



Business Services Research

December 15, 2025

Robert W. Baird & Co. 4Q 2025 Textile Rental Services Survey

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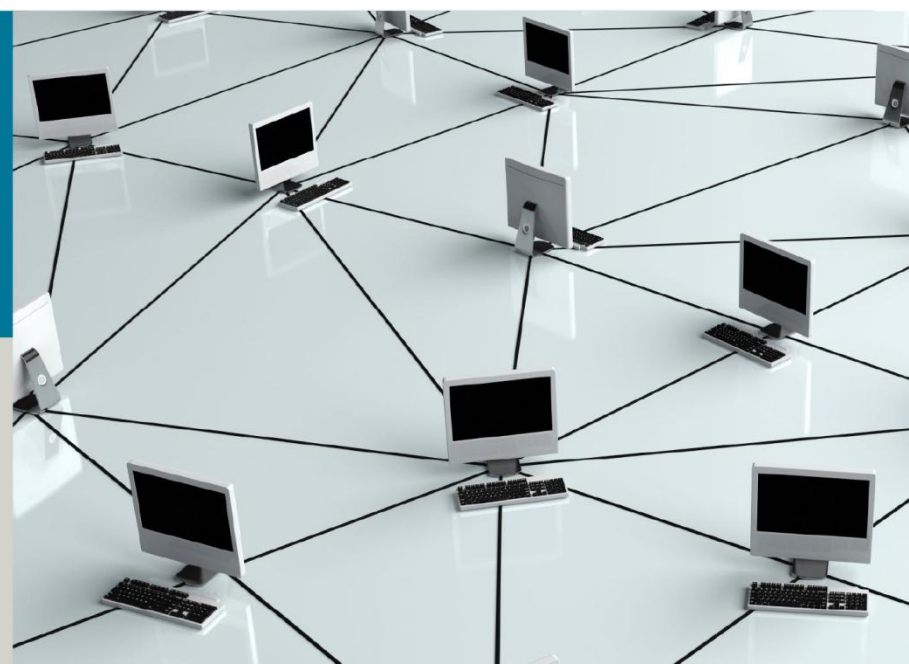
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Please refer to Appendix – Important Disclosures and
Analyst Certification on pages 20-23



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

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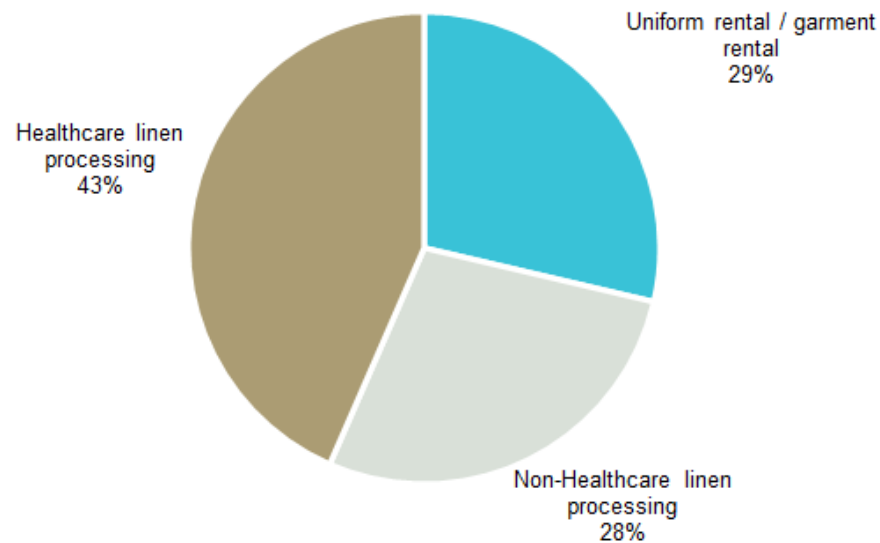
All responses are presented in aggregate form

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

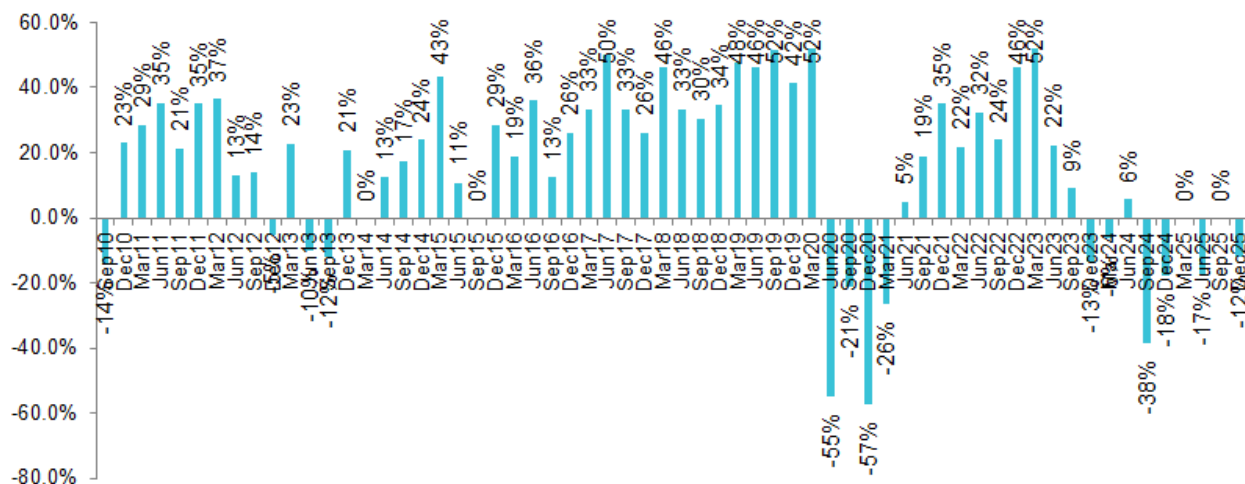
- Our 4Q25 uniform rental industry survey suggests industry conditions remain stable, perhaps a bit better than market expectations/perception. Add/stops (employment-driven "wearers") contracted slightly but remain mostly neutral. Revenues in 4Q25 also generally matched survey respondents expectations, on average, and new business interest remains positive. Pricing continues to be soft, however, and FTM growth expectations remain relatively muted versus prior years. Still, thematically, we see overall trends unchanged, perhaps better than feared.

4Q25 UNIFORM RENTAL SURVEY HIGHLIGHTS

- **Revenue trends stable and in line with expectations.** 12% of respondents reported revenues above expectations in 4Q25 versus 24% falling short. Overwhelmingly, 65% reported results in-line, suggesting overall stability in revenue trends QOQ. Arguably better than some fears.
- **Add/Stops mostly stable, slight contraction.** Employment-driven expansion at existing accounts (i.e., Add/Stop Diffusion Index) turned modestly negative (47.1), after two quarters of positive trends. We would describe this as mostly unchanged, however.
- **New business interest still positive, unchanged QOQ.** Our no-programmer diffusion index (a measure of the amount of new business available in the marketplace) held positive (52.9), essentially unchanged from 53.1 last quarter negative trends previously. In general, this index has been vacillating between positive/negative over the past 2.0-2.5 years, again, showing stability.
- **Pricing still soft/weak.** The average base price increase was reported at just +1.4% in 4Q25, its lowest level since COVID (+1.1% in 1Q21) though mostly unchanged from +1.5% last quarter. Pricing for new contracts (as opposed to existing annual increases) is always competitive with our diffusion index holding sharply negative at 38.2 (though a bit better from 3Q25 levels).
- **Revenue growth expectations stable, but lower than recent years.** Respondents expect +3.6% rental revenue growth over the next 12 months, essentially unchanged from +3.0-3.5% range of past several quarters. This is below ~5-6% outlook a few years ago and slightly below the long-term average growth rate of ~4.0%.

