



Business Services Research

September 22, 2025

Robert W. Baird & Co. 3Q 2025 Textile Rental Services Survey

Andrew J. Wittmann, CFA

Senior Research Analyst
awittmann@rwbaird.com
414.298.1898

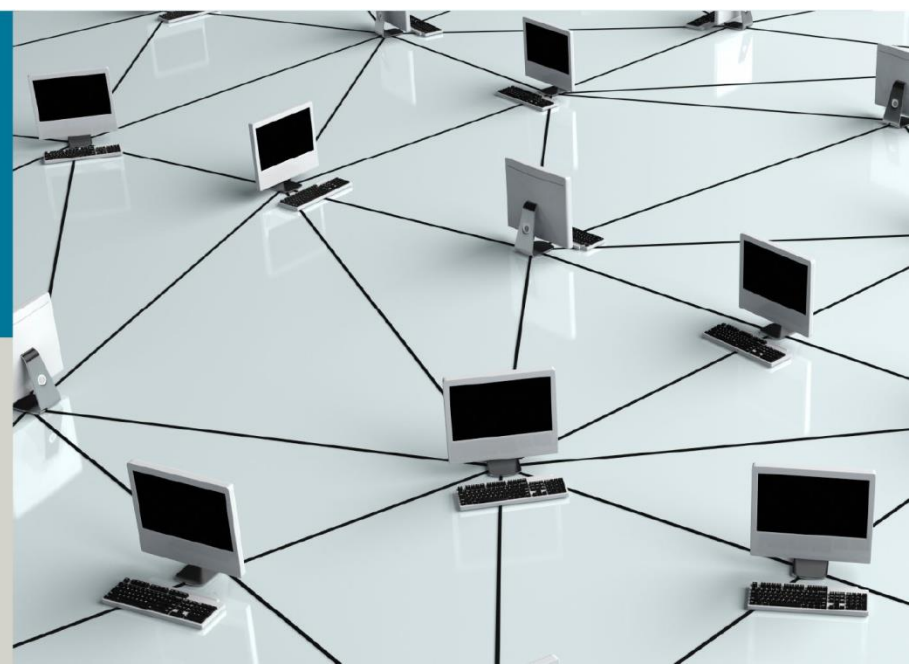
Justin P. Hauke

Senior Research Analyst
jhauke@rwbaird.com
314.445.6519

Rohan Vasudeva

Research Analyst
rvasudeva@rwbaird.com
414.298.7487

**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)
Senior Analyst Justin Hauke (jhauke@rwbaird.com)
Analyst Rohan Vasudeva (rvasudeva@rwbaird.com)

IMPORTANT: WE HIGHLY RESPECT SURVEY RESPONDENT ANONYMITY

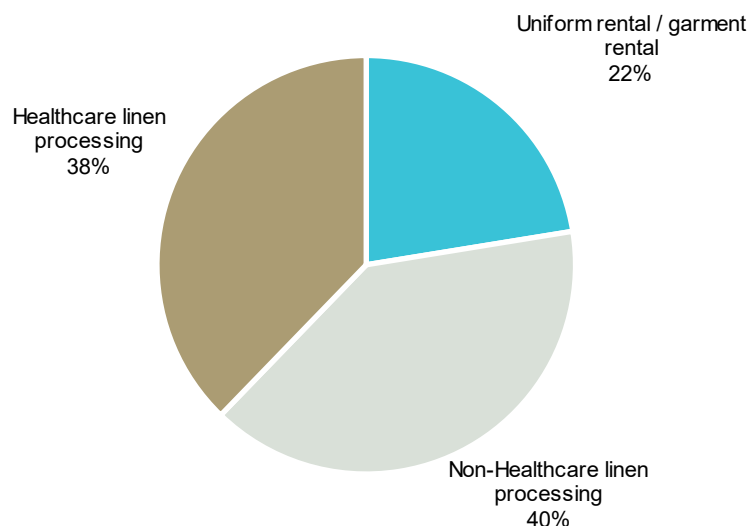
All responses are presented in aggregate form

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

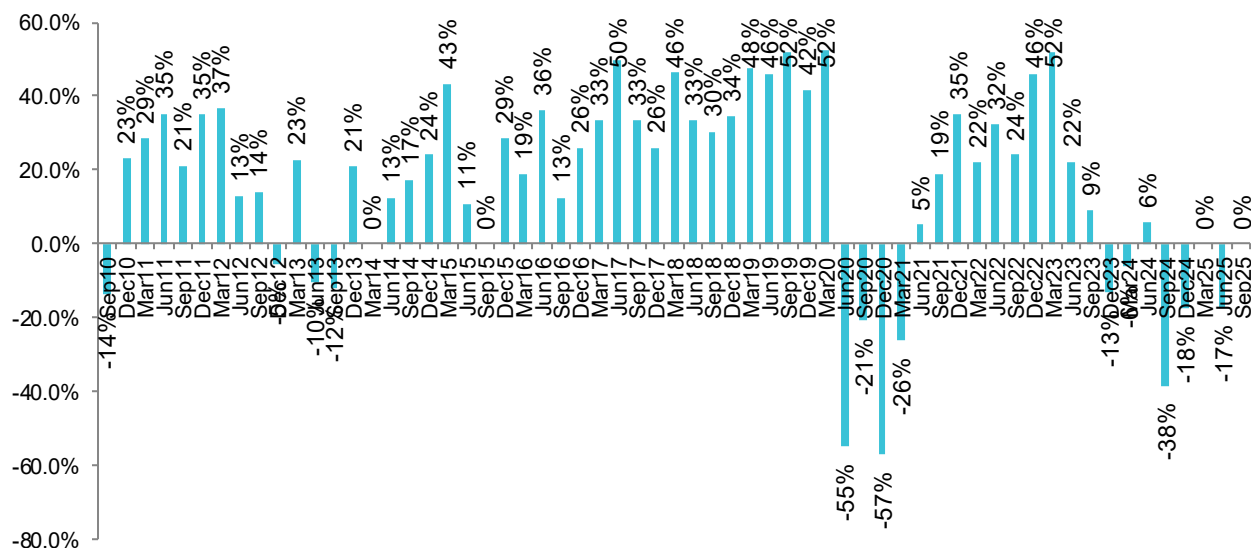
- Our 3Q25 uniform rental industry survey suggests stable, but modest, revenue trends, arguably better than deteriorating market expectations. Add/stops held stable after positively inflecting for the first time since March 2024 last quarter. Revenues in 3Q25 also generally matched survey respondents expectations, on average, and new business interest remains positive. Offsetting, pricing continues to deteriorate and FTM growth expectations remain relatively muted. Still, arguably better than fears from recent employment reports/revisions.

