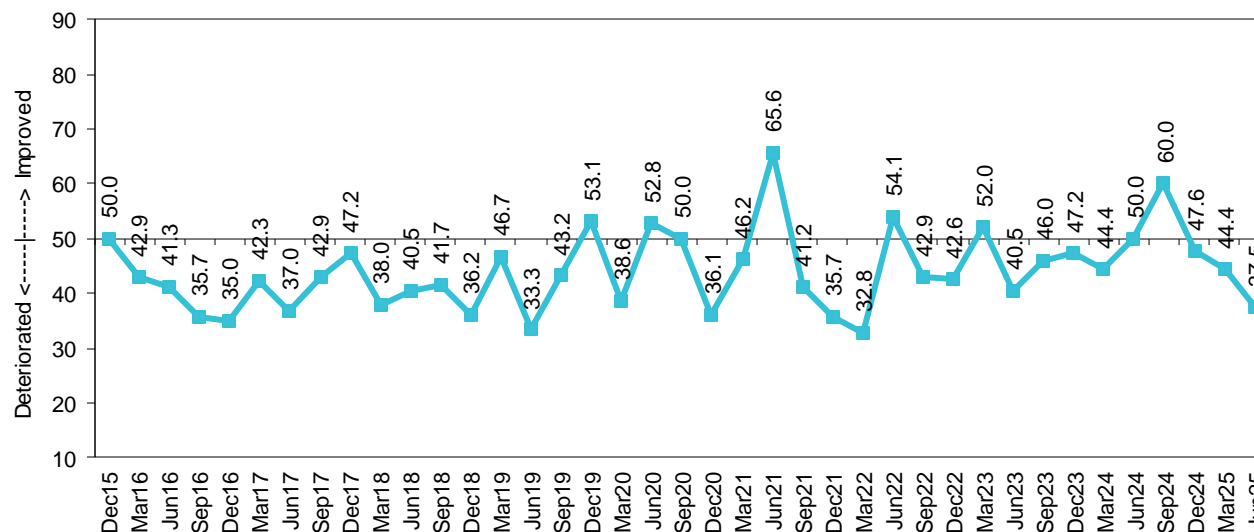
- **New Account Pricing.** 65% reported no change in new account pricing (which is good), with 30% seeing more aggressive pricing bids versus just 5% seeing easing. Our diffusion index remained negative and dipped lower to 37.5. Like uniforms, this metric has historically been negative (i.e., <50). See charts.

During the past 90 days the base price quoted for new accounts generally has become:



Source: Baird Research

Baird Linen Rental Price Diffusion Index

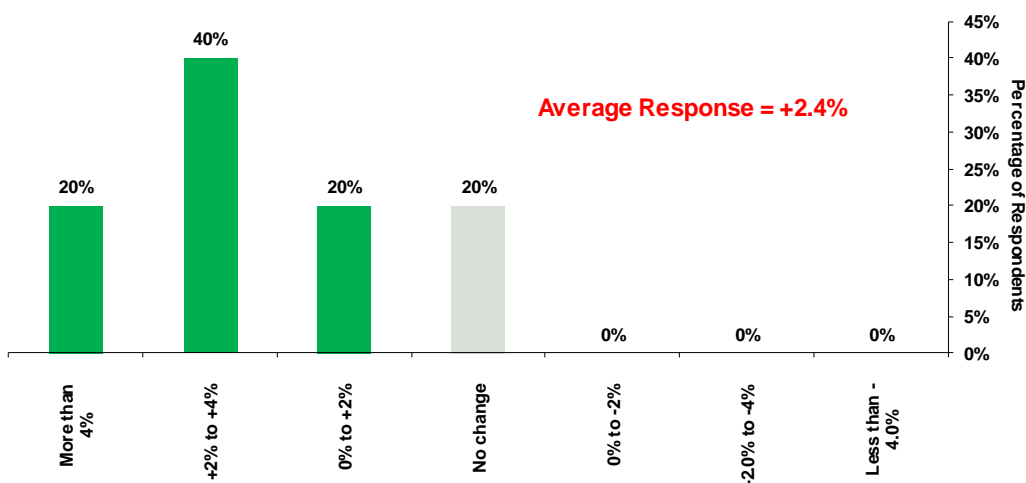


Source: Baird Research

# Linen Rental: Existing Account Pricing Trends

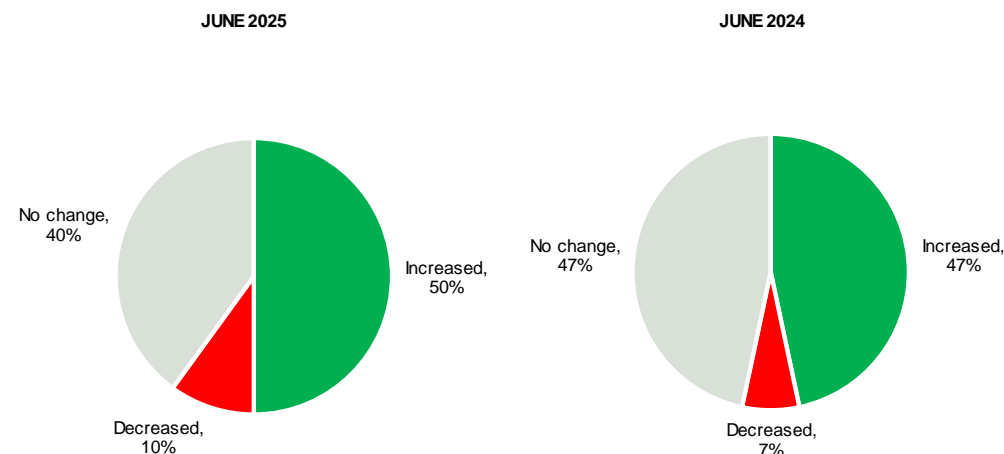
- **Base Account Pricing.** The average price increase on existing accounts undergoing price review in 2Q25 was +2.4%. This is slightly higher than last quarter and around pre-COVID levels.

For existing accounts which underwent an annual price review this quarter, the average price change was:



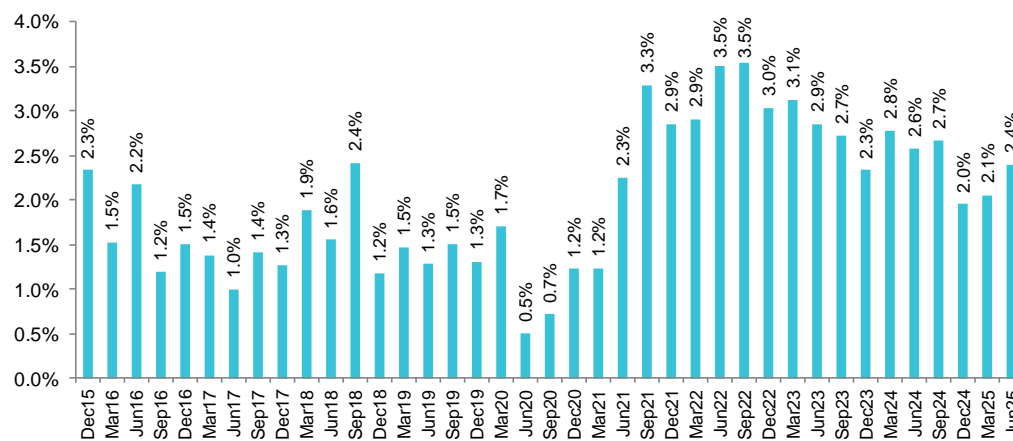
Source: Baird Research

During the past 90 days, pricing on existing rental accounts has:



Source: Baird Research

"For accounts which underwent an annual price review in the past 90 days, the average price change was..."