Uniform Rental: Revenue Trends Versus Expectations

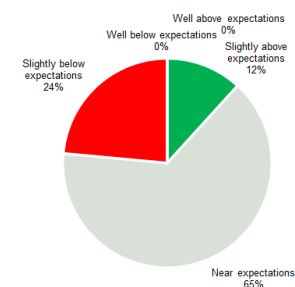
Relative Spread Between Respondents Exceeding Revenue Expectations Versus Falling Below Expectations



Source: Baird Research

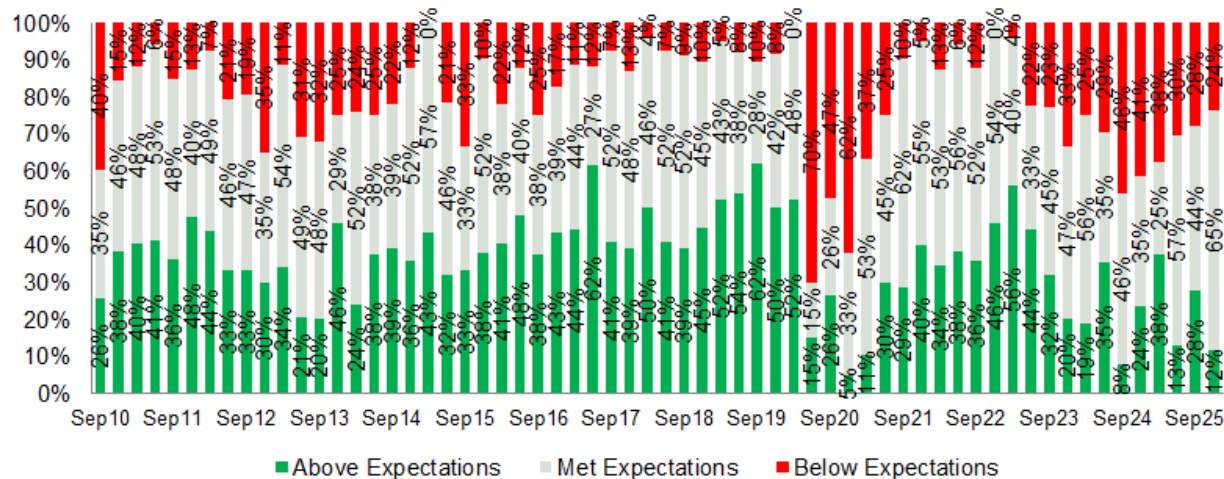
Rental Revenue Trends. 12% of respondents reported revenues above expectations in 4Q25 versus 24% falling short. Overwhelmingly, 65% reported results in-line, suggesting overall stability in revenue trends QOQ.

