



Business Services Research

September 21, 2026

Robert W. Baird & Co. 3Q 2026 Textile Rental Services Survey

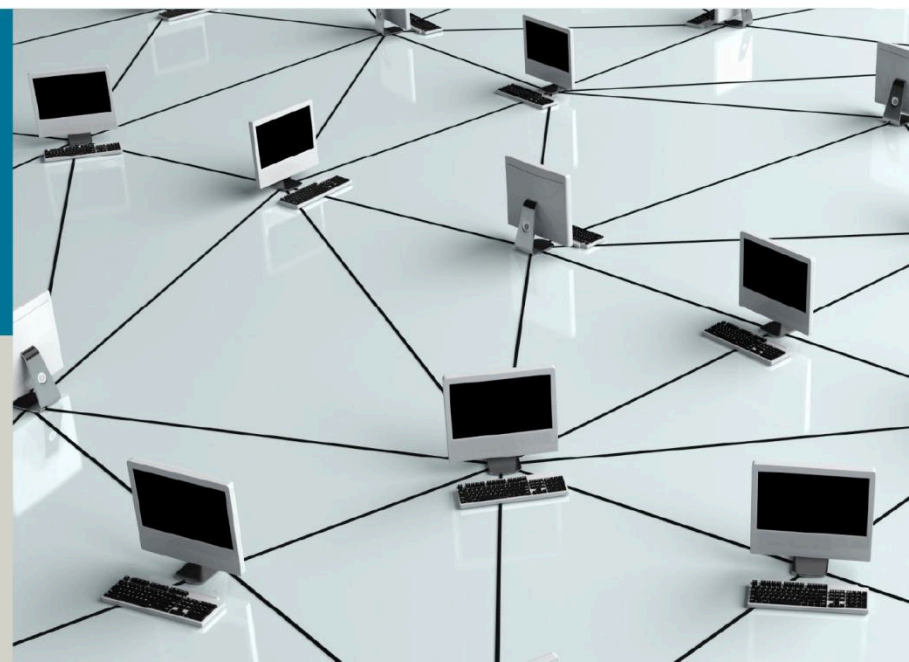
Andrew J. Wittmann, CFA

Senior Research Analyst
awittmann@rwbaird.com
414.298.1898

Justin P. Hauke

Senior Research Analyst
jhauke@rwbaird.com
314.445.6519

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

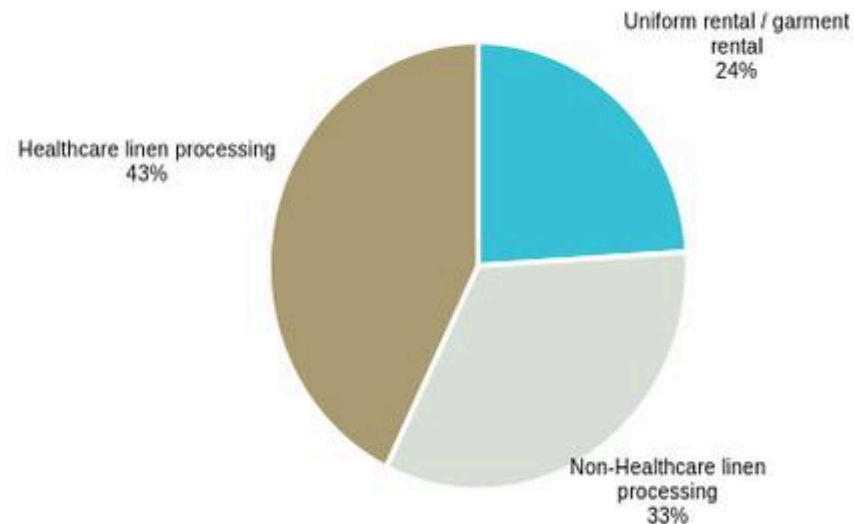
All responses are presented in aggregate form

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 (*23 responses*)

Survey Respondent Prolife: Revenue by Service Line (%)



Source: Baird Research

UNIFORM RENTAL TRENDS

Executive Summary: Uniform Rental

UNIFORM RENTAL SURVEY SUMMARY

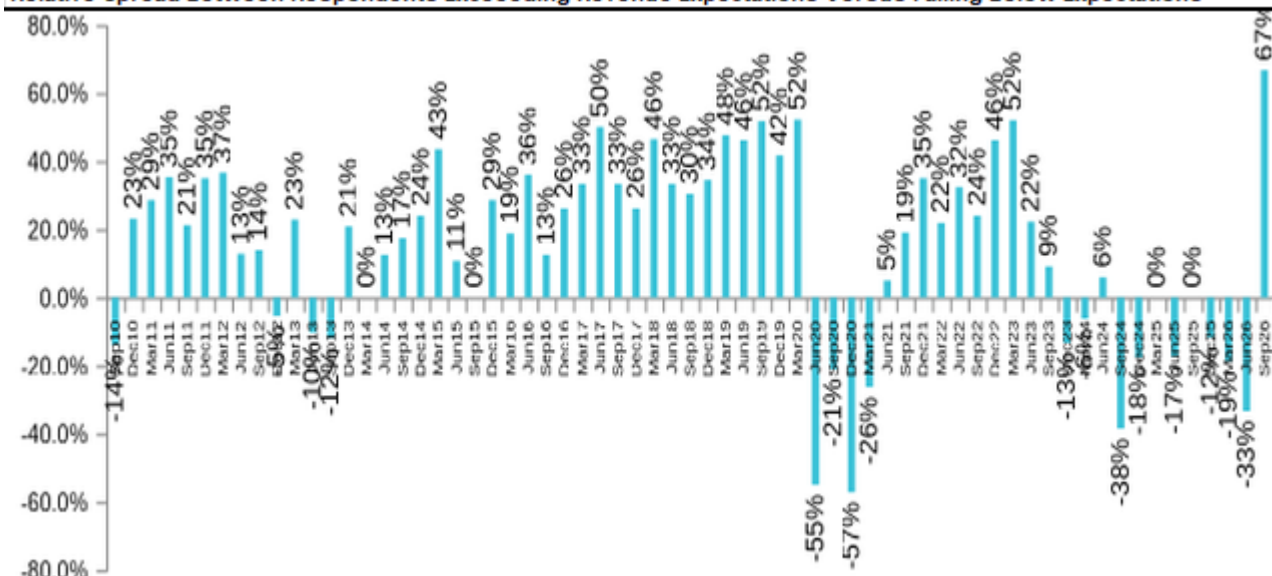
- Our 3Q26 uniform rental industry survey inflected positively, with broad-based improvement across nearly every metric we track. Employment-driven "wearers" rebounded sharply to their strongest level since 1Q22 — the key item we had been watching — while new-business ("no-programmer") interest improved and new-account pricing turned net less competitive for the first time in five years. Two-thirds of respondents exceeded revenue expectations (none below) and the 12-month growth outlook jumped to ~5.8%.

