BERNSTEIN
SOCIETE GENERALE GROUP

6 July 2026

US Business Services

US Business Services: Mid-year update and outlook for H2:26

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After a strong first half for Industrials broadly, traditional US Business Services stocks have lagged: our Waste coverage underperformed the S&P 500 by -8%, Cintas -13%, and Rollins the worst lagging -37%. Versus the Industrial sector underperformance is even worse. This is not a story of deteriorating fundamentals: EBITDA revisions are flat year-to-date for our Waste coverage and Cintas, albeit fundamentals for Rollins have come under concern. Rather, the market has rotated into higher-beta, pro-cyclical names—data center beneficiaries, PMI-sensitive industrials, etc.—leaving Waste and uniforms as relative laggards. There is some justification to this—for businesses with stable revisions they ought to underperform those with more positive ones.

We believe the Waste industry outlook has improved modestly since January. Fed 2026 CPI expectations have risen to 3.5% from 2.6%, and given that many contracts price on a 12-month average CPI with a 6-month lag, **FY2027 pricing estimates likely need to move higher. Recycled commodity prices are up year-to-date across OCC and plastics, D3 RIN prices are up 23% YoY, and with PMI above 50 for five consecutive months, industrial volumes offer near-term upside** compared to when PMI was 47.9 at the start of the year. The clearest risk is Residential, where volumes have stayed negative longer than management teams anticipated—Republic Services's CEO described industry competition as, "people willing to work for very, very low returns" on the last earnings call—though our base case is gradual improvement through H2:26. **It is probable the Waste industry increases FY2026 guidance during Q2 results.** Within Waste RSG and WM have performed the same year-to-date, with WCN lagging them by 7%, relating to concerns about the Chiquita Canyon landfill.

Industrial distributors have broadly outperformed the S&P 500, though dispersion is wide: Grainger is up +33%, Fastenal up +21%, and Ferguson up +3%. Grainger's outperformance reflects a catch-up from 2025 underperformance and stronger execution—and a beat and raised last quarter—while Fastenal was caught flat-footed on branded product pricing. Incoming CEO Jeff Watts begins in July, and execution risk related to his transition is an area of focus. Ferguson's lag is a residential construction story: May housing starts fell -15% MoM to the lowest level since May 2020, offsetting what we view as underappreciated data center exposure in the non-residential book.

For Pest Control and Uniforms, two near-term events define each company's setup. **Rollins enters Q2:26 with its first clean organic growth read since Q3:25**; **intra-quarter commentary at a conference cited "choppy" trends** linked to lower end consumer pressure in some areas of the business. Its competitor Rentokil (covered by Will Kirkness) was asked about this, and opted not to comment. There is one thing we can say for certain—weather was warmer YoY, a tailwind for pest control players entering the quarter. **Cintas remains in deal purgatory**: the FTC's June 11th Second Request likely pushes **any deal approval to H1:27**, most likely approved or not in its current form since divestitures would be an insufficient remedy to FTC concerns. **Near-term, investors are focused on whether incremental margins step up to 35-38% next quarter (FYQ4:26)**, after several quarters near ~27%, providing clarity on whether lackluster margins were temporary or structural.

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BERNSTEIN TICKER TABLE

			2 Jul 2026		TTM		Adjusted EPS			Adjusted P/E (x)		
			Closing	Price	Rel.							
Ticker	Rating	Cur	Price	Target	Perf.	Cur	2025A	2026E	2027E	2025A	2026E	2027E
CTAS (Cintas)	M	USD	181.37	200.00	(35.1)%	USD	4.40	4.89	5.40	41.2	37.1	33.6
FAST (Fastenal)	U	USD	48.60	42.00	(5.3)%	USD	1.09	1.21	1.31	44.4	40.3	37.2
FERG (Ferguson)	O	USD	230.24	310.00	(15.2)%	USD	10.58	11.38	12.60	21.8	20.2	18.3
FERG.LN (Ferguson)	O	GBp	17,140	22,963	(13.2)%	USD	10.58	11.38	12.60	21.6	20.1	18.2
RSG (Republic Services)	M	USD	217.34	220.00	(27.7)%	USD	7.02	7.19	8.07	30.9	30.2	26.9
ROL (Rollins)	M	USD	42.14	52.00	(43.4)%	USD	1.13	1.25	1.40	37.3	33.8	30.2
GWW (Grainger)	M	USD	1,342.98	1,250.00	10.5%	USD	39.48	45.72	49.63	34.0	29.4	27.1
WCN (Waste Connections)	O	USD	168.82	205.00	(24.4)%	USD	5.15	5.53	6.23	32.8	30.5	27.1
WM (Waste Management)	O	USD	230.40	260.00	(16.0)%	USD	7.56	8.26	9.23	15.1	14.1	12.9
SPX			7,483.24									

O - Outperform, M - Market-Perform, U - Underperform, NR - Not Rated, CS - Coverage Suspended

WM valuation is EV/Adj EBITDA (x);

Source: Bloomberg, Bernstein estimates and analysis.