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



Source: Baird Research

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

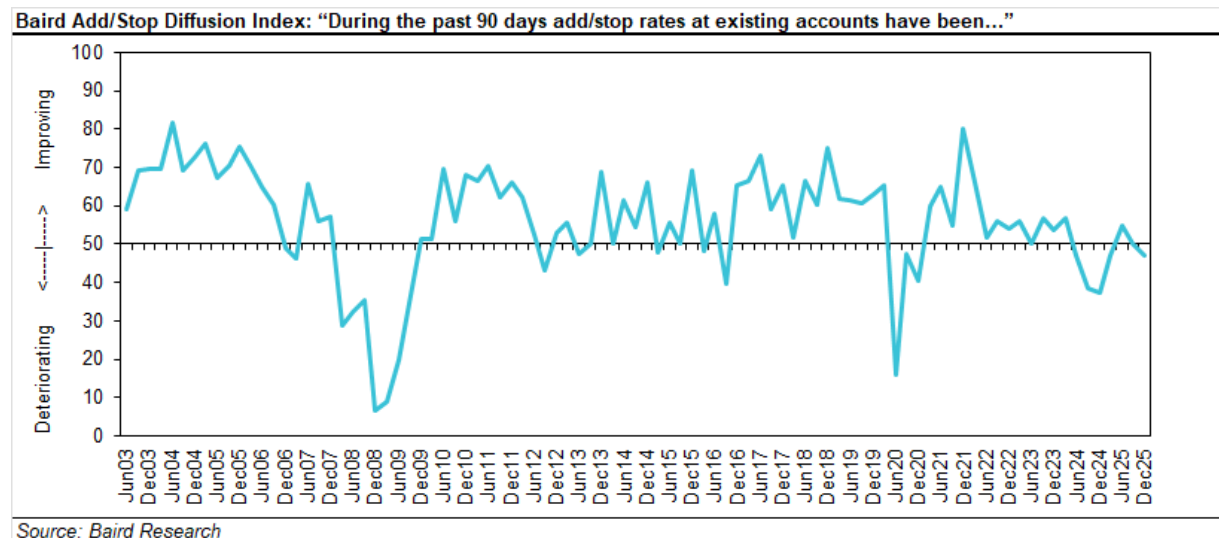


Source: Baird Research

Uniform Rental: Add/Stop Trends

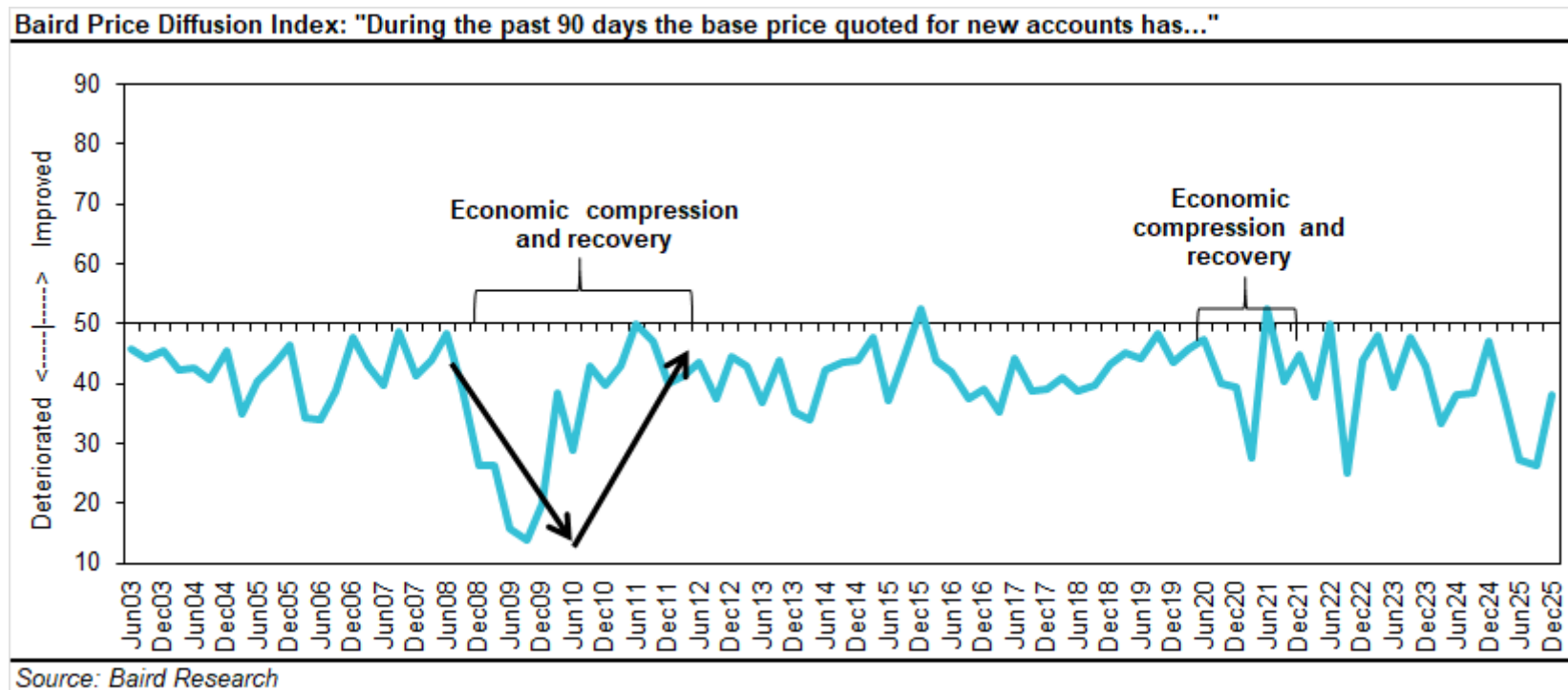
- **Add/Stops.** Employment-driven expansion at existing accounts (i.e., Add/Stop Diffusion Index) turned modestly negative (47.1), after two quarters of positive trends. We would describe this as mostly unchanged, however.

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)



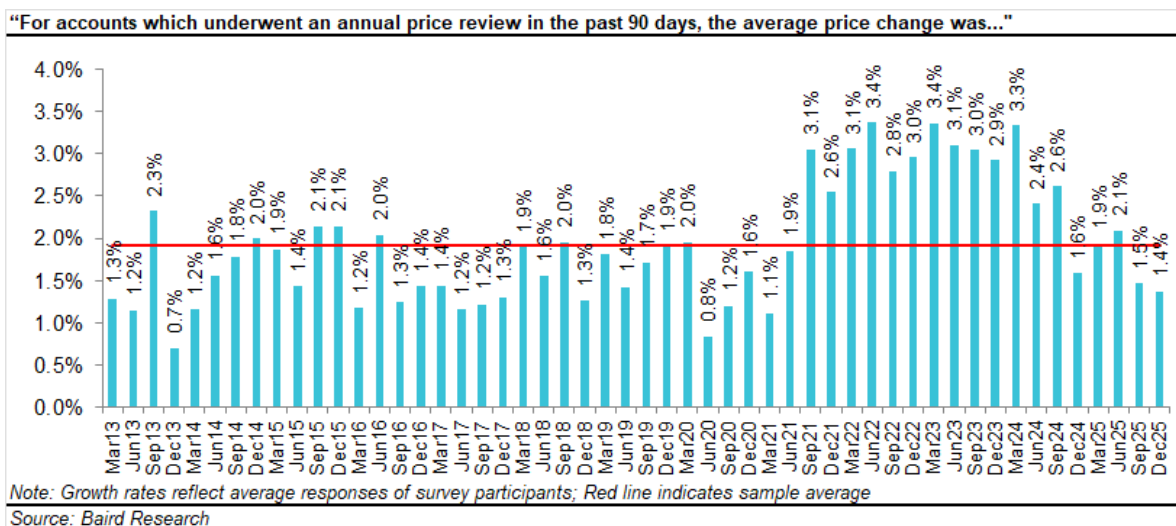
Uniform Rental: New Account Pricing Trends

- **New Account Pricing.** Pricing for new contracts (as opposed to existing annual increases) is always competitive with our diffusion index holding sharply negative at 38.2 (though a bit better from 3Q25 levels).

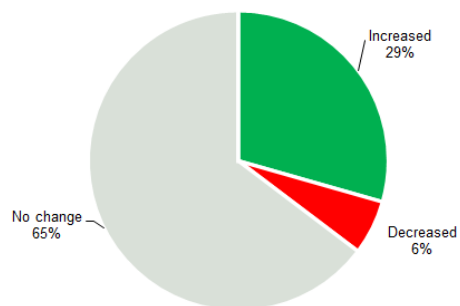


Uniform Rental: Existing Account Pricing Trends

- **Base (Existing) Account Pricing.** The average base price increase was reported at just +1.4% in 4Q25, its lowest level since COVID (+1.1% in 1Q21) though mostly unchanged from +1.5% last quarter.

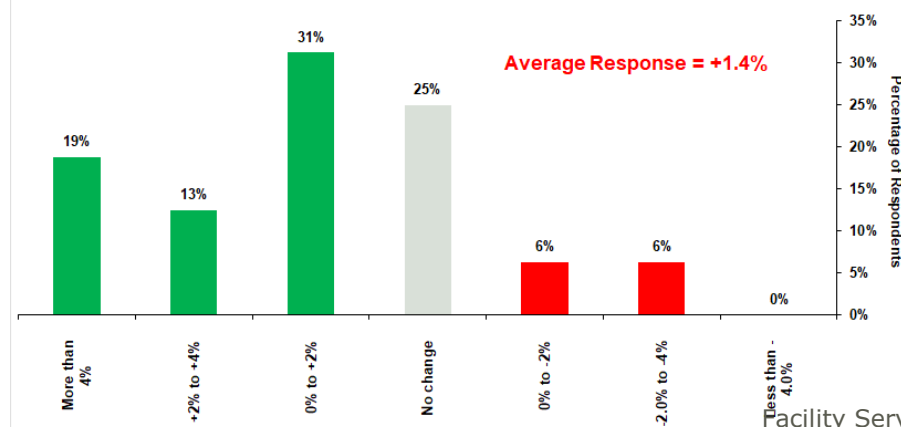


During the past 90 days, pricing on existing rental accounts has:



Source: Baird Research

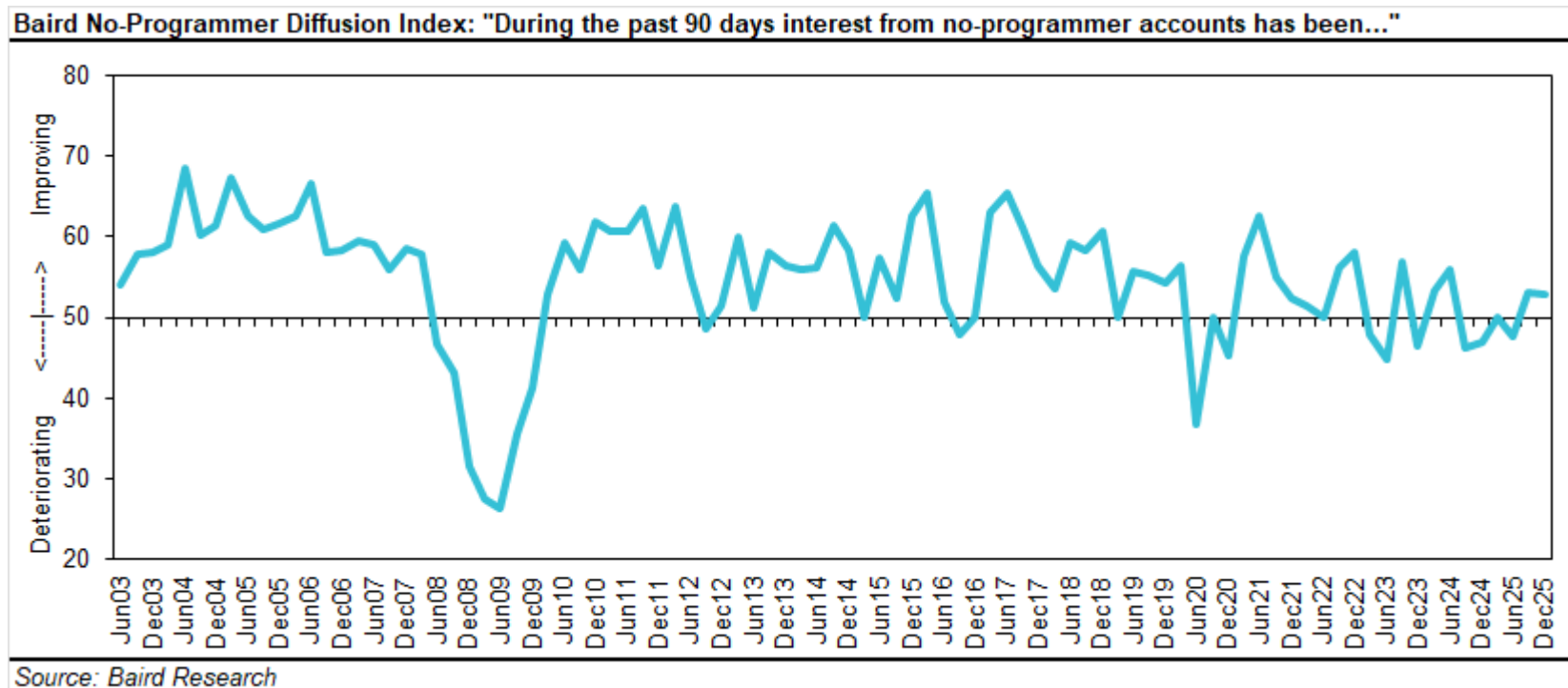
For existing accounts which underwent an annual price review this quarter, the average price change was:



Source: Baird Research

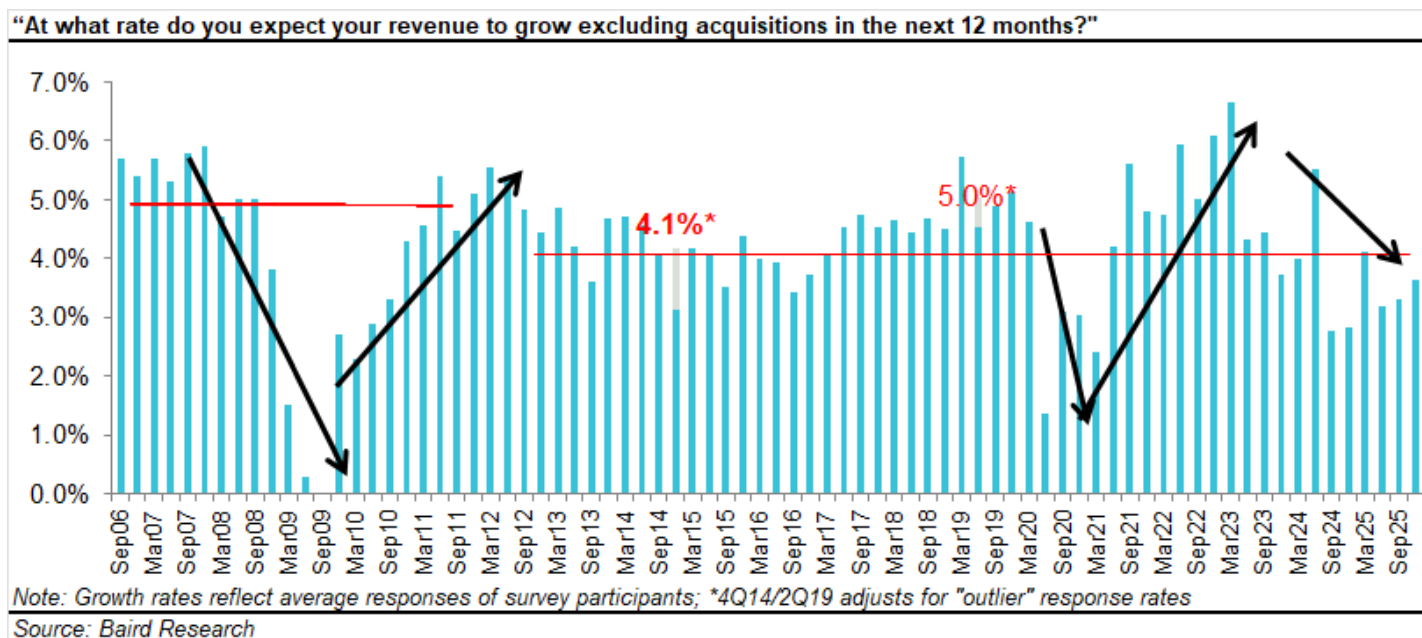
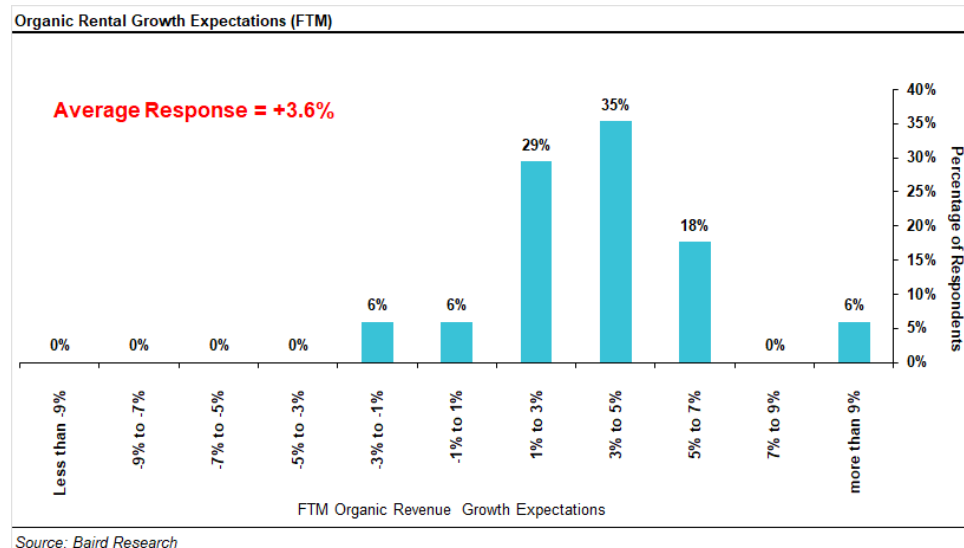
Uniform Rental: New Business (No-Programmers) Trends

- **No-Programmers.** Our no-programmer diffusion index (a measure of the amount of new business available in the marketplace) held positive (52.9), essentially unchanged from 53.1 last quarter negative trends previously. In general, this index has been vacillating between positive/negative over the past 2.0-2.5 years, again, showing stability.