3Q26 UNIFORM RENTAL SURVEY HIGHLIGHTS

- **Revenue trends inflected to the upside.** 67% of respondents reported revenues above expectations in 3Q26 (8% well above, 58% slightly above) versus 33% near expectations and none below, against 0%/67%/33% last quarter — the widest positive spread (+67) in years.
- **Add/Stops rebounded — the key positive.** Employment-driven expansion at existing accounts (i.e., Add/Stop Diffusion Index) bounced to 63 from 36, its strongest reading since 1Q22 (5 improving, 2 deteriorating, 4 unchanged). Net add/stop unit change improved to +52k from +15k.
- **New business improved.** Our no-programmer diffusion index (a measure of new business available in the marketplace) rose to 64 from a neutral 50, its best reading since 2017, suggesting the new-account funnel is solid alongside better same-store trends.
- **Industry pricing least competitive on record.** New-account pricing diffusion improved to 55 from 46 — the first above-50 (net less aggressive) reading since 2Q21 and the highest in our dataset back to 2003, with only 1 of 11 respondents citing more-aggressive bids. Base price increases on existing-account renewals averaged +2.5% (from +3.1%).
- **Revenue growth expectations stepped up.** Respondents expect +5.8% rental revenue growth over the next 12 months, up nicely from +3.6% and above the long-term average of ~4.3% — the highest since 1Q23.

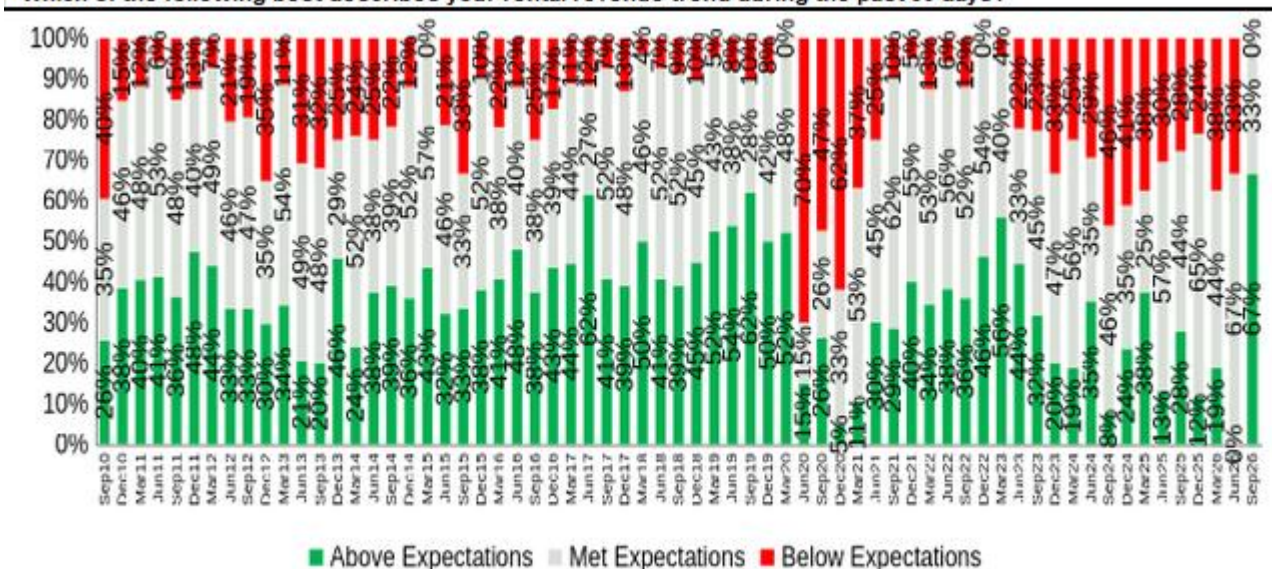
Uniform Rental: Revenue Trends Versus Expectations

Relative Spread Between Respondents Exceeding Revenue Expectations Versus Falling Below Expectations



Source: Baird Research

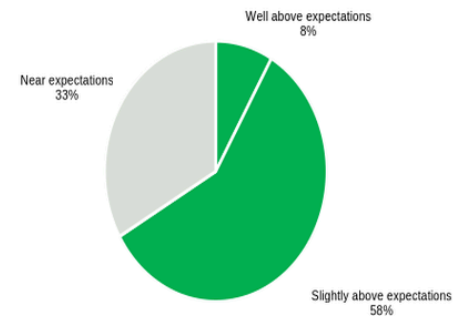
"Which of the following best describes your rental revenue trend during the past 90 days?"



Source: Baird Research

Rental Revenue Trends. 67% of respondents reported revenues above expectations in 3Q26 (8% well above, 58% slightly above) versus 33% near expectations and none below — a clear inflection from the last several quarters.

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

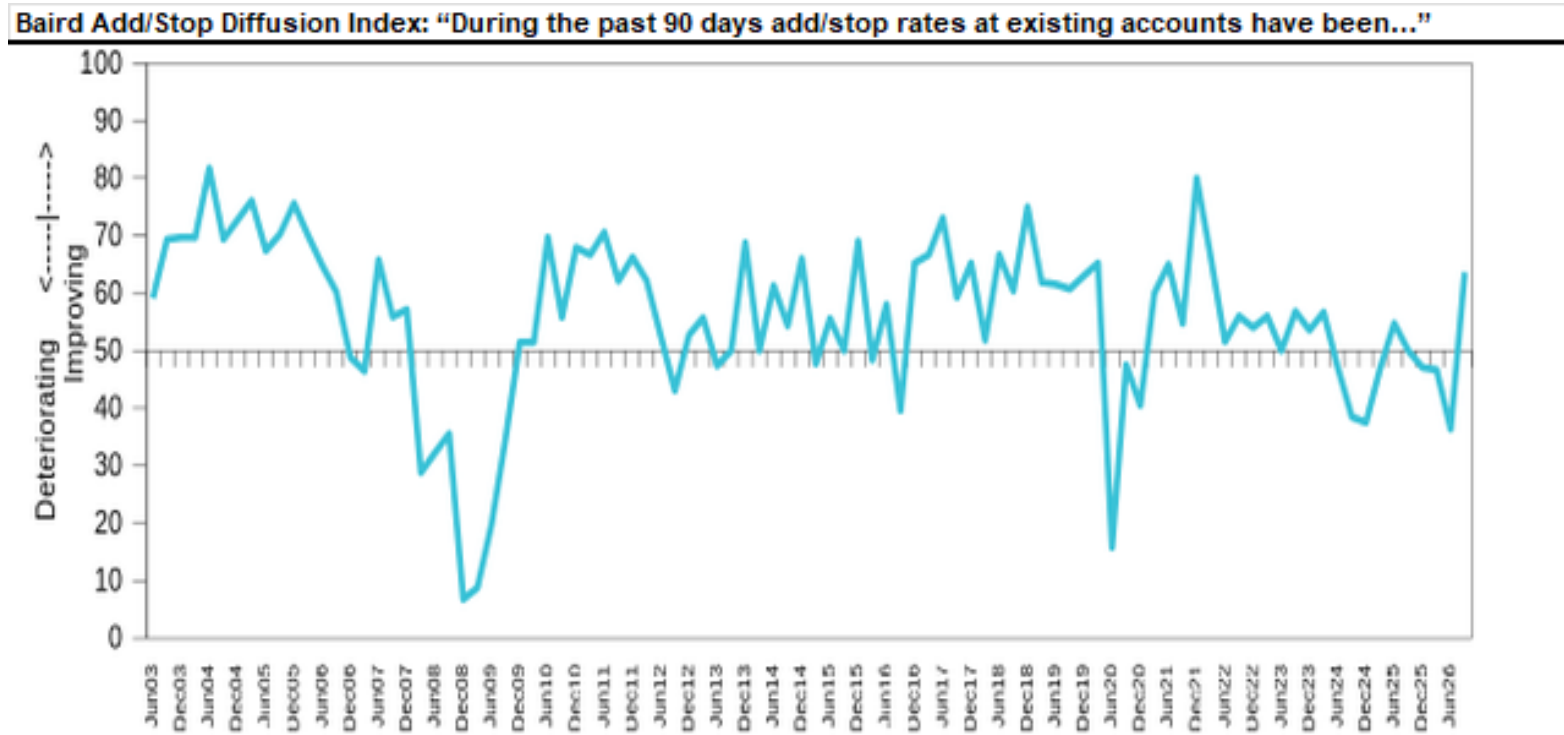


Source: Baird Research

Uniform Rental: Add/Stop Trends

- **Add/Stops.** Employment-driven expansion at existing accounts (i.e., Add/Stop Diffusion Index) surged to 63.6 (from 36.4), its strongest reading since 1Q22 and a reversal of the softening we flagged last quarter.