INVESTMENT IMPLICATIONS

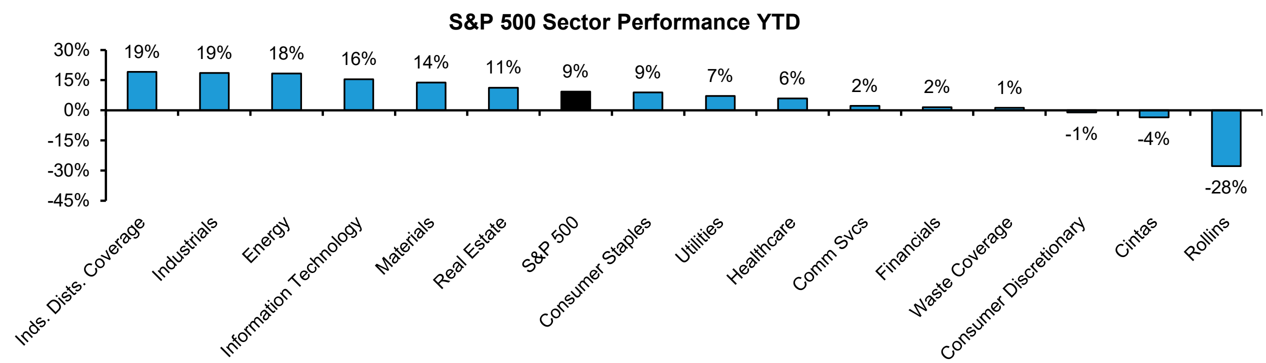
Within Waste, we rate Waste Management Outperform with a PT of $260, Waste Connections Outperform with a PT of $205, and Republic Services Market-Perform with a PT of $220. With our Industrial Distributor coverage we rate Ferguson Outperform with a PT of $310, WW Grainger Market-Perform with a PT of $1,250, and Fastenal Underperform with a PT of $42. We rate Cintas Market-Perform with a PT of $200 and Rollins Market-Perform with a PT of $52.

DETAILS

2026 BUSINESS SERVICES YTD PERFORMANCE

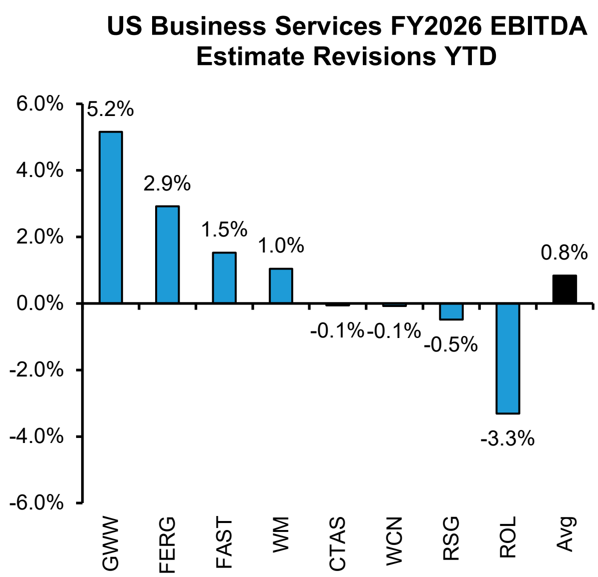
After a strong first half for Industrials broadly, traditional US Business Services stocks have lagged: our Waste coverage underperformed the S&P 500 by -8%, Cintas by -13%, and Rollins the worst lagging by -37% (Exhibit 1). Versus the Industrial sector underperformance is even worse. This is a not a story of deteriorating fundamentals: EBITDA revisions are flat year-to-date for our Waste coverage and Cintas, albeit fundamentals for Rollins have come under concern. Rather, the market has rotated into higher-beta, pro-cyclical names—data center beneficiaries, PMI-sensitive industrials, etc.—leaving Waste and uniforms as relative laggards. There is some justification to this—for businesses with stable outlooks, relative outperformance in revisions elsewhere, should drive share outpeformance as well.