Uniform Rental: 12-Month Growth Outlook

- **Growth Outlook.** Respondents expect +3.6% rental revenue growth over the next 12 months, essentially unchanged from +3.0-3.5% range of past several quarters. This is below ~5-6% outlook a few years ago and slightly below the long-term average growth rate of ~4.0%.
- Growth rates are estimated based on ranges offered in our survey collection process.



LINEN RENTAL TRENDS

Executive Summary: Linen Rental

LINEN RENTAL SURVEY SUMMARY

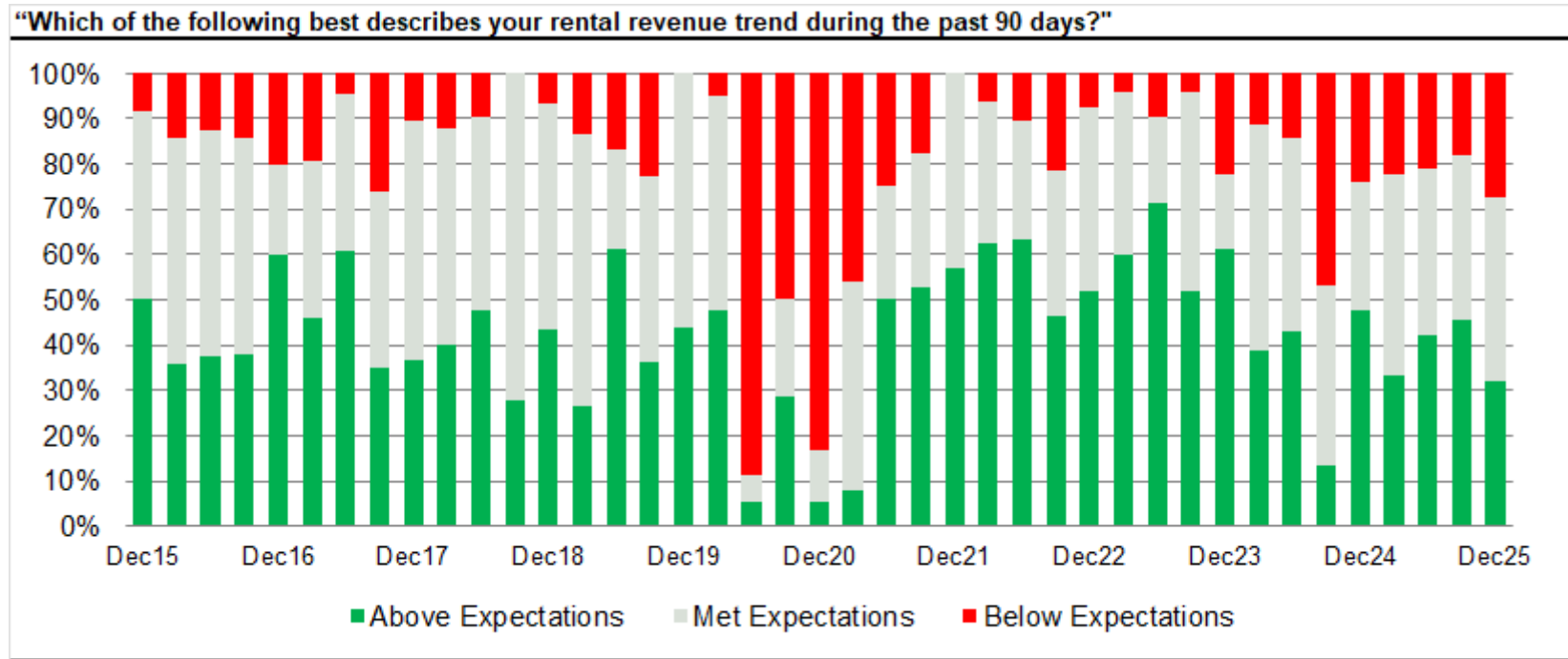
- **Linen rental trends are generally similar to uniform rental now.** Similar percentages of respondents cited 4Q25 revenue trends better/worse than expectations and our no-programmer index held positive for the fifth sequential quarter (though moderated QOQ). Pricing similarly weak and growth expectations similar to uniform rental at 3.8% (versus 3.6%).

4Q25 LINEN RENTAL SURVEY HIGHLIGHTS

- **Rental Revenue Trends.** 32% of respondents cited rental revenue trends above expectations in 4Q25 versus 27% below (41% in line). Thus, fairly balanced, as expected.
- **New Account Pricing.** 68% reported no change in new account pricing (which is good), but with 38% seeing more aggressive pricing bids and no respondents seeing easing. Our diffusion index remained negative at 34.1. Like uniforms, this metric has historically been negative.
- **Base Account Pricing.** The average price increase on existing accounts undergoing price review in 4Q25 was +1.8%, similar to last quarter and uniform rental. This is the smallest increase since March 2021.
- **No-Programmers.** No-programmer interest held positive in 4Q25 at 52.3, its fifth sequential positive reading but down from 56.8 last quarter.
- **Growth Outlook.** Forecasted 12-month revenue outlook a bit higher (at +3.8%, versus +3.2% last quarter). Growth expectations were steadily in the +5-6% range post-COVID recovery, showing steady moderation over the last 24 months. The growth outlook is similar to uniform rental (+3.6%).

Linen Rental: Revenue Trends Versus Expectations

- **Rental Revenue Trends.** 32% of respondents cited rental revenue trends above expectations in 4Q25 versus 27% below (41% in line). Thus, fairly balanced, as expected.