3Q25 UNIFORM RENTAL SURVEY HIGHLIGHTS

- **Revenue trends stable and in line with expectations.** 28% of respondents reported revenues above expectations in 3Q25, matching the 28% falling short, with 44% reporting results in-line. This suggests no incremental deterioration this quarter.
- **Add/Stops held stable, after positively inflecting last quarter.** Employment-driven expansion at existing accounts (i.e., Add/Stop Diffusion Index) held stable (50.0), after inflecting positive for the first time since March 2024 last quarter. This is consistent with stability.
- **New business interest positive and improved slightly QOQ.** Our no-programmer diffusion index (a measure of the amount of new business available in the marketplace) turned positive (53.1) after dipping negative last quarter (47.7).
- **Pricing does remain fundamentally negative, however.** The average base price increase was reported at just +1.5% in 3Q25, its lowest level since COVID (+1.1% in 1Q21). Pricing for new contracts (as opposed to existing annual increases) is always competitive, but our diffusion index continued to dip lower to 26.5 this quarter, its lowest reading since early 2022.
- **Revenue growth expectations stable, but lower than recent years.** Respondents expect +3.3% rental revenue growth over the next 12 months, essentially unchanged from +3.2% last quarter and a ~2-3% outlook over the last five quarters. This is below ~5-6% outlook a few years ago.

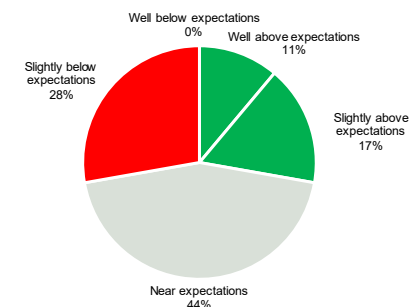
Uniform Rental: Revenue Trends Versus Expectations

Relative Spread Between Respondents Exceeding Revenue Expectations Versus Falling Below Expectations



Rental Revenue Trends. 28% of respondents reported revenues above expectations in 3Q25, matching the 28% falling short, with 44% reporting results in-line. This suggests no incremental deterioration this quarter.

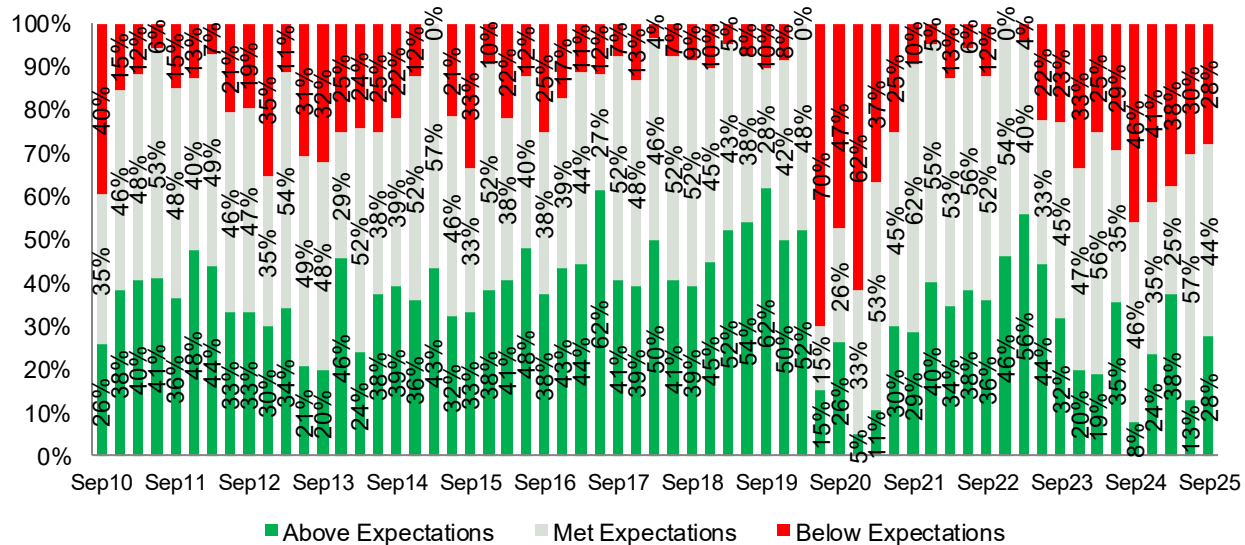
Which of the following best describes your rental revenue trend during the past 90 days?



Source: Baird Research

Source: Baird Research

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



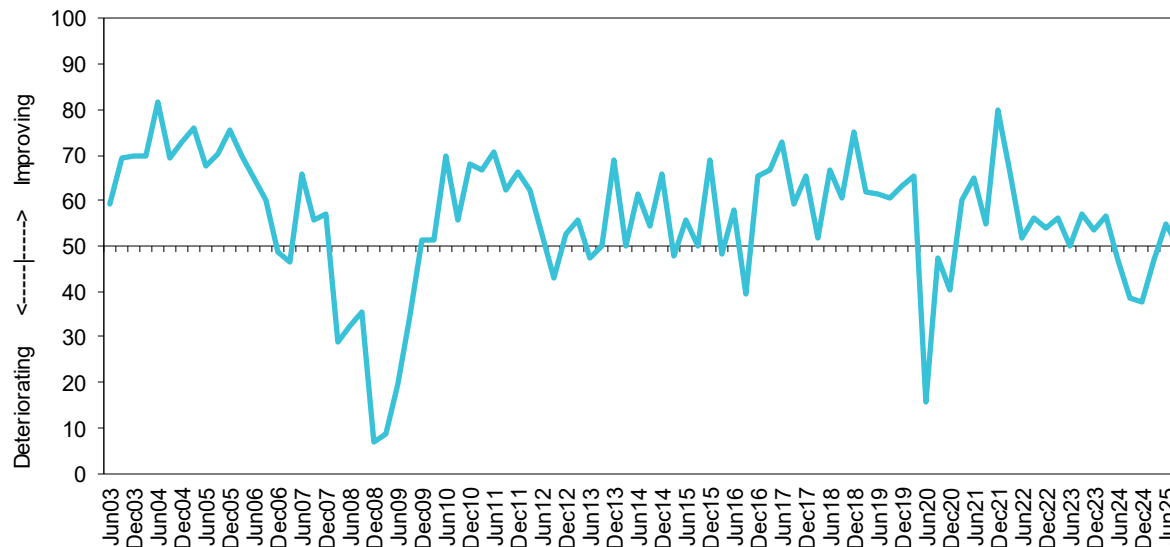
Source: Baird Research

Uniform Rental: Add/Stop Trends

- **Add/Stops.** Employment-driven expansion at existing accounts (i.e., Add/Stop Diffusion Index) held stable (50.0), after inflecting positive for the first time since March 2024 last quarter. This is consistent with stability.