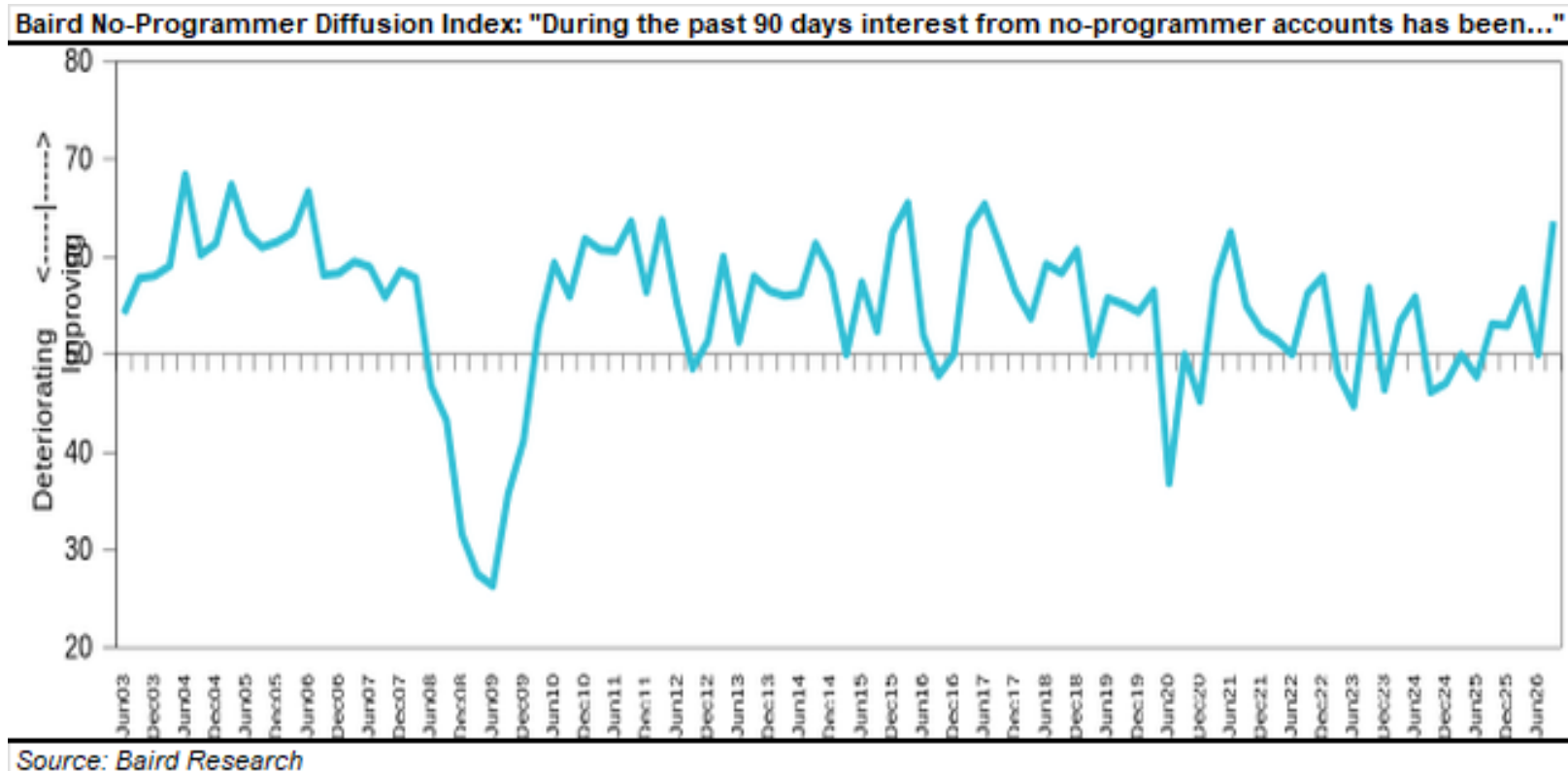
Note: A diffusion index represents a normalized index (to 50=neutral) that is based on the percentage of respondents citing improvement (100) versus deterioration (0), with 50 representing a "base" level (equal number of positive/negative responses)



Source: Baird Research

Uniform Rental: New Business (No-Programmers) Trends

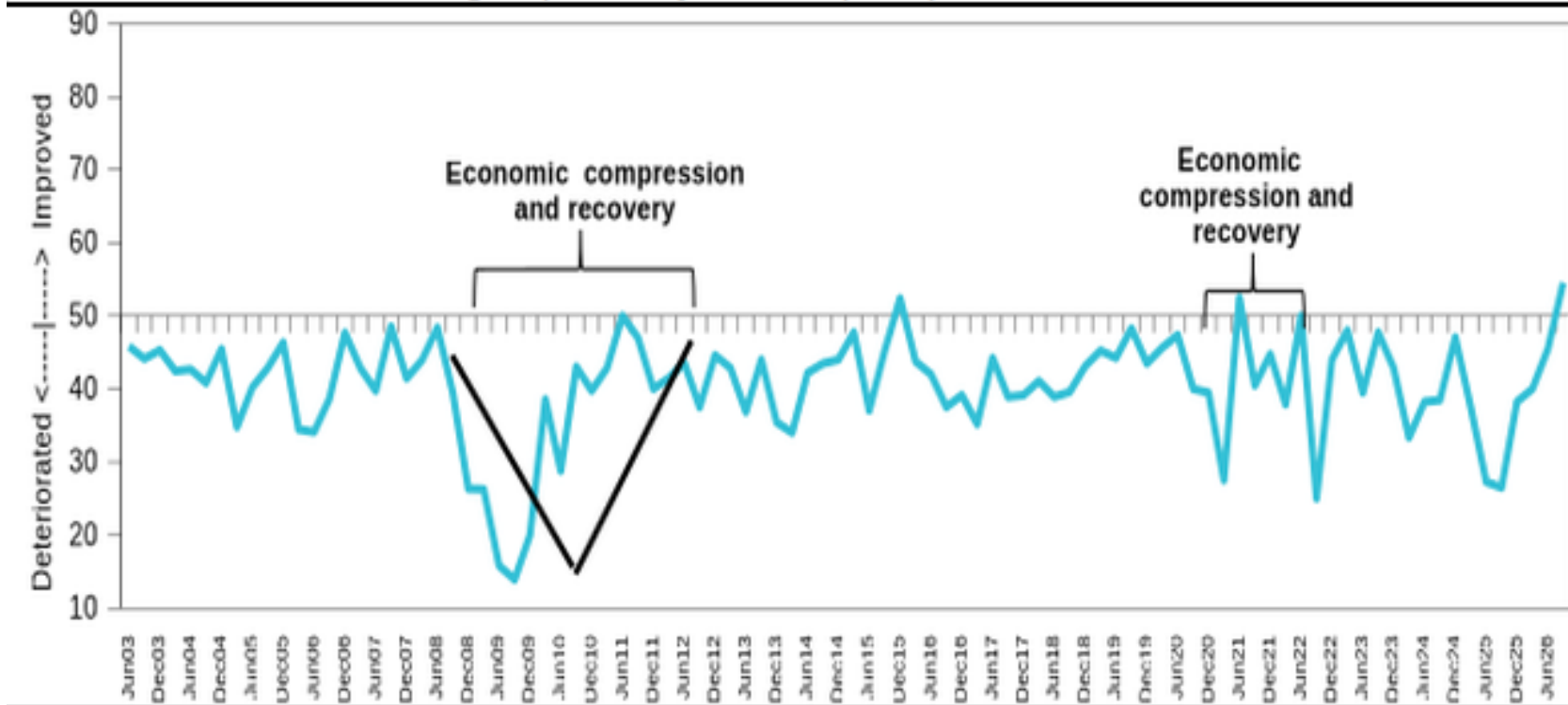
- **No-Programmers.** Our no-programmer diffusion index (a measure of the amount of new business available in the marketplace) improved to 64 (from a neutral 50), its best reading since 2017, as new-business interest picked up alongside better wearer trends.