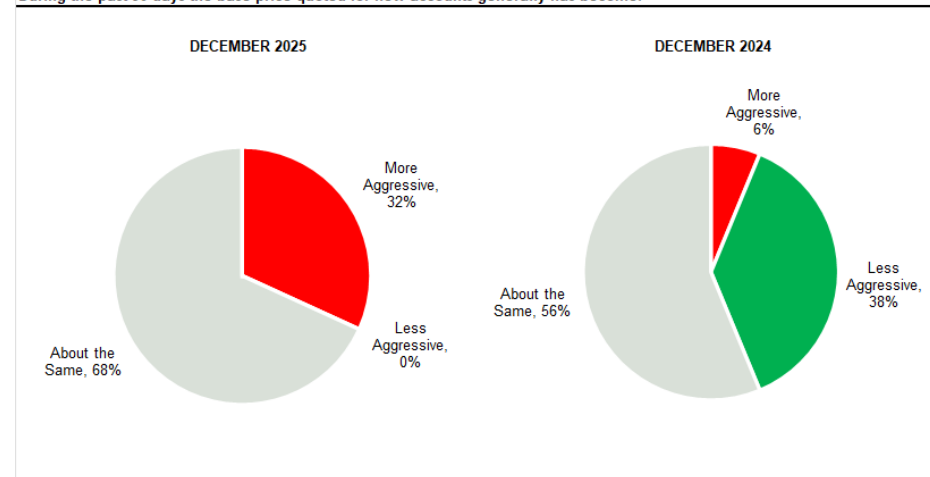


Source: Baird Research

Linen Rental: New Account Pricing Trends

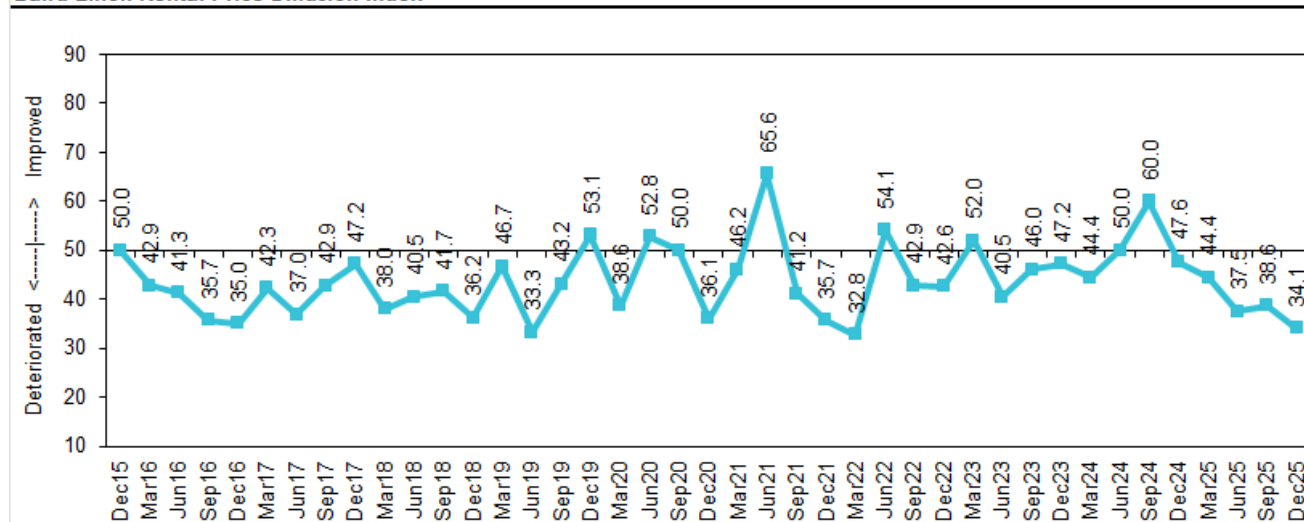
- New Account Pricing.** 68% reported no change in new account pricing (which is good), but with 38% seeing more aggressive pricing bids and no respondents seeing easing. Our diffusion index remained negative at 34.1. Like uniforms, this metric has historically been negative. See charts.

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



Source: Baird Research

Baird Linen Rental Price Diffusion Index

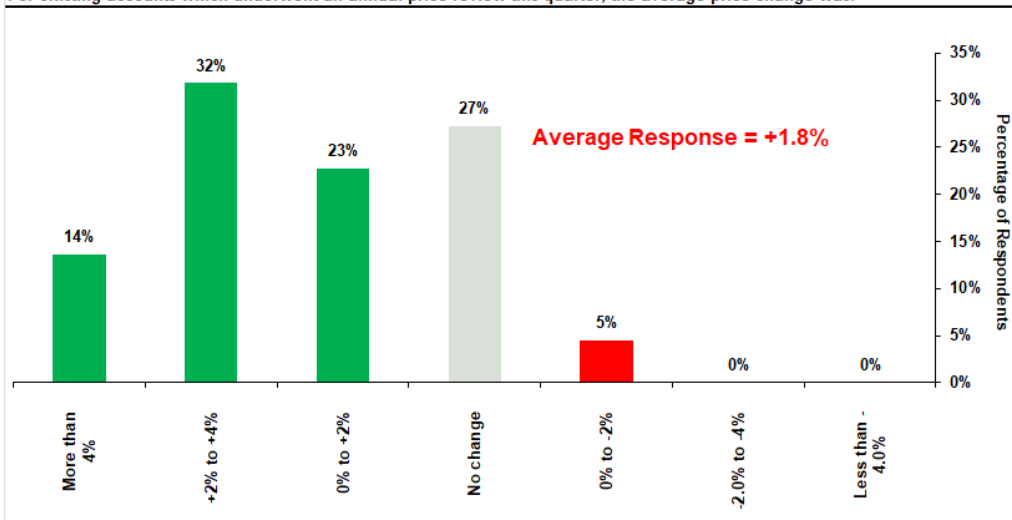


Source: Baird Research

Linen Rental: Existing Account Pricing Trends

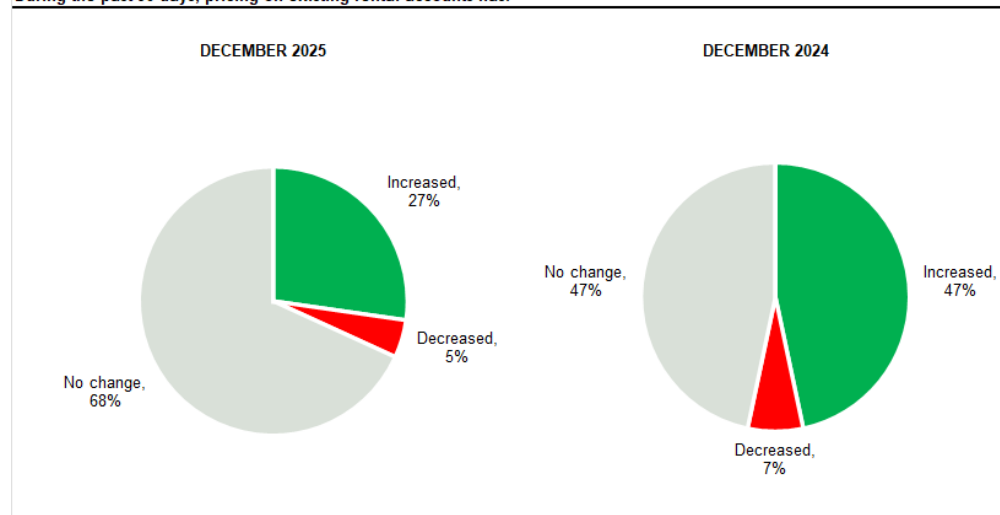
- **Base Account Pricing.** The average price increase on existing accounts undergoing price review in 4Q25 was +1.8%, similar to last quarter and uniform rental. This is the smallest increase since March 2021.