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..."

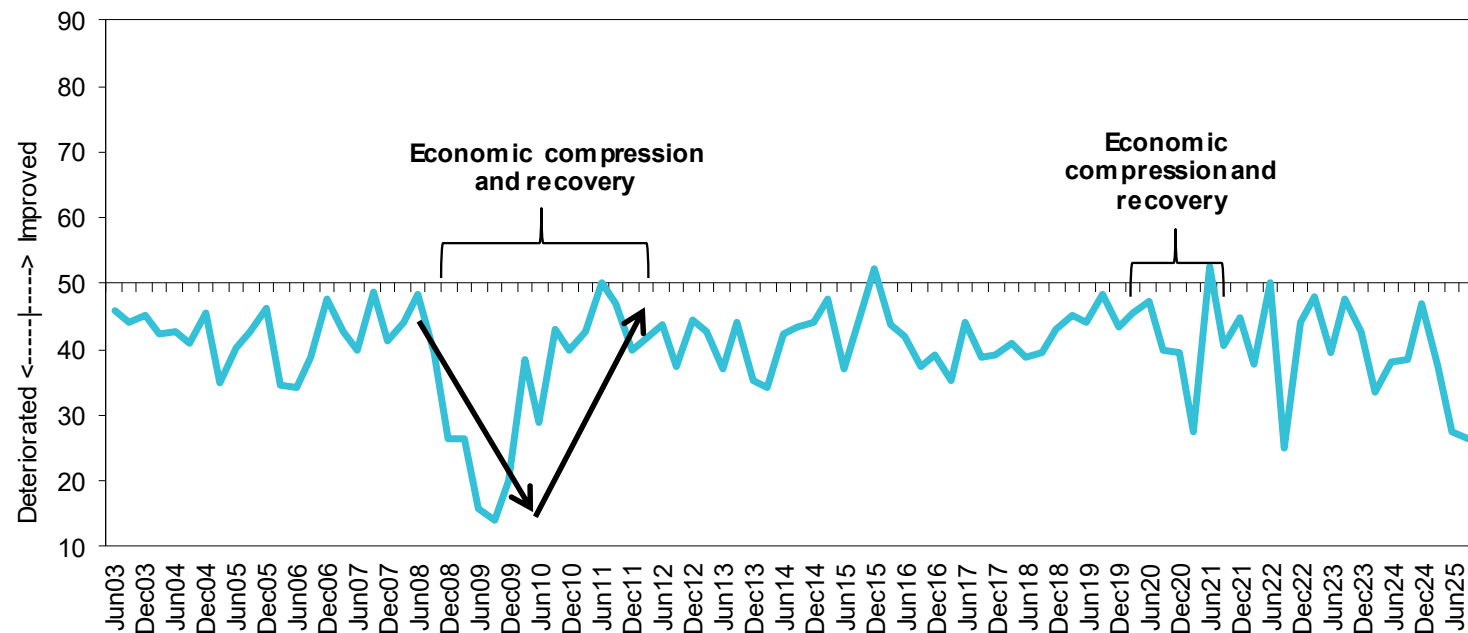


Source: Baird Research

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 continued to dip lower to 26.5 this quarter, its lowest reading since early 2022.

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

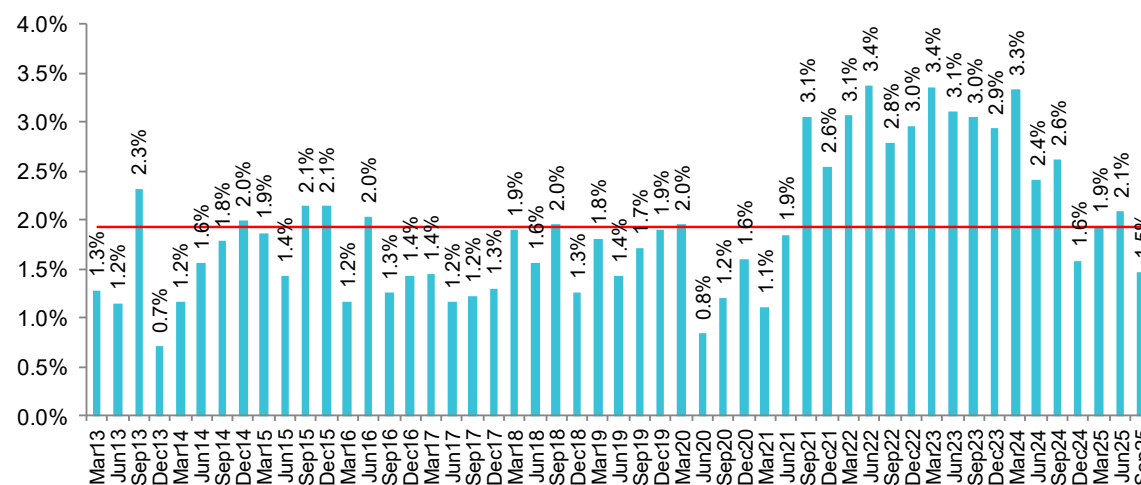


Source: Baird Research

Uniform Rental: Existing Account Pricing Trends

- **Base (Existing) Account Pricing.** The average base price increase was reported at just +1.5% in 3Q25, its lowest level since COVID (+1.1% in 1Q21).

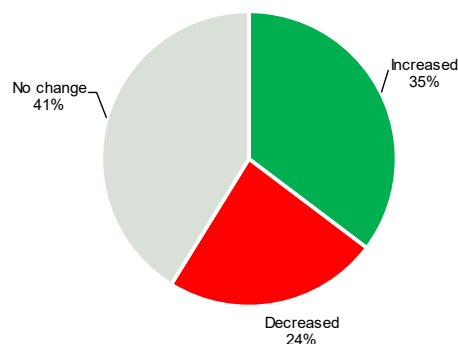
"For accounts which underwent an annual price review in the past 90 days, the average price change was..."