EXHIBIT 1: **Industrial distributors performed the best in our US Business Services coverage year-to-date, outperforming the S&P 500 by -10%. Our Waste coverage, Cintas, and Rollins lagged the broader market.**



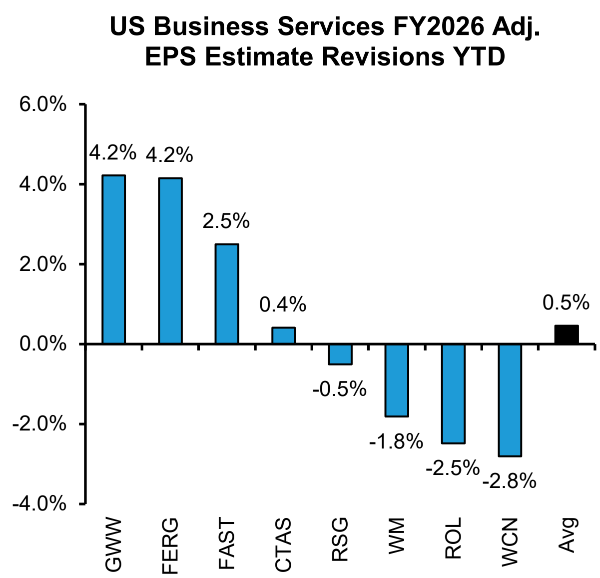
Source: Bloomberg, Bernstein analysis

EXHIBIT 2: **Industrial distributors saw positive EBITDA revisions, increasing 3.2% on average YTD. EBITDA revisions were the worst for Rollins (-3.3%) and Waste estimate revisions are flattish.**



Source: Bloomberg, Bernstein analysis

EXHIBIT 3: **Industrial distributors EPS estimates increased 3-4% year-to-date while Waste estimates are flat to slightly down. Rollins EPS estimates declined -2.5% and Cintas estimates are flattish.**



Source: Bloomberg, Bernstein analysis

US WASTE

Waste companies have lagged the S&P 500 by -8% despite flat to down estimate revisions across the group (Exhibit 4). The sector's underperformance is a reflection of a rotation within Industrials rather than weakening fundamentals. In an environment where PMI has inflected above 50 and data center construction activity continues to accelerate, it seems that investors have rotated out of stable, defensive Industrials and into higher-beta, economically sensitive names, leaving the Waste sector as a relative underperformer. Returns have varied across the top four waste players: WM and RSG are the best-performing companies within our Waste coverage up +4%, while WCN is down -4%, and GFL -13%. The underperformance of Waste Connections reflects ongoing Chiquita Canyon Landfill concerns and for GFL is related to investor's negative view of their bid for Secure Waste.

The pricing outlook for the industry has improved since the start of the year and FY2027 pricing estimates likely need to be revised modestly higher. Index-based contracts, which often use a 12-month average CPI on a 6-month lag, suggest 2026 pricing should average 2.7% for FY2026, unchanged year-to-date. However, Fed expectations for headline CPI increased to 3.5% from 2.6% since the start of the year, indicating consensus FY2027 estimates likely need to be revised modestly higher (Exhibit 5 - Exhibit 6).