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



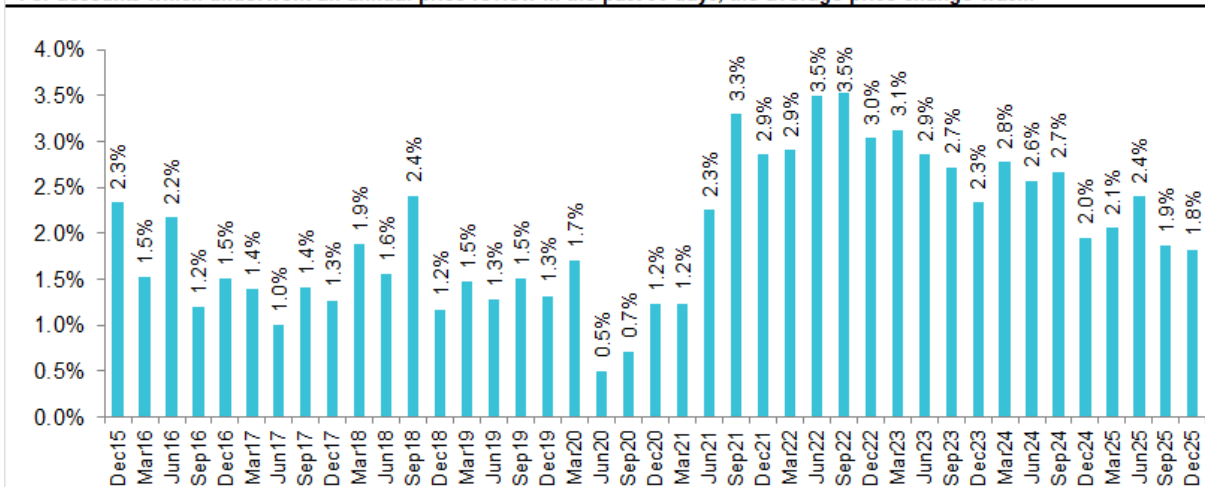
Source: Baird Research

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..."

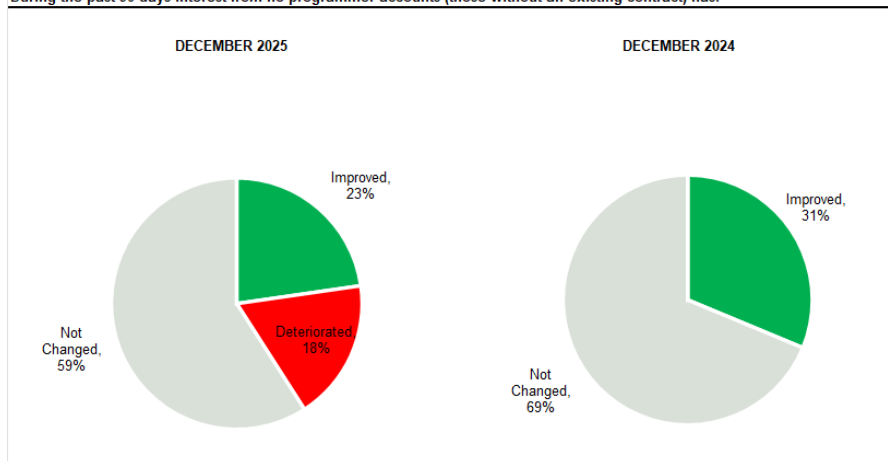


Source: Baird Research

Linen Rental: New Business (No-Programmers) Trends

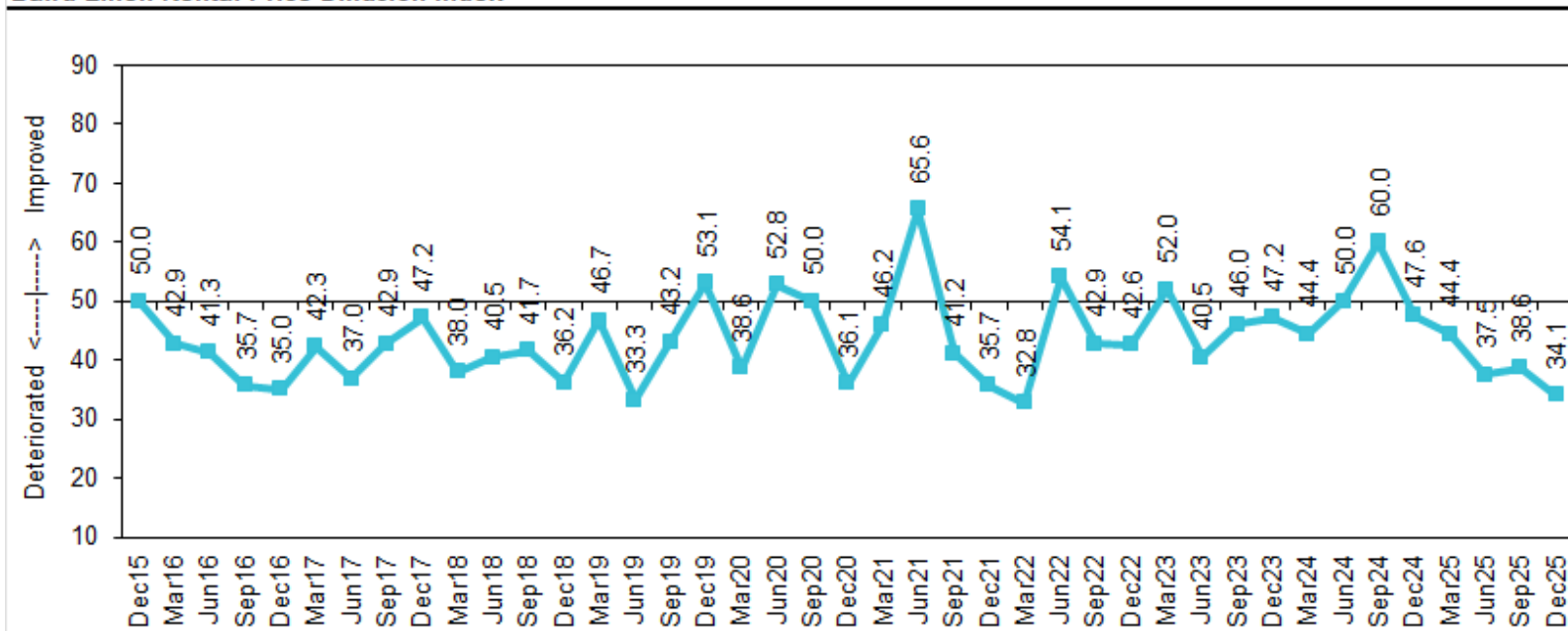
- **No-Programmers.** No-programmer interest held positive in 4Q25 at 52.3, its fifth sequential positive reading but down from 56.8 last quarter. See charts.

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



Source: Baird Research

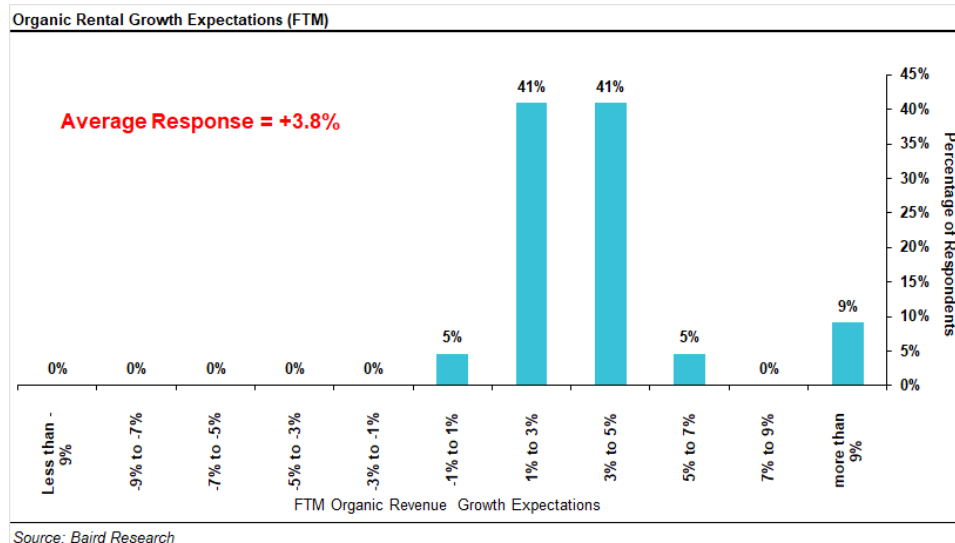
Baird Linen Rental Price Diffusion Index