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

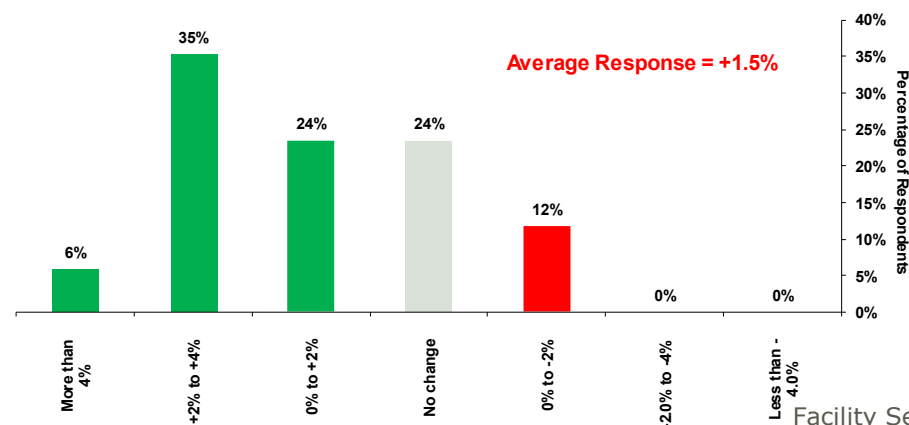
Source: Baird Research

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:

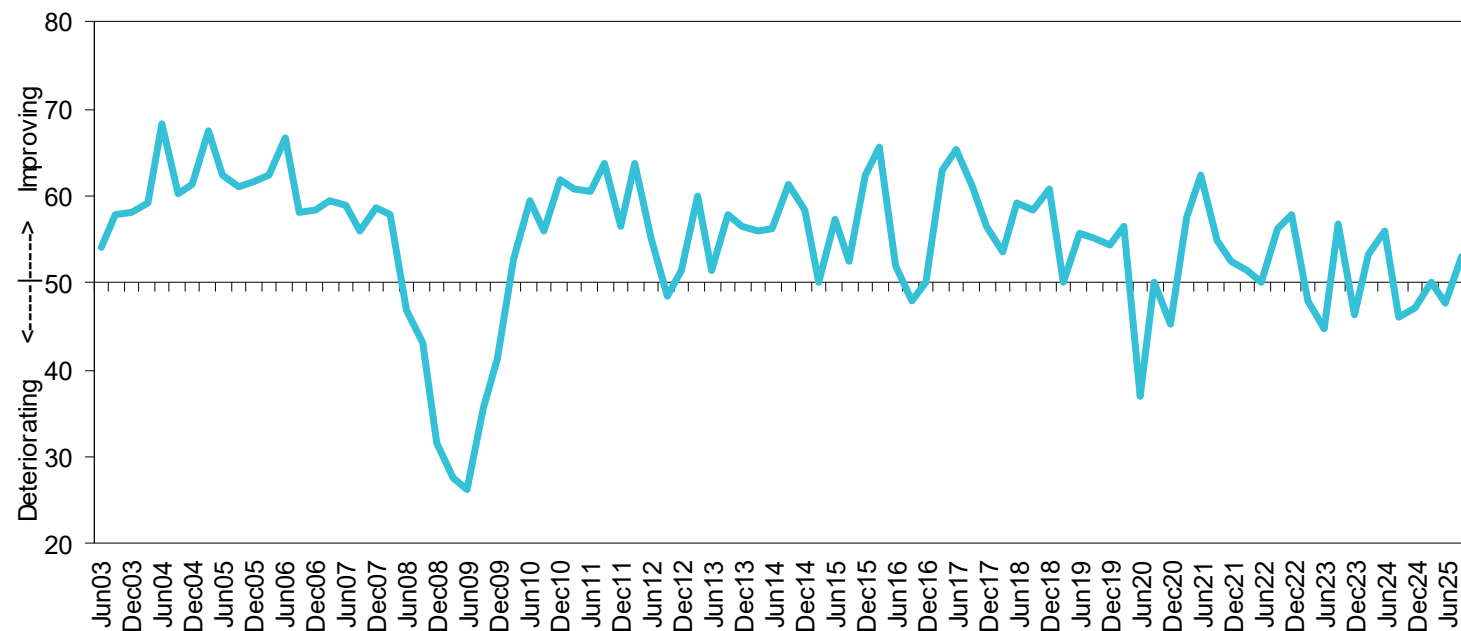


Source: Baird Research

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) turned positive (53.1) after dipping negative last quarter (47.7).