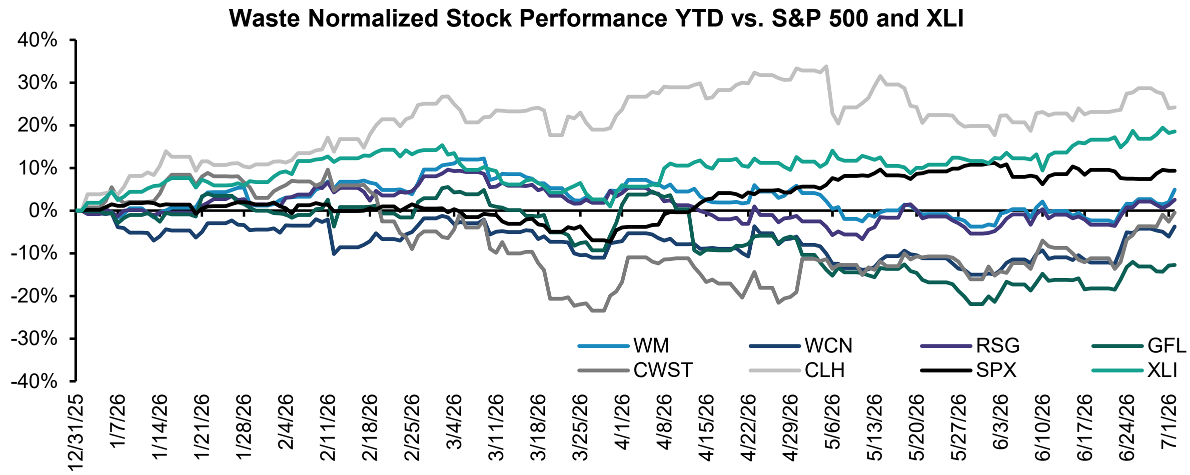
Volume trends are mixed across end markets—weak in Residential, stable in Commercial, recovering in Industrail. Residential volumes have stayed negative for several quarters, and management teams have repeatedly called for the trough only to see conditions deteriorate further or remain similarly negative (Exhibit 7). On their Q1:26 earnings call, Republic Services's CEO characterized the Residential environment as "very, very competitive," suggesting that the industry as a whole has underestimated competitive intensity across the group. Negative volumes in Residential are expected to persist for all three large companies but improve in the second half of 2026—we expect volumes to stay negative in 2027, but at an improving rate, and turn positive in 2028. Commercial volumes remain roughly flat, and we see upside to Industrial volumes in the back half of 2026 as PMI has been above 50 for five consecutive months (Exhibit 8). Q2:26 comparables are difficult for Waste Management and Republic Services due to wildfire and hurricane cleanup benefits in the prior year, while WCN is unimpacted.

Higher recycled commodity prices year-to-date are a tailwind to the sector with Waste Connections and Republic Services expected to see the most upside in FY2026 guidance. The recycling backdrop has improved meaningfully year-to-date, with both OCC and plastics pricing higher compared to January 2026 (Exhibit 9 - Exhibit 10). OCC is 60-70% of Recycling sales with pricing improving sequentially every month in 2026, close to flat YoY, driven by recovering box demand, containerboard capacity cuts, and export demand. Virgin plastic (~15% of sales) supply is tightening due to the Iran conflict resulting in higher pricing. Waste Connections and Republic Services are best positioned to benefit from higher commodity prices, while Waste Management has already embedded a recycling recovery into its full-year guidance. Automation investments are an additional benefit to the Recycling business. Waste Management is targeting 300bps EBITDA margin improvement in the Recycling segment in FY2026, and Republic Services Polymer Center produce higher-quality product and can partially offset price weakness.

Underpinned by improving sector fundamentals we see a reasonable probability that Republic Services and Waste Connections increase FY2026 guidance during Q2:26 results. Waste Management is slightly less likely to increase guidance in our view as the improvement in recycled commodity prices is already factored into FY2026 guidance.

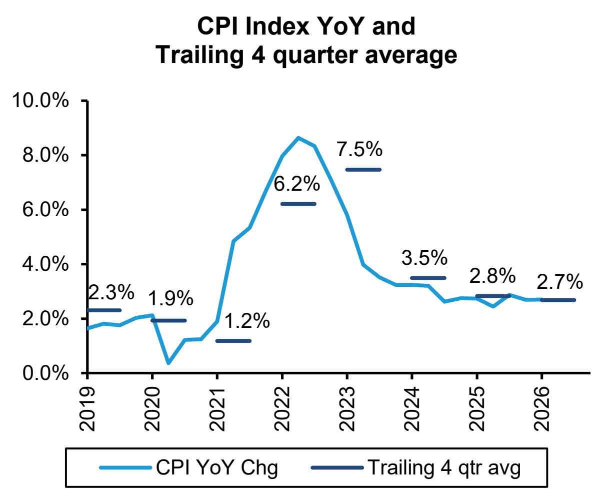
Valuation remains attractive and, in our view, does not reflect the improvement in fundamentals compared to the start of the year. Our Waste coverage trades near its ten-year average on an absolute EV/NTM EBITDA basis but at decade lows relative to the S&P 500 at 1.0x and 0.8x on NTM P/FCF (Exhibit 11 - Exhibit 12). Bears argue that incremental growth from recycling and RNG investments is lower quality than core municipal solid waste (MSW) collection and disposal, warranting a lower multiple. We view this concern as overblown and expect core MSW to continue to represent the majority of sales for the average waste company. At decade-low relative valuations with room for EBITDA estimate revisions and a more constructive setup heading into H2:26, we believe the risk/reward skews positively for the Waste sector.

