



# **Textile & Uniform, Rental & Laundry**

## *Industry Overview and Key M&A Value Drivers*

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2025

### INDUSTRY OVERVIEW

- The industrial laundry & linen supply market, which includes uniform & textile laundering, is a large, matured market with nearly a 2.5% projected CAGR through 2030.
- Companies within the industry offer end-to-end services under multi-year contracts, making operators a key partner for healthcare, hospitality, and other industrial customers that need consistent textile supply without spending the necessary capital for in-house laundry operations.
- The industry's revenue is primarily fueled by uniform and linen rentals, with ancillary revenue streams in specialized laundering, mats, dust control products, and cleanroom apparel – this mix demonstrates the industry's role in supporting the daily operations for hospitals, factories, hotels, and restaurants.

### KEY INDUSTRY TRENDS



#### Resilient Demand from Consumer Spending & Travel

Even with rising interest rates over recent years, US consumer spending grew 2.8% in 2025, spurring growth in key industries such as restaurants, retailers, and hotels – industries with steady and growing demand for third party textile & uniform industry services. Furthermore, increased tourism is expected to be an industry driver going forward as international arrivals have increased significantly since 2022 and are expected to continue to grow in the coming years.



#### Healthcare Outsourcing & Infection-Control Tailwinds

Driven by over 6,000 hospitals and a growing outpatient footprint, healthcare has been a cornerstone end-market for the industry. Healthcare providers are increasingly outsourcing laundry and linen management to specialized vendors. Additionally, increased focus on infection control and antimicrobial treatments allow providers to charge premium prices for a higher standard of service. The healthcare industry also features an aging population which is expected to elevate industry demand for laundry services.



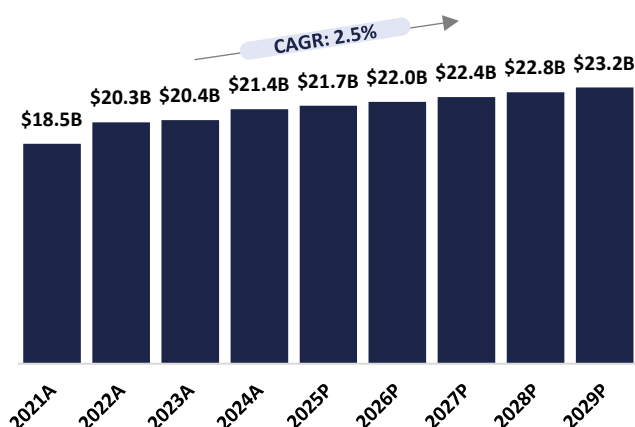
#### Technology Adoption & Automation

The industry is efficiency-driven, with technological innovation serving as the primary means by which operators continue to improve. Operators in the industry are implementing automation, AI-driven analytics, smart textiles, and RFID tracking to monitor inventory in real time. These tools, in conjunction with efficient textile/laundry equipment and automation platforms, are key difference-makers in the containment labor and utility costs.

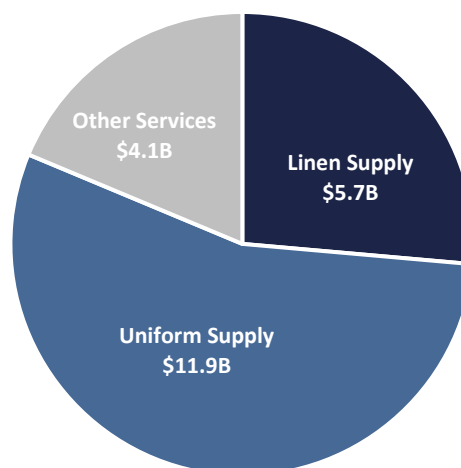
### INVESTMENTS AND INNOVATION IN TEXTILE & LAUNDRY

- Major industry players are utilizing automation and AI-driven solutions to boost throughput and reliability as well as operate at a lower unit cost.
- Companies are prioritizing environmental sustainability by investing in low-water equipment, heat-recovery systems, greener detergents, and more efficient delivery fleets to shrink utility usage and emissions.
- Some large platforms are moving to control more of the supply chain through owning more plants, distribution centers, and sourcing relationships instead of relying on third parties.
- Investment in workflow software allows operators to balance volumes across plants, more intelligently plan runs, and design routes to push more pounds through existing assets before needing new facilities.