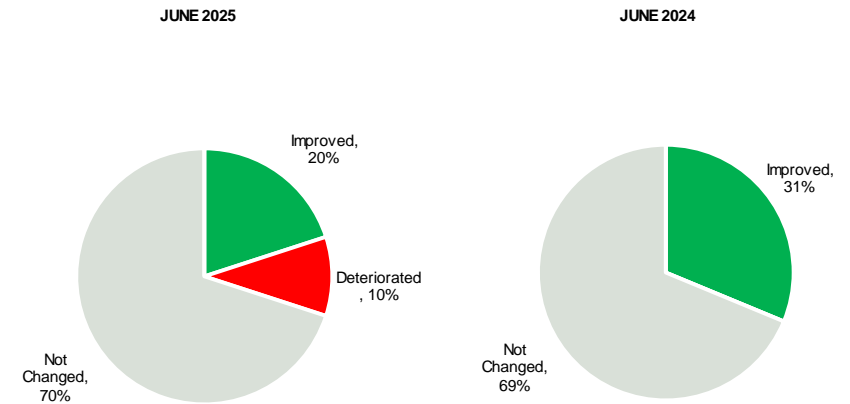
Source: Baird Research



# Linen Rental: New Business (No-Programmers) Trends

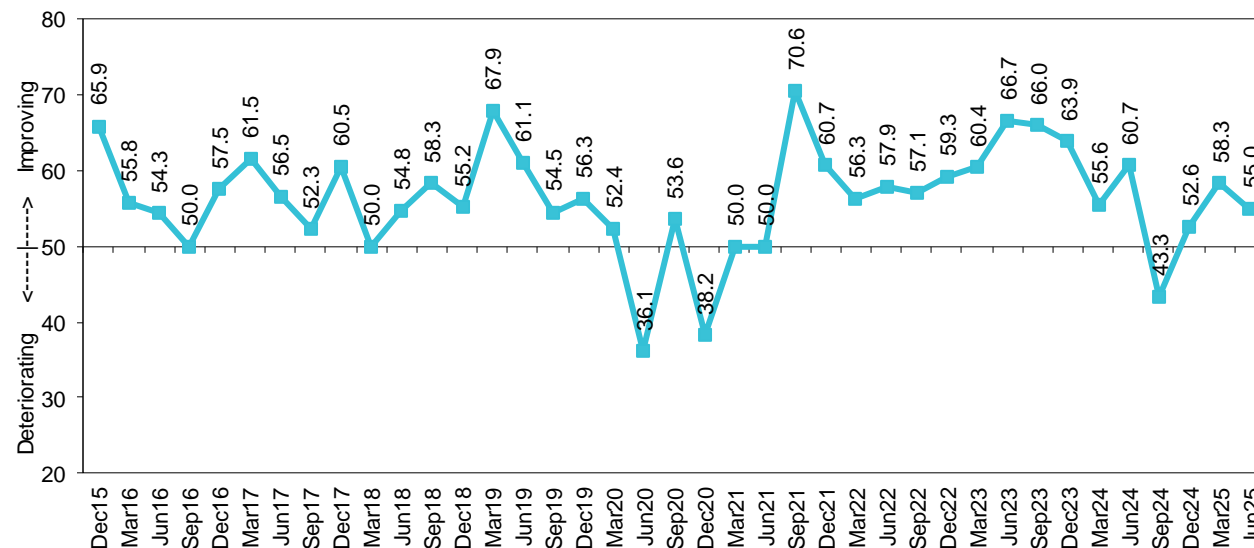
- **No-Programmers.** No-programmer interest held positive in 2Q25 at 55.0, its third sequential positive reading. See charts.