EXHIBIT 4: **Waste stock performance for our coverage (WM, WCN and RSG) is roughly flat year-to-date, underperforming the S&P 500 and XLI. Stable, defensive Industrials names remain out of favor in a higher PMI and stronger data center environment**



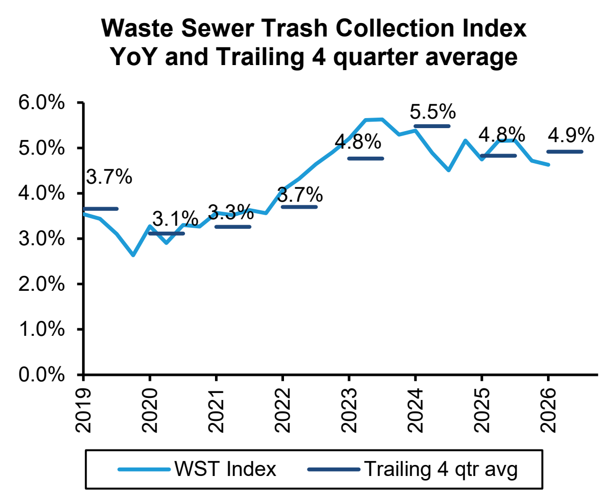
Source: Bloomberg, Bernstein analysis

EXHIBIT 5: **Fed 2026 headline CPI expectations increased to 3.5% from 2.6% since the start of the year. Combined with recent higher- than-expected CPI, this suggests FY2027 pricing will likely be higher than FY2026.**



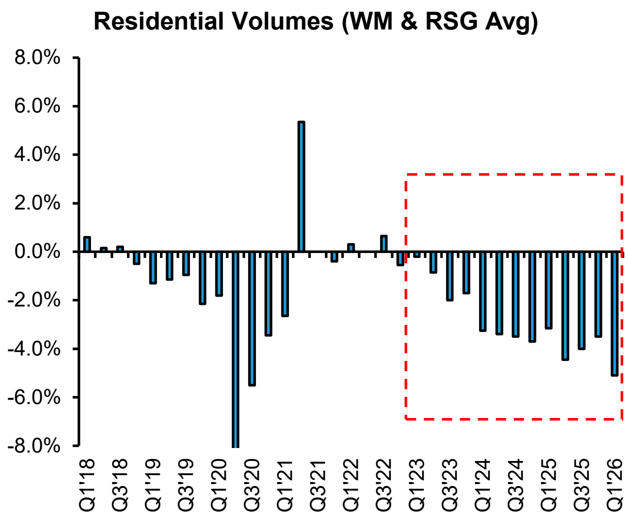
Source: US Bureau of Labor Statistics, Bloomberg, Bernstein analysis and estimates

EXHIBIT 6: **FY2026 pricing for contracts based on alternative indices such as CPI for Waste Sewer Trash is expected to be slightly higher than FY2025**



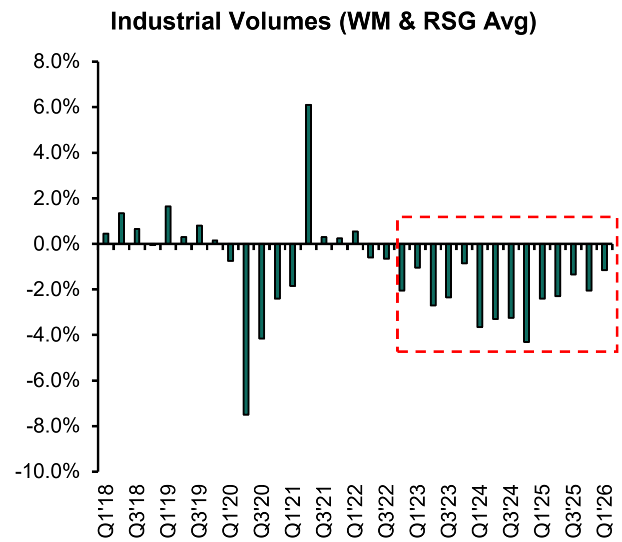
Source: US Bureau of Labor Statistics, Bloomberg, Bernstein analysis and estimates

EXHIBIT 7: **Negative volumes in Residential are expected to persist through 2026, with potential modest improvement in H2:26 for WM, and for RSG in Q4:26 and into FY2027**