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

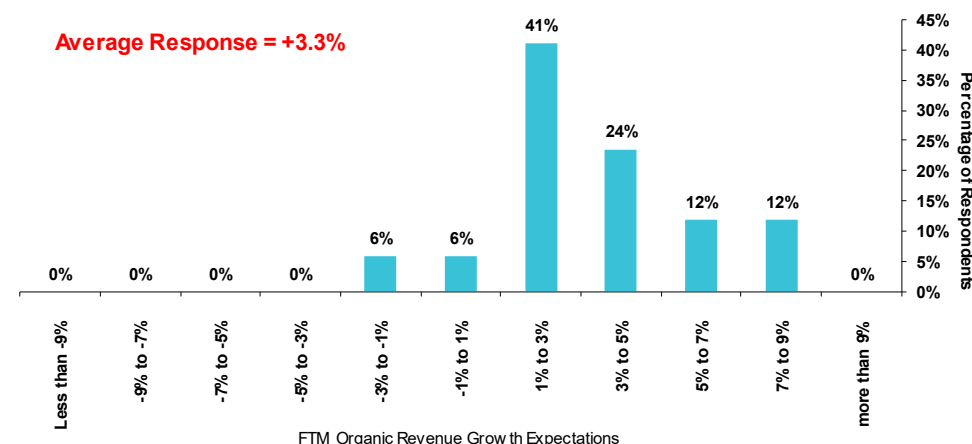


Source: Baird Research

Uniform Rental: 12-Month Growth Outlook

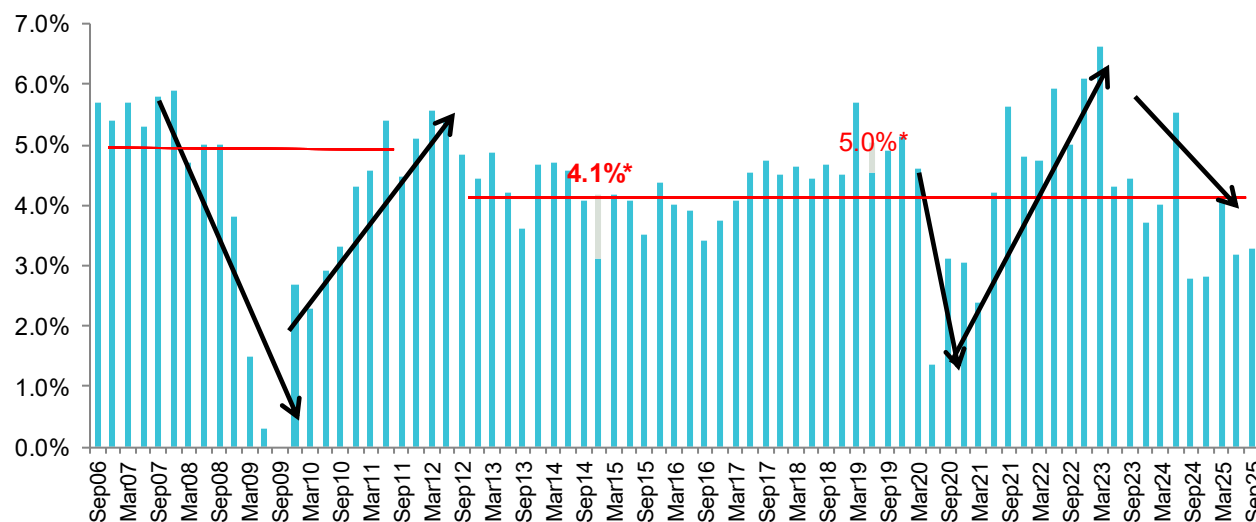
- **Growth Outlook.** Respondents expect +3.3% rental revenue growth over the next 12 months, essentially unchanged from +3.2% last quarter and a ~2-3% outlook over the last five quarters. This is below ~5-6% outlook a few years ago.
- Growth rates are estimated based on ranges offered in our survey 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 still a bit stronger than uniform rental.** More than twice as many respondents cited 3Q25 revenue trends better than expectations (versus below expectations) and our no-programmer index held positive for the fourth sequential quarter and improved QOQ. Pricing has weakened though, and growth expectations similar to uniform rental at ~3%.

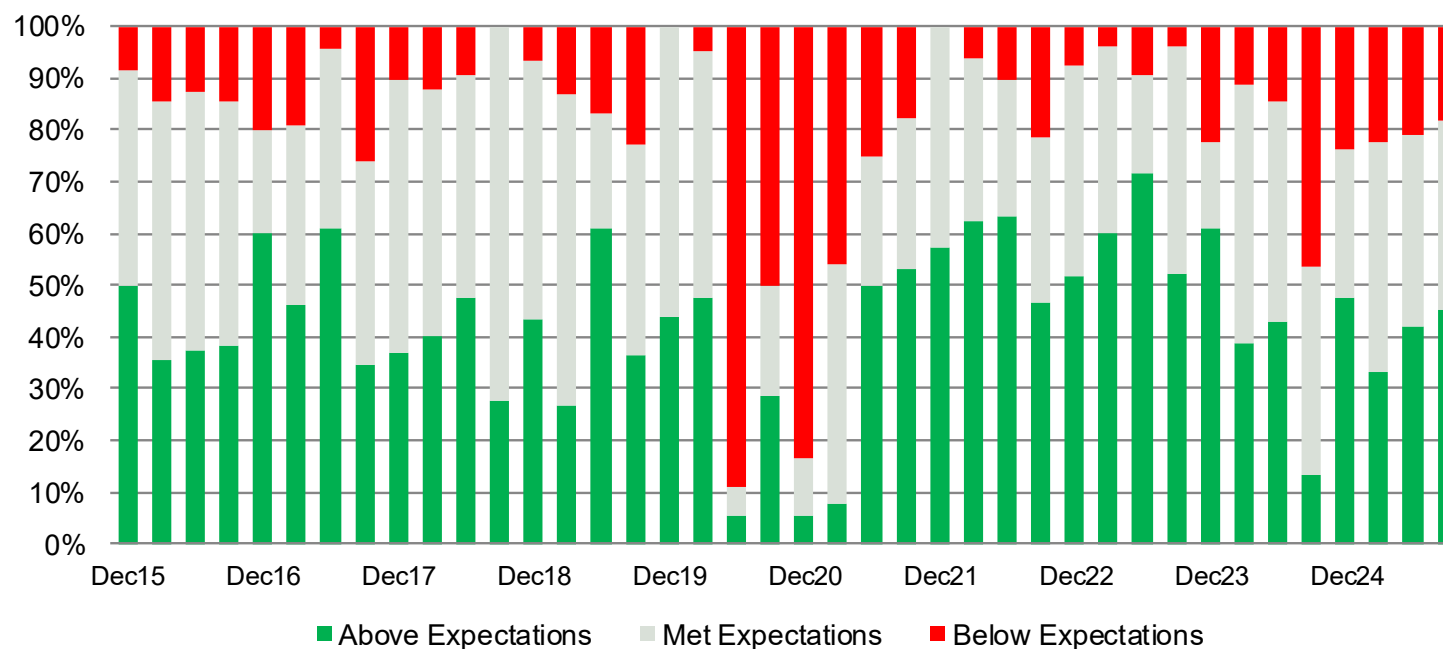
3Q25 LINEN RENTAL SURVEY HIGHLIGHTS

- **Rental Revenue Trends.** 45% of respondents cited rental revenue trends above expectations in 3Q25 versus 18% below (36% in line). Thus ~80% at/above expectations.
- **New Account Pricing.** 41% reported no change in new account pricing (which is good), but with 41% seeing more aggressive pricing bids versus just 18% seeing easing. Our diffusion index remained negative at 38.6. Like uniforms, this metric has historically been negative.
- **Base Account Pricing.** The average price increase on existing accounts undergoing price review in 3Q25 was +1.9%. This is lower than last quarter and like uniform rental, is the smallest increase since March 2021.
- **No-Programmers.** No-programmer interest held positive in 4Q25 at 56.8, its fourth sequential positive reading and up from 55.0 last quarter.
- **Growth Outlook.** Forecasted 12-month revenue outlook a bit lower (at +3.2%, versus +3.7% last quarter). Growth expectations were steadily in the +5-6% range post-COVID recovery, showing steady moderation over the last 18-24 months. The growth outlook is similar to uniform rental.

Linen Rental: Revenue Trends Versus Expectations

- **Rental Revenue Trends.** 45% of respondents cited rental revenue trends above expectations in 3Q25 versus 18% below (36% in line). Thus ~80% at/above expectations.