During the past 90 days interest from no-programmer accounts (those without an existing contract) has:



Source: Baird Research

**Baird Linen Rental No-Programmer Diffusion Index**

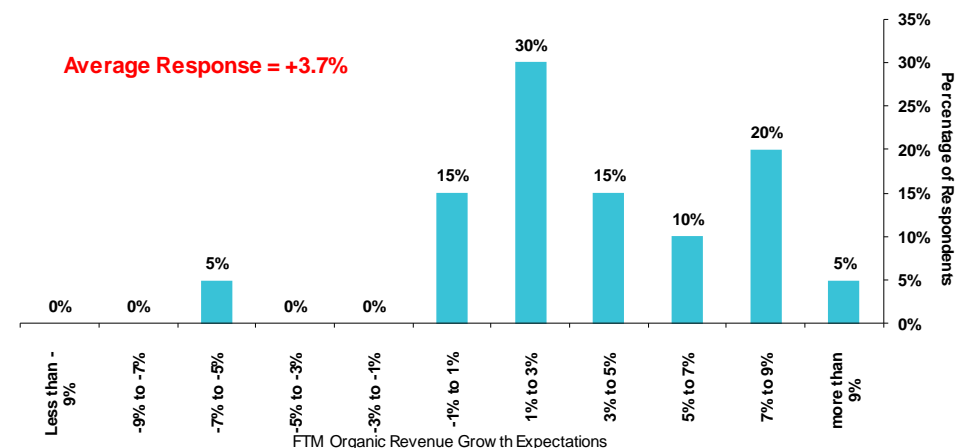


Source: Baird Research

# Linen Rental: 12-Month Growth Outlook

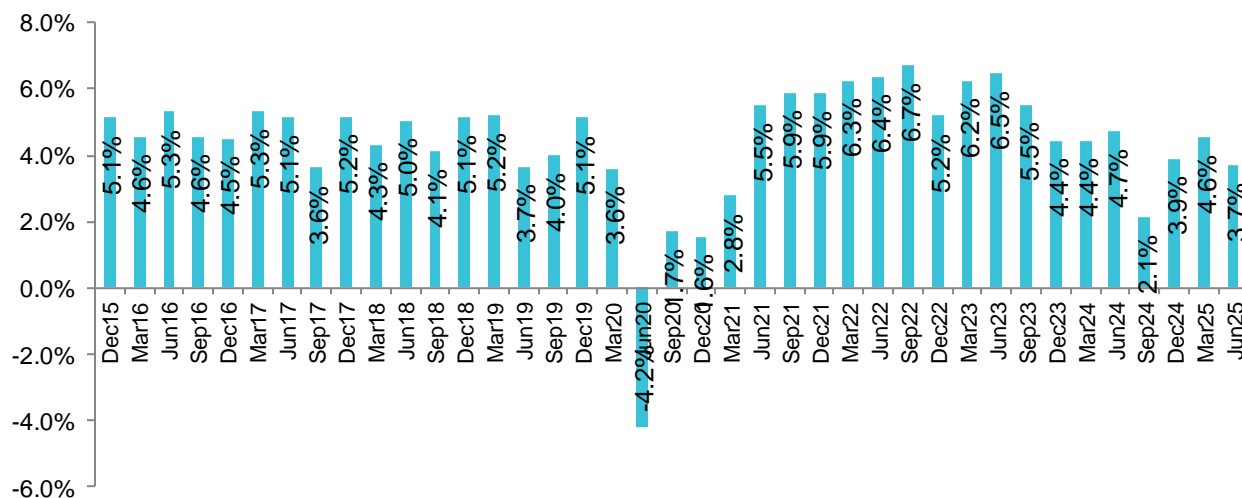
- Growth Outlook.** Forecasted 12-month revenue outlook a bit lower (at +3.7%, versus +4.6% last quarter). Growth expectations were steadily in the +5-6% range post-COVID recovery, showing steady moderation over the last 18-24 months. See charts.

Organic Rental Growth Expectations (FTM)



Source: Baird Research

“At what rate do you expect your revenue to grow excluding acquisitions in the next 12 months?”