Uniform Rental: New Account Pricing Trends

- **New Account Pricing.** Pricing for new contracts (as opposed to existing annual increases) is almost always competitive, but our diffusion index improved to 55 from 46 — the first net less-aggressive (above-50) reading since 2Q21 and the highest in the 20+ year history of our survey.

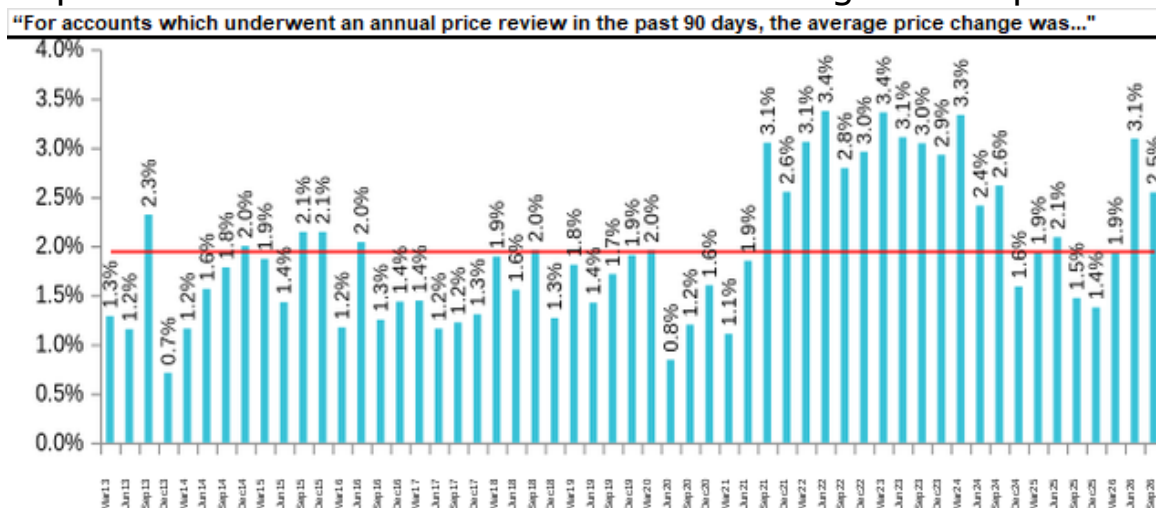
Baird Price Diffusion Index: "During the past 90 days the base price quoted for new accounts has..."



Source: Baird Research

Uniform Rental: Existing Account Pricing Trends

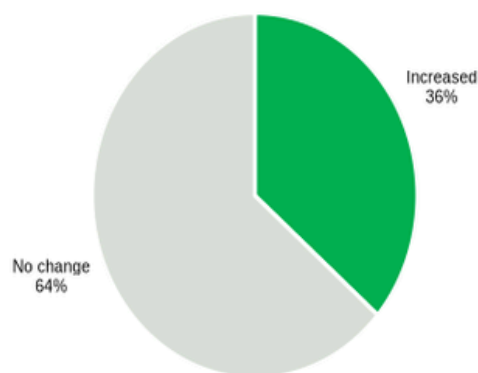
- **Base (Existing) Account Pricing.** The average base price increase was +2.5% in 3Q26, down from +3.1% last quarter but still above the ~1.5-2.0% range of the past two years.