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

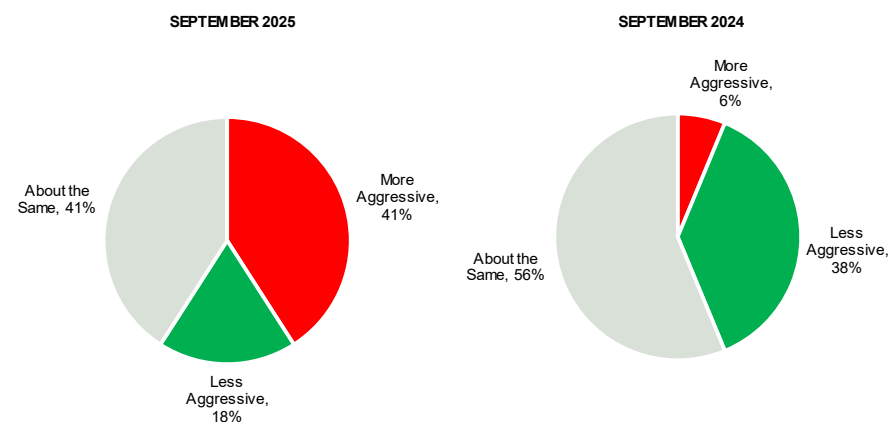


Source: Baird Research

Linen Rental: New Account Pricing Trends

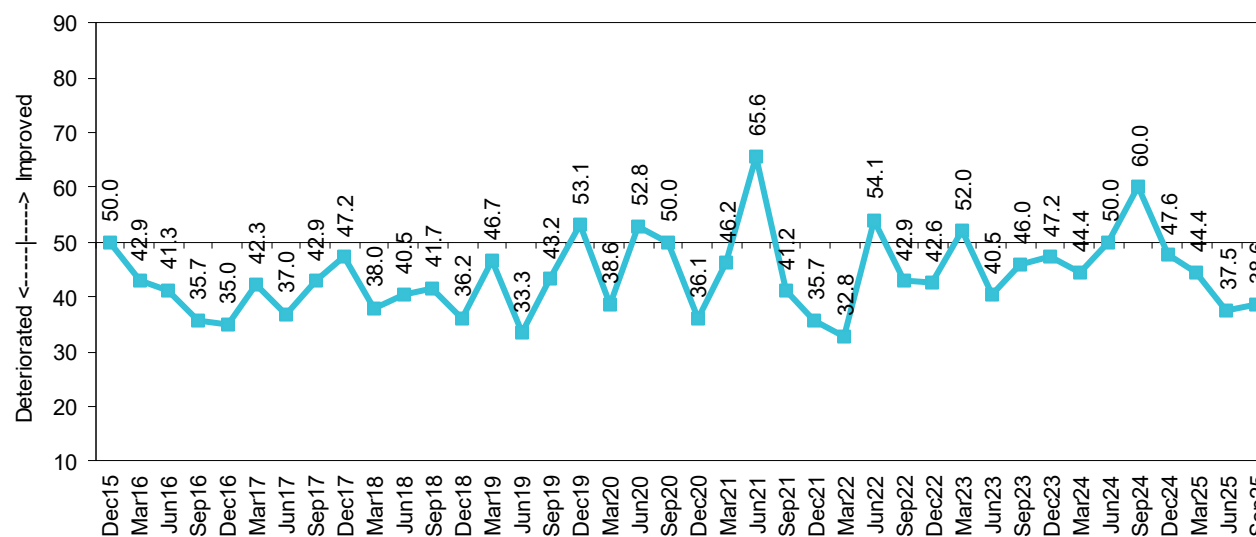
- New Account Pricing.** 41% reported no change in new account pricing (which is good), but with 41% seeing more aggressive pricing bids versus just 18% seeing easing. Our diffusion index remained negative at 38.6. Like uniforms, this metric has historically been negative. See charts.

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



Source: Baird Research

Baird Linen Rental Price Diffusion Index

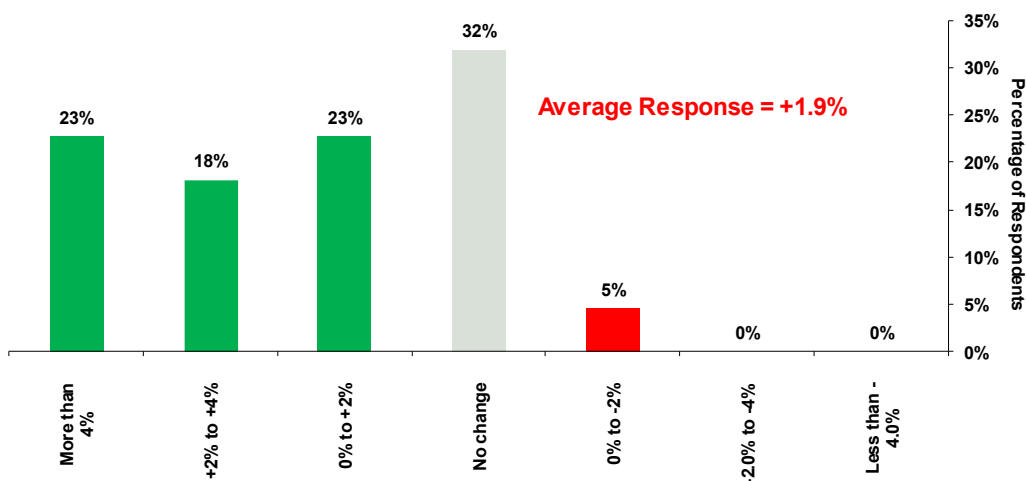


Source: Baird Research

Linen Rental: Existing Account Pricing Trends

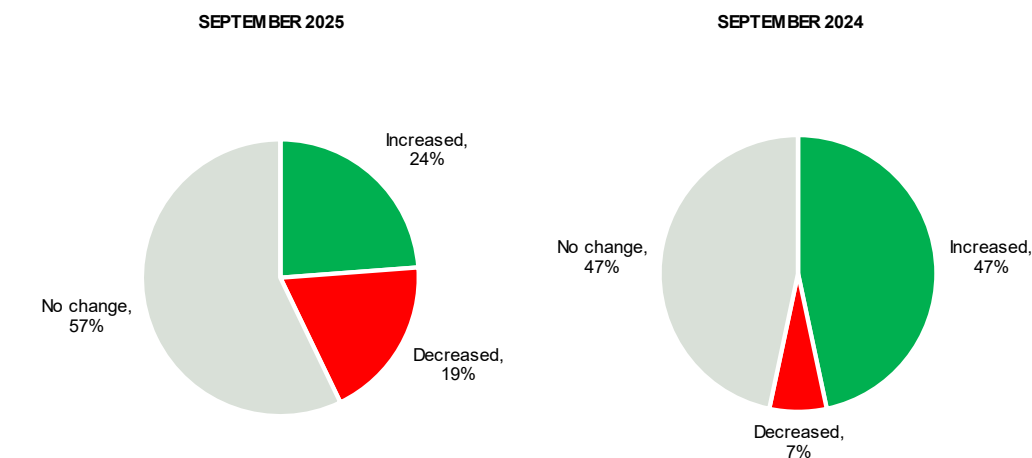
- **Base Account Pricing.** The average price increase on existing accounts undergoing price review in 3Q25 was +1.9%. This is lower than last quarter and like uniform rental, is the smallest increase since March 2021.