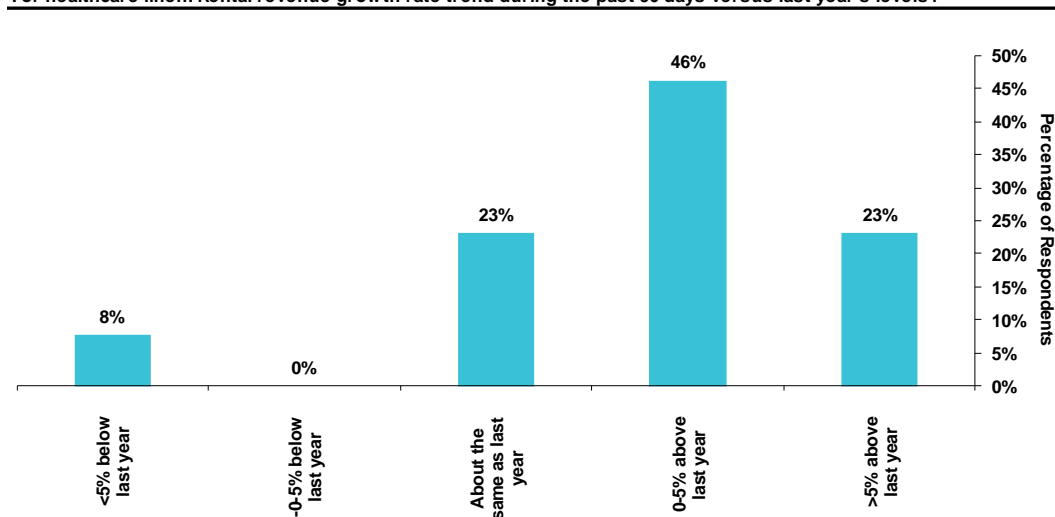


Source: Baird Research

# NEW(ER) QUESTION: Healthcare Linen Operations

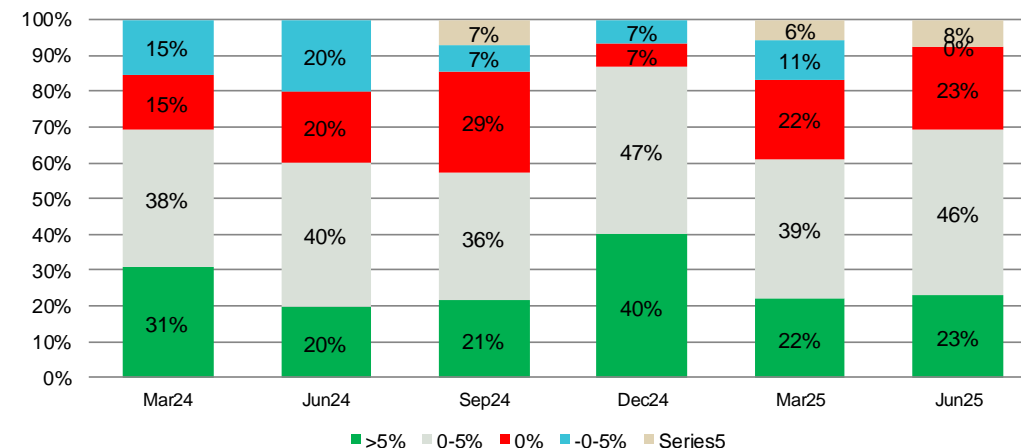
- **FOR YOUR HEALTHCARE LINEN PROCESSING AND OTHER RENTAL SERVICES BUSINESS (if any):** Which of the following best describes your rental revenue growth rate trend during the past 90 days versus last year's levels?

For healthcare linen: Rental revenue growth rate trend during the past 90 days versus last year's levels?



Source: Baird Research

For healthcare linen: Rental revenue growth rate trend during the past 90 days versus last year's levels?



Source: Baird Research

# Appendix – Important Disclosures and Analyst Certification

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