### INDUSTRIAL LAUNDRY & LINEN MARKET SIZE (\$ BILLIONS)<sup>1</sup>



### LAUNDRY & LINEN BREAKDOWN BY SERVICE (\$ BILLIONS)<sup>1</sup>



### KEY FACTORS BUYERS EVALUATE THAT IMPACT BUSINESS VALUATION

	<div>Discounted Valuation</div> <div>Premium Valuation</div>		
Historical and Forecast Growth	< 5%	5% – 10%	10% +
EBITDA Margin	< 10%	10% – 20%	20% +
Revenue Mix	Heavy dependence on narrow set of product offerings and customers	Balanced product line and customers across multiple industries	Diversified product offerings and customers across lucrative industries
End Markets & Concentration	Customer base concentrated in a few cyclical industries or a handful of large accounts; exposure to sector downturn	Mix of commercial/industrial, food service, healthcare and hospitality that roughly resembles industry averages	Well-diversified portfolio across commercial/industrial, healthcare, pharmaceutical, food service, hospitality and “other”
Customer Contracts & Tenure	Short-term or at-will arrangements; limited use of escalation clauses; pricing dictated by customers	3–5-year contracts with some price-increase / fuel or energy escalators; moderate churn; mix of local and regional accounts.	Multi-year contracts with blue-chip diverse customers, built-in CPI/input escalators, high retention
Plant Efficiency & Automation	Older batch washers; frequent downtime with no automation	Legacy & upgraded equipment; semi-automated material handling	Highly automated plants; automated sorting
Product Quality	Generic garments with limited range	Reasonable quality programs with standard options	Sector-specific programs and strong lifecycle management
Scale & Network	Single plant/local platform with limited route density	Regional footprint with decent density in core markets	Multi-plant, strategically located network with high route density
Labor Model	High turnover across various roles, service inconsistency	Stable labor base with basic training and average productivity	Low turnover, strong training, tech-enabled workflows
Brand Strength & Market Reputation	Competes mainly on price with limited brand recognition	Solid regional reputation and reliable services	Trusted brand that supports premium pricing & retention

### KEY AREAS IN WHICH FINNEA GROUP CAN PROVIDE VALUE EARLY IN A TRANSACTION PLANNING PROCESS

#### OBJECTIVE VALUATION ANALYSIS

A clear view of current market value under various buyer lenses—strategic, private equity, and others.

#### POSITIONING STRATEGY

Collaborate on how to highlight the Company’s strengths and mitigate perceived weaknesses in a buyer’s eyes.

#### TIMING GUIDANCE

Insight into when the market conditions, company performance, and buyer appetite align for optimal timing.

#### TACTICAL VALUE ENHANCEMENT

Identification of operational, financial, or customer-related adjustments that can materially improve valuation.

#### PREPARATION ROADMAP

A prioritized list of changes or investments (e.g., operational efficiencies, customer concentration reduction) that could increase the enterprise value ahead of a process.

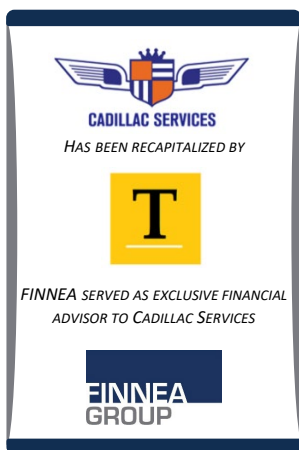


### FINNEA GROUP OVERVIEW

FINNEA is a premier, boutique investment banking and financial advisory firm that provides M&A and capital advisory services to middle-market companies across a broad range of industries. FINNEA's team has an extensive track record of successfully managing, negotiating, structuring, and closing transactions that achieve the objectives of clients. Built on strong principles, FINNEA is focused on serving privately-held, publicly-traded, and private equity-backed companies, providing clients with unique and customized solutions. FINNEA has a highly experienced team and a network of financial and industry executives to achieve and exceed clients' objectives.

For additional information, visit: [www.finneagroup.com](http://www.finneagroup.com)

### SELECT RECENT FIRM EXPERIENCE IN THE TRANSPORTATION INDUSTRY



FINNEA Group advised Cadillac Services, a leading provider of industrial laundry, uniform and linen rental, and cleanroom services on the island in its recapitalization by Thesis Capital Partners. Founded in 1966, in Bayamón, Puerto Rico, Cadillac Services caters to a variety of Fortune 500 customers and other large commercial and industrial customers throughout the broader industrial, healthcare, pharmaceutical hospitality and tourism, and food and beverage markets.

For more information, visit: [FINNEA Group's Press Release](#)

### LEADERSHIP ACTIVE IN THE INDUSTRY



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