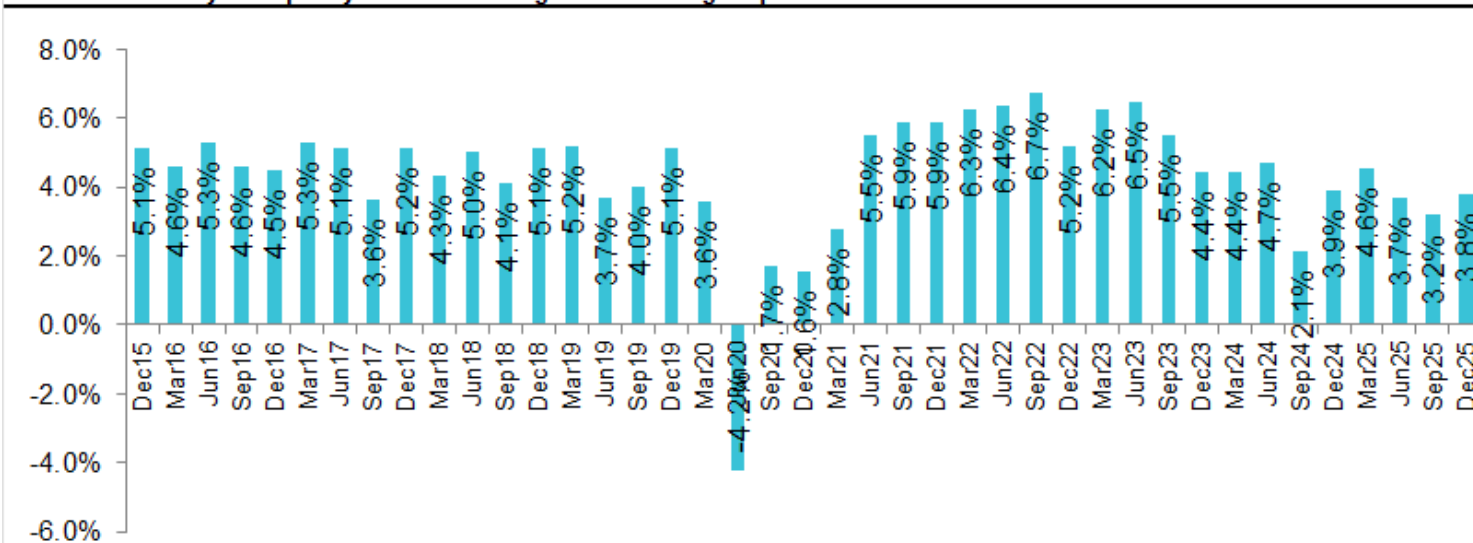
Source: Baird Research

Linen Rental: 12-Month Growth Outlook

- Growth Outlook.** Forecasted 12-month revenue outlook a bit higher (at +3.8%, versus +3.2% last quarter). Growth expectations were steadily in the +5-6% range post-COVID recovery, showing steady moderation over the last 24 months. The growth outlook is similar to uniform rental (+3.6%). See charts.

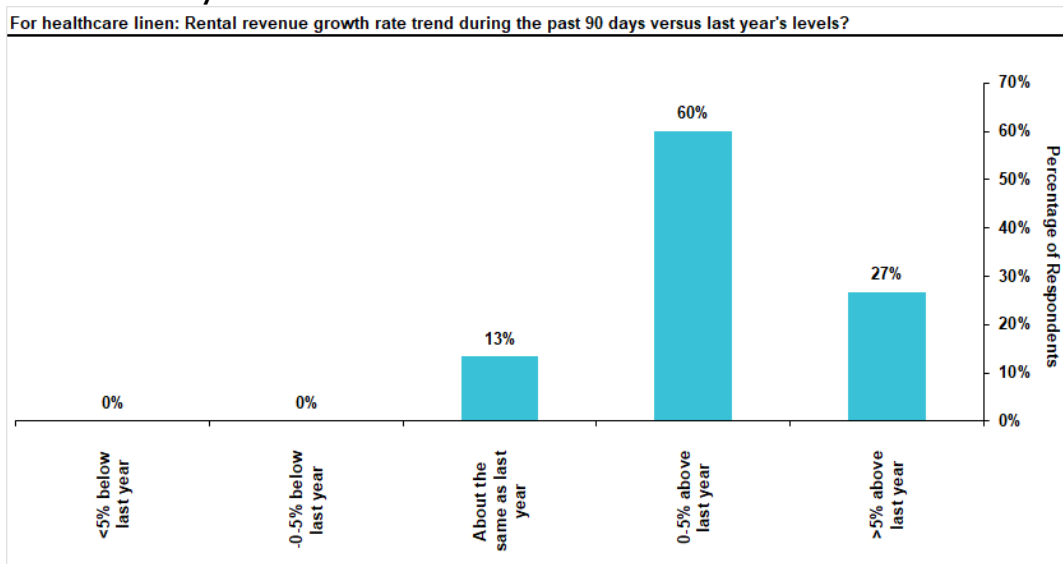


"At what rate do you expect your revenue to grow excluding acquisitions in the next 12 months?"

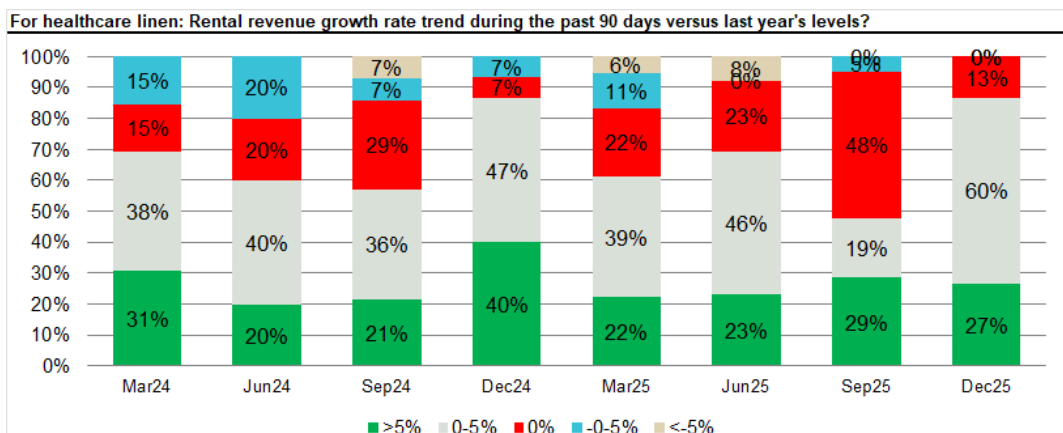


Healthcare Linen Operations

- **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?



Source: Baird Research



Source: Baird Research

Appendix – Important Disclosures and Analyst Certification

The logo for Baird, consisting of the word "BAIRD" in white, uppercase, sans-serif font, set against a blue parallelogram background.

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