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

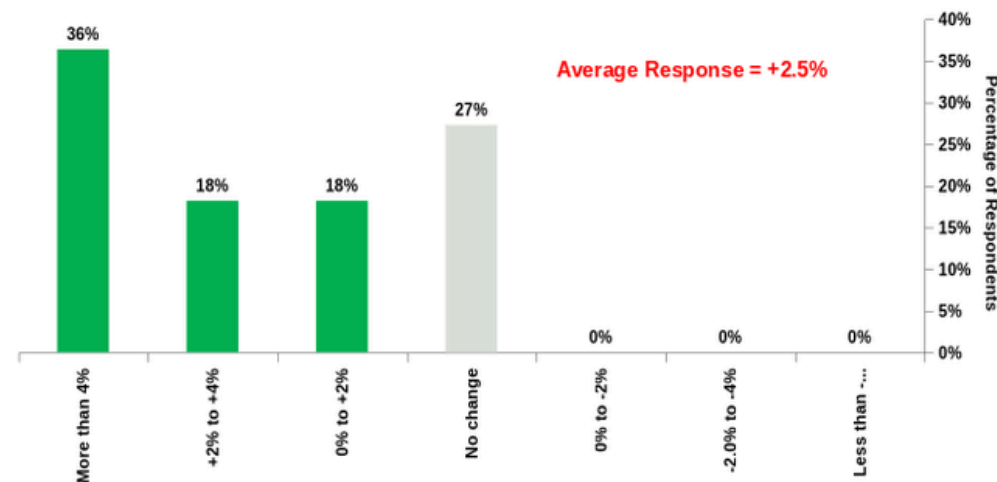
Source: Baird Research

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



Source: Baird Research

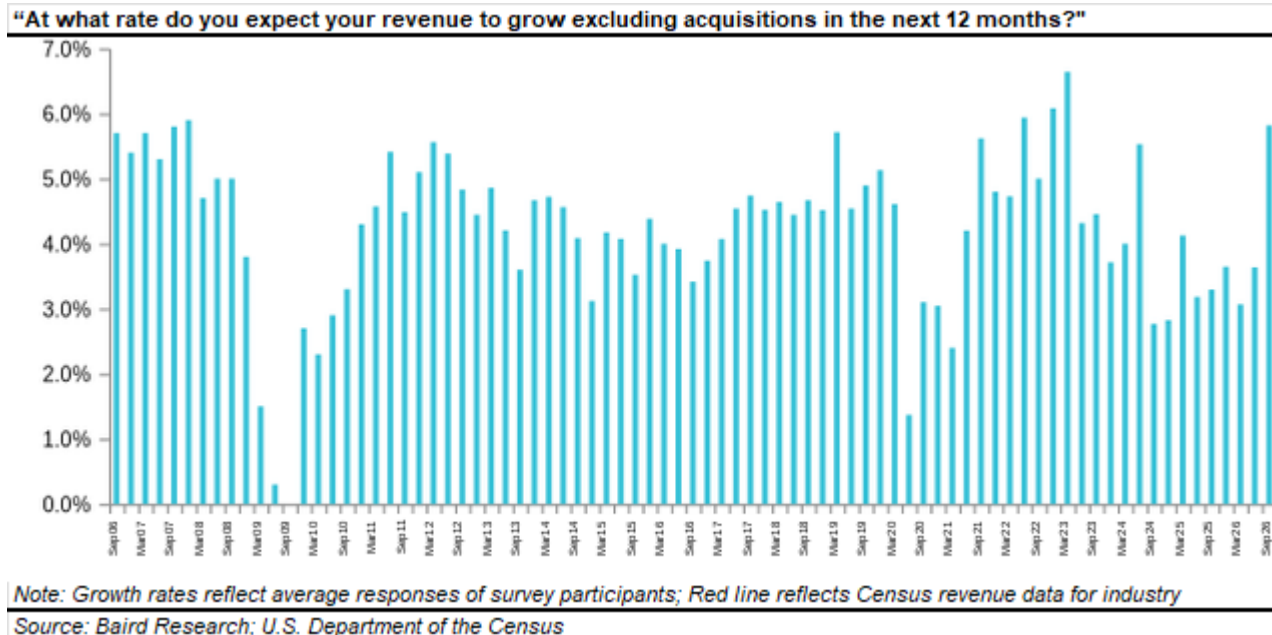
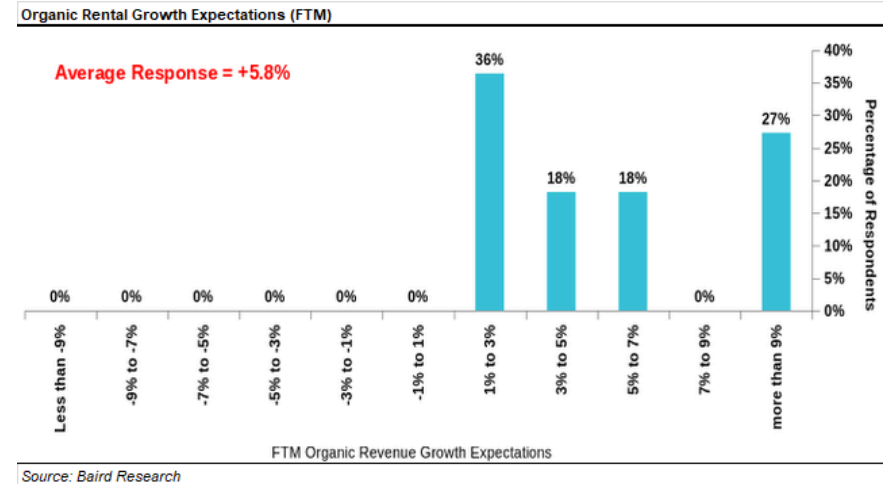
For existing accounts which underwent an annual price review this quarter, the average price change was:



Source: Baird Research

Uniform Rental: 12-Month Growth Outlook

- **Growth Outlook.** Respondents expect +5.8% rental revenue growth over the next 12 months, up sharply from the +3.0-3.6% range of recent quarters and the highest since 1Q23. This is above the long-term average growth rate of ~4.3%.
- Growth rates are estimated based on ranges offered in our survey collection process.



LINEN RENTAL TRENDS

Executive Summary: Linen Rental

LINEN RENTAL SURVEY SUMMARY

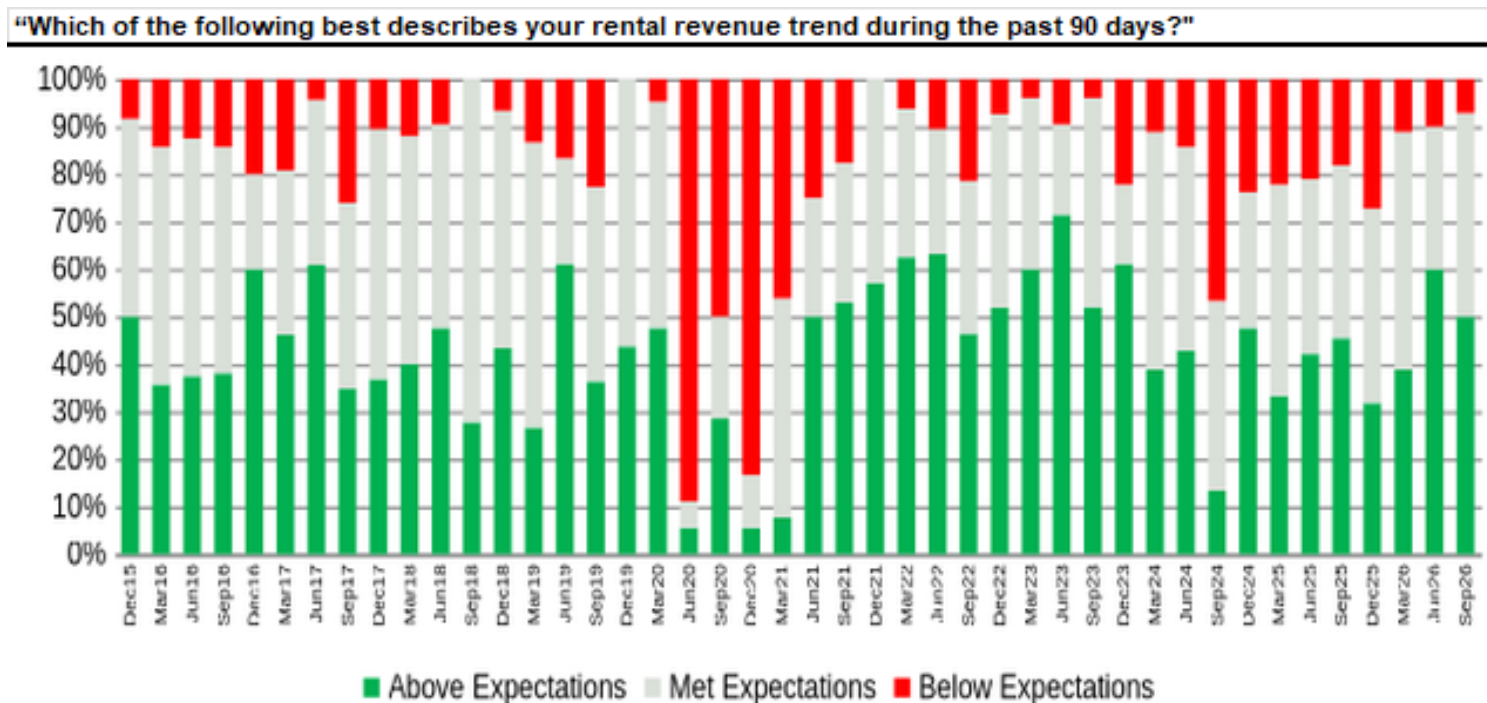
- **Linen rental trends improved again and remain solid.** Nearly all respondents cited 3Q26 revenue at/above expectations (93%, with 50% above) and our no-programmer index stayed positive for an eighth straight quarter. New-account pricing eased back to a neutral 50.0 after a positive 2Q26 but remains well above year-ago levels, base pricing firmed to +2.4%, and the forward 12-month growth outlook jumped to +4.7% (now below uniform).