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



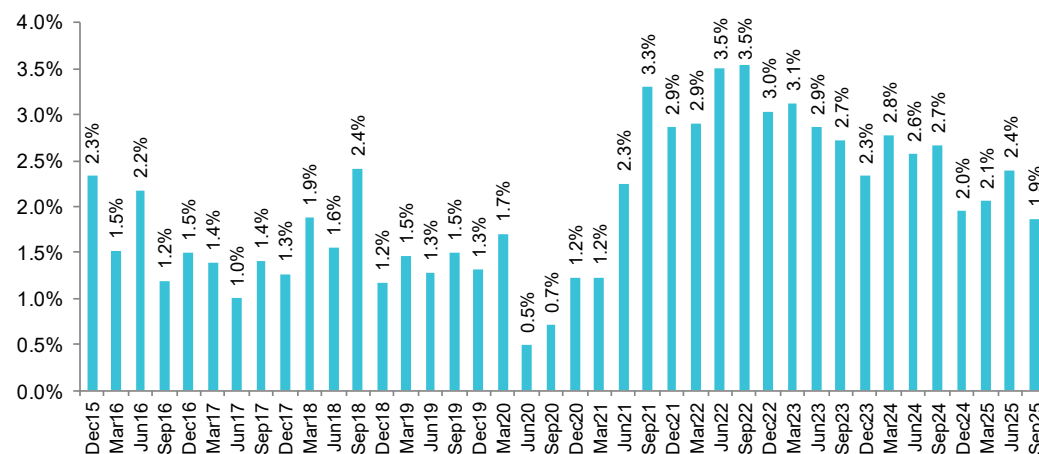
Source: Baird Research

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..."

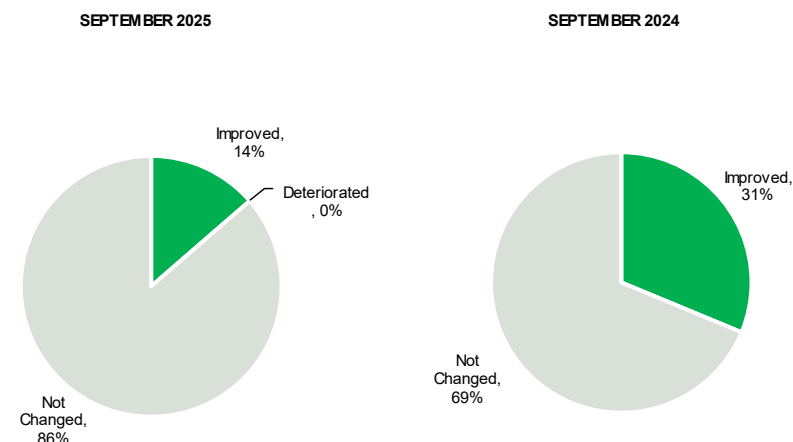


Source: Baird Research

Linen Rental: New Business (No-Programmers) Trends

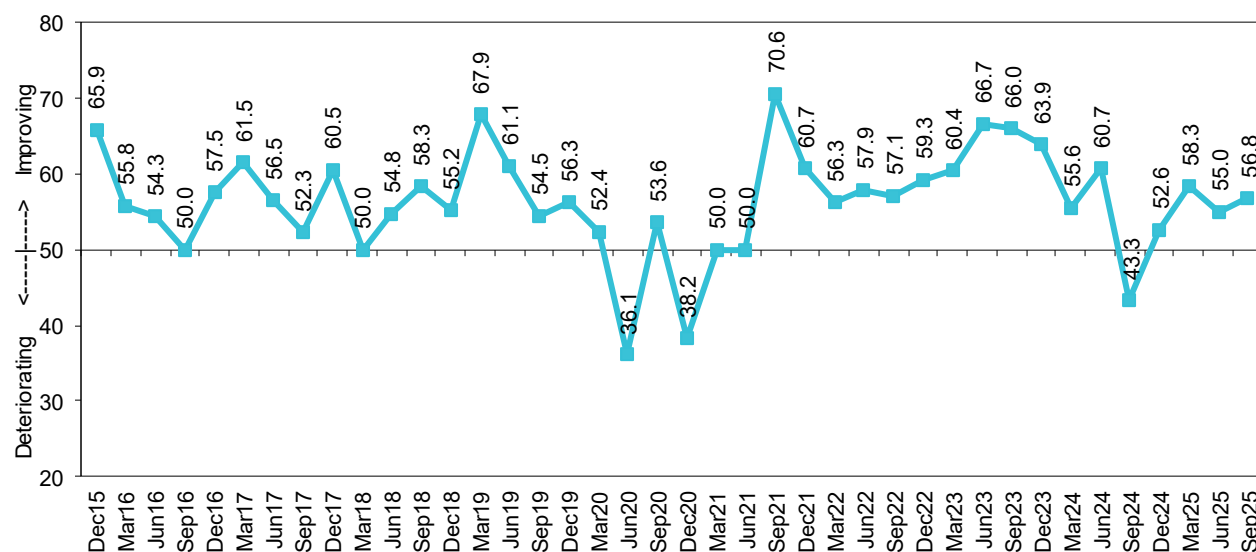
- **No-Programmers.** No-programmer interest held positive in 4Q25 at 56.8, its fourth sequential positive reading and up from 55.0 last quarter. See charts.