3Q26 LINEN RENTAL SURVEY HIGHLIGHTS

- **Rental Revenue Trends.** 50% of respondents cited rental revenue above expectations in 3Q26 (14% well above) versus just 7% below and 43% in line. Thus, the quarter was broadly at/above expectations (93%), modestly better than last quarter.
- **New Account Pricing.** 43% reported no change in new account pricing, with 29% seeing more aggressive pricing bids and 29% seeing easing. Our diffusion index eased to a neutral 50.0 (from 55) but remains well above the year-ago reading of 39.
- **Base Account Pricing.** The average price increase on existing accounts undergoing price review in 3Q26 was ~+2.4%, up from ~+2.0% last quarter and roughly in line with uniform rental (+2.5%) this quarter.
- **No-Programmers.** No-programmer interest held positive in 3Q26 at 61, its eighth sequential positive reading, though modestly below the 65 rate reported last quarter.
- **Growth Outlook.** Forecasted 12-month revenue outlook improved sharply (to +4.7%, versus +2.8% last quarter and +5.8% for uniform rental), reversing the steady moderation of the past two years.

Linen Rental: Revenue Trends Versus Expectations

- **Rental Revenue Trends.** 50% of respondents cited rental revenue trends above expectations in 3Q26 versus just 7% below (43% in line). Thus, the quarter was broadly at/above expectations (93%).

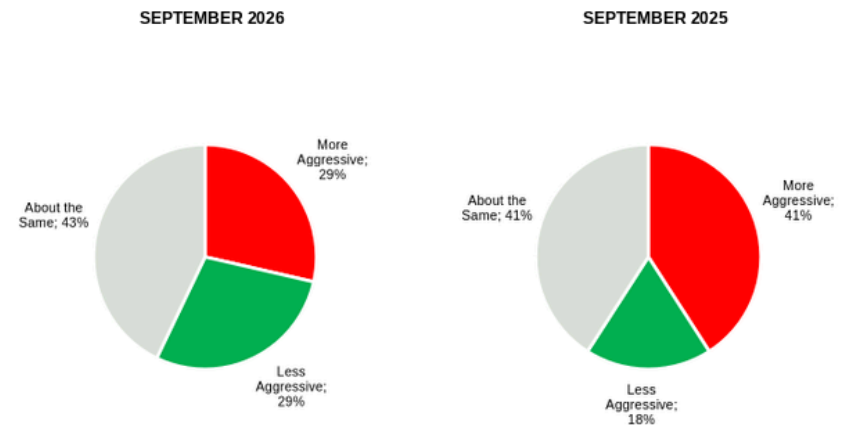


Source: Baird Research

Linen Rental: New Account Pricing Trends

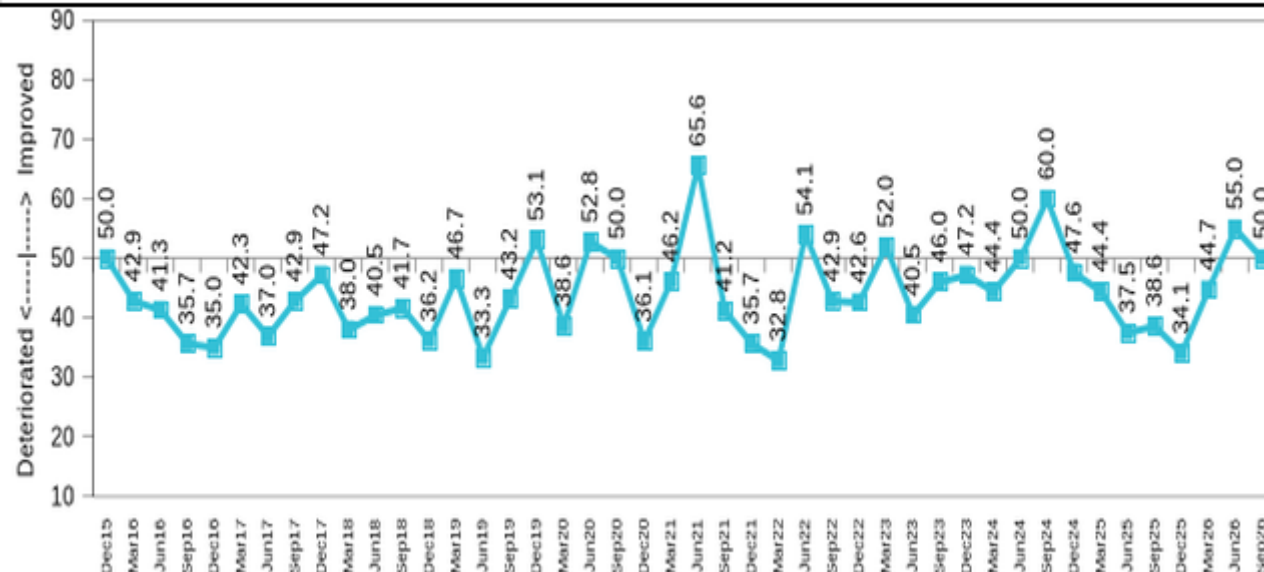
- New Account Pricing.** 43% reported no change in new account pricing, with 29% seeing more aggressive pricing bids and 29% of respondents seeing easing. Our diffusion index eased to a neutral 50.0 (from 55.0) but remains well above the year-ago reading of 38.6. Like uniforms, this metric has historically 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

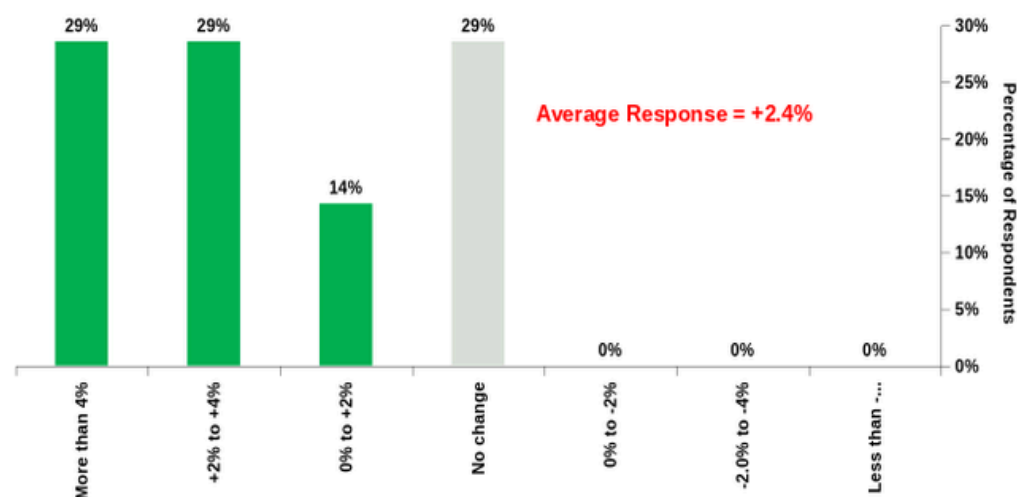


Source: Baird Research

Linen Rental: Existing Account Pricing Trends

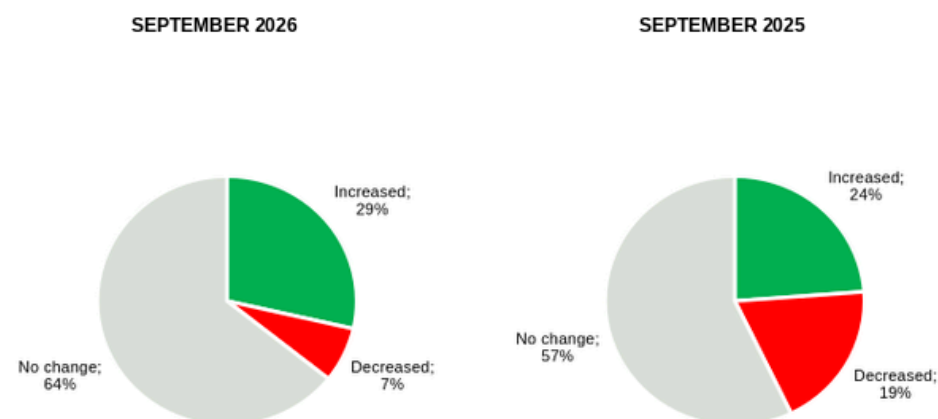
- **Base Account Pricing.** The average price increase on existing accounts undergoing price review in 3Q26 was $\sim +2.4\%$, up from $\sim +2.0\%$ last quarter and roughly in line with uniform rental ($+2.5\%$) this quarter.

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



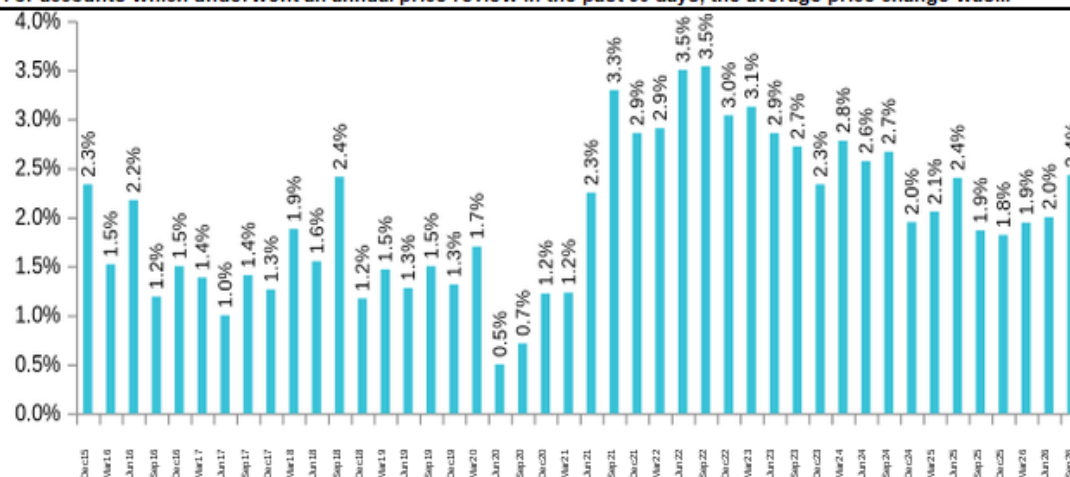
Source: Baird Research

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

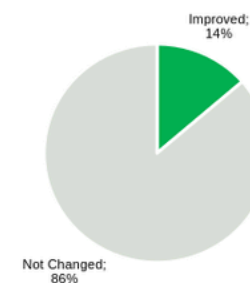
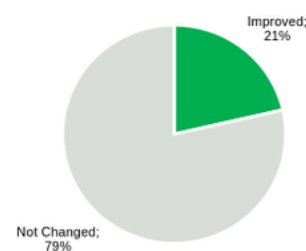
Linen Rental: New Business (No-Programmers) Trends

- **No-Programmers.** No-programmer interest held positive in 3Q26 at 60.7, its eighth sequential positive reading, though modestly below the 65.0 rate reported last quarter. See charts.