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

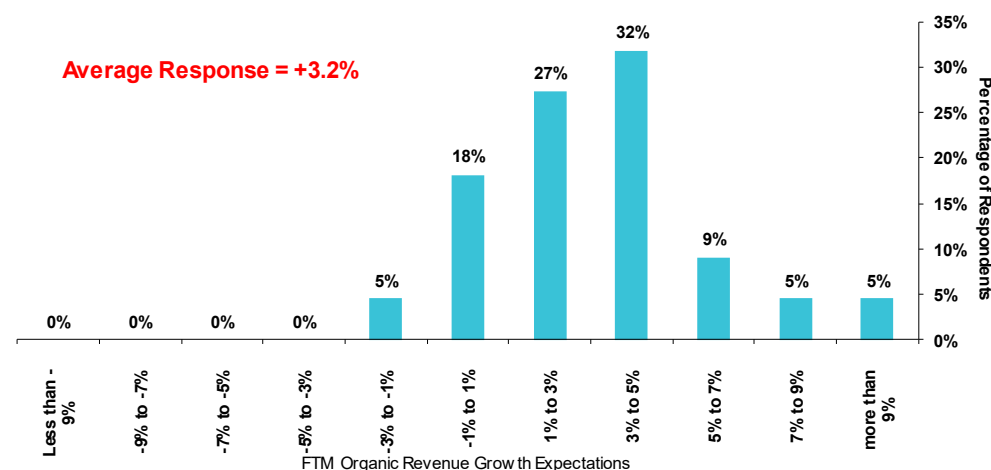


Source: Baird Research

Linen Rental: 12-Month Growth Outlook

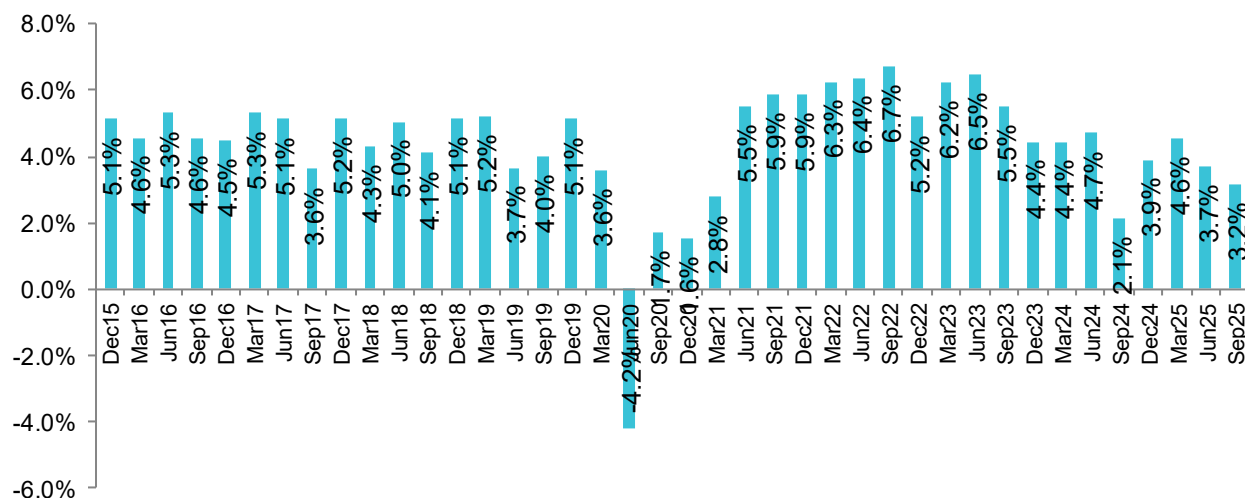
- Growth Outlook.** Forecasted 12-month revenue outlook a bit lower (at +3.2%, versus +3.7% last quarter). Growth expectations were steadily in the +5-6% range post-COVID recovery, showing steady moderation over the last 18-24 months. The growth outlook is similar to uniform rental. See charts.

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?"

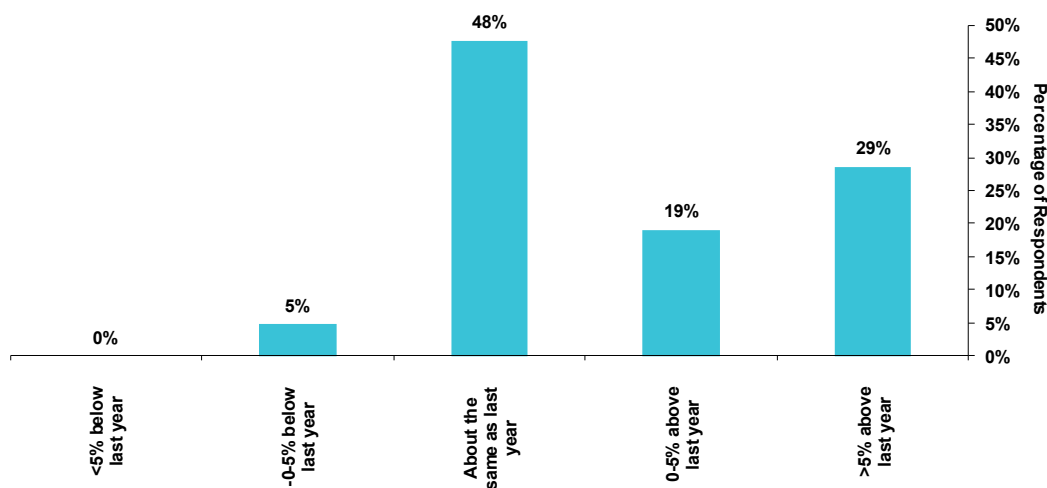


Source: Baird Research

NEW(ER) QUESTION: Healthcare Linen Operations

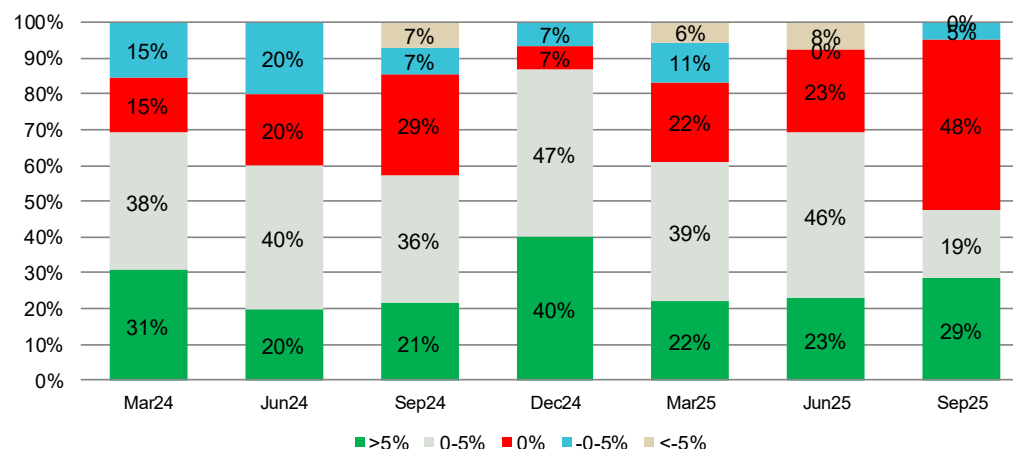
- FOR YOUR HEALTHCARE LINEN PROCESSING AND OTHER RENTAL SERVICES BUSINESS (if any):** Which of the following best describes your rental revenue growth rate trend during the past 90 days versus last year's levels?

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

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