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

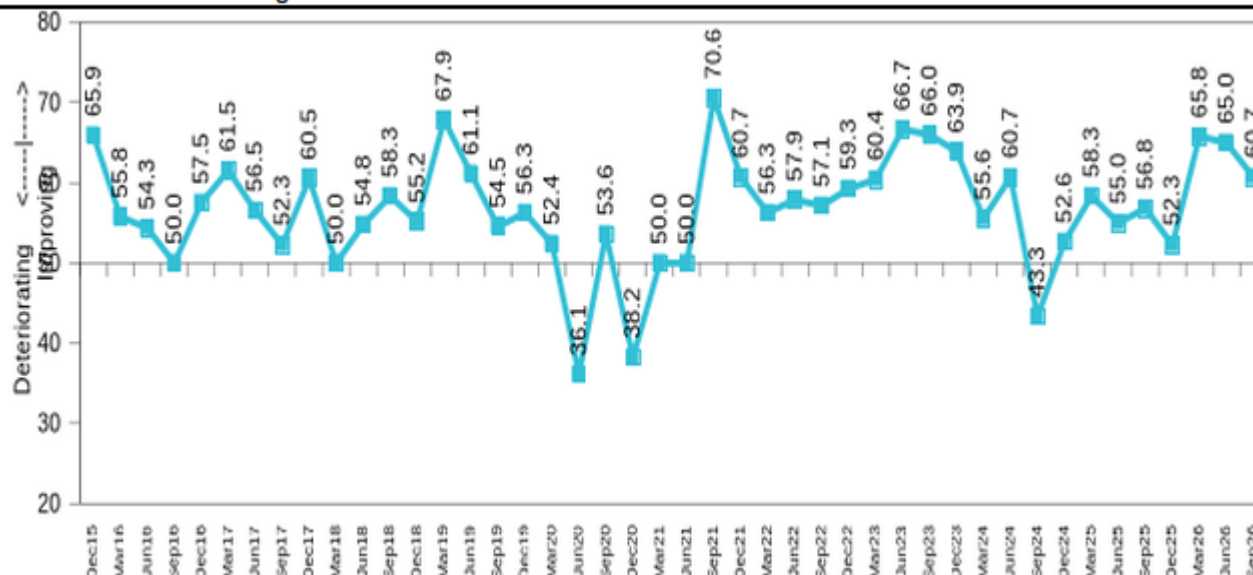
SEPTEMBER 2026

SEPTEMBER 2025



Source: Baird Research

Baird Linen Rental No-Programmer Diffusion Index

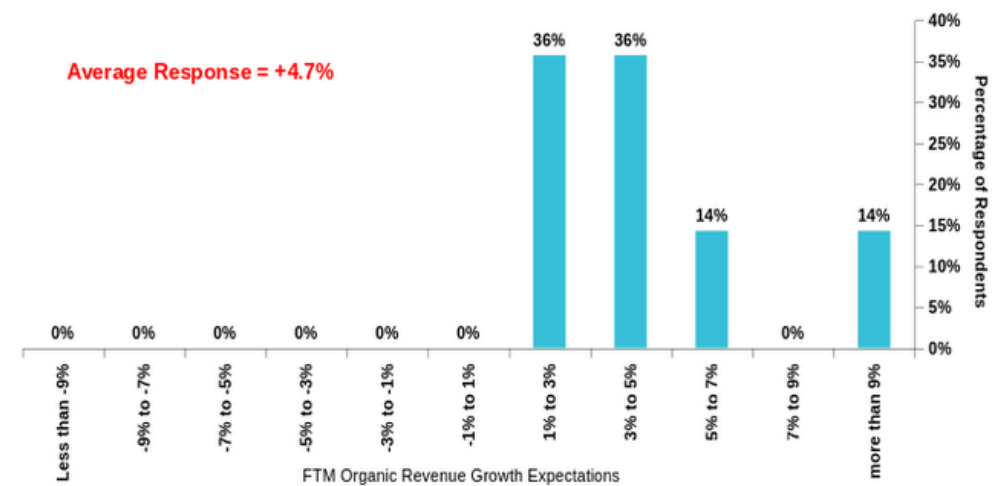


Source: Baird Research

Linen Rental: 12-Month Growth Outlook

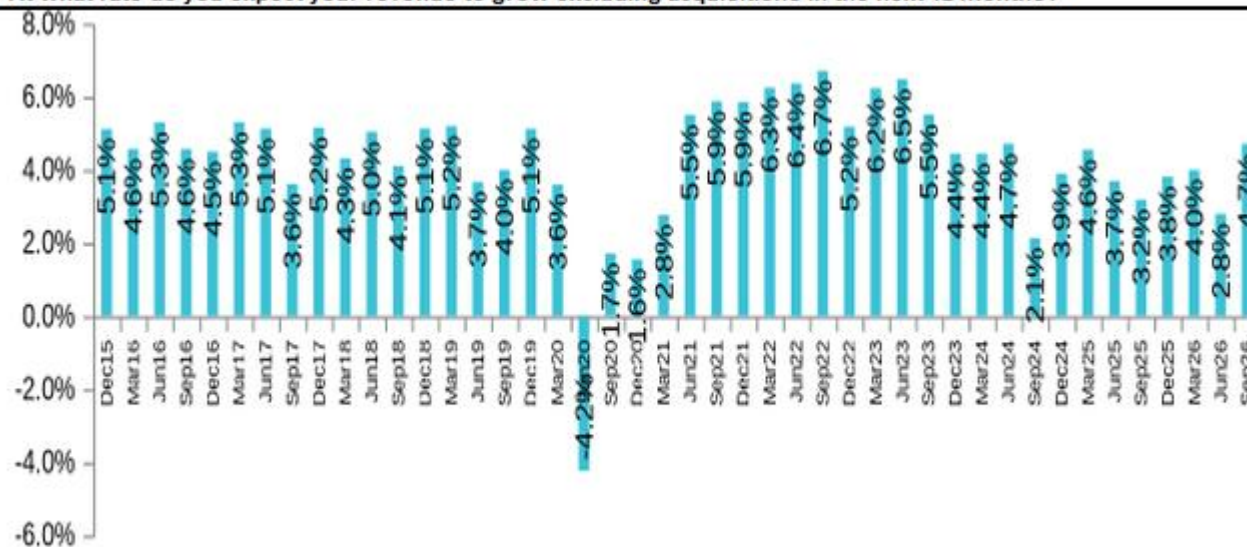
- Growth Outlook.** Forecasted 12-month revenue outlook improved sharply (to +4.7%, versus +2.8% last quarter and +5.8% for uniform rental), reversing two years of steady moderation. See charts.

Organic Rental Growth Expectations (FTM)



Source: Baird Research

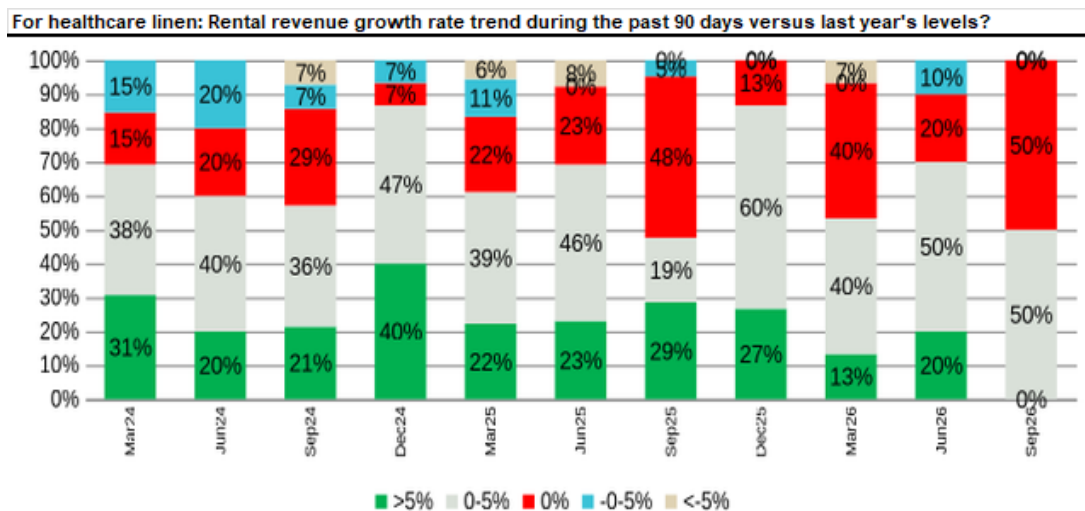
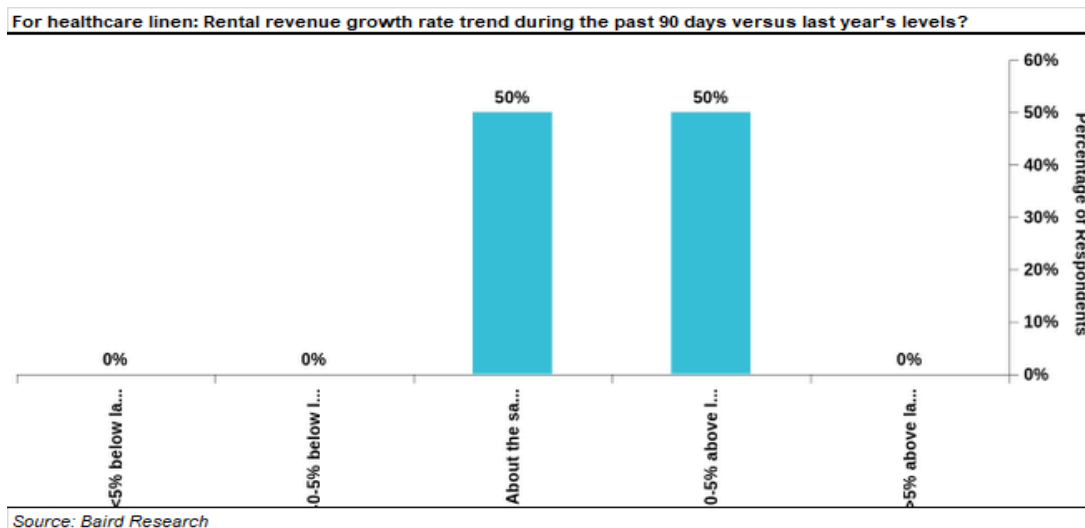
"At what rate do you expect your revenue to grow excluding acquisitions in the next 12 months?"



Source: Baird Research

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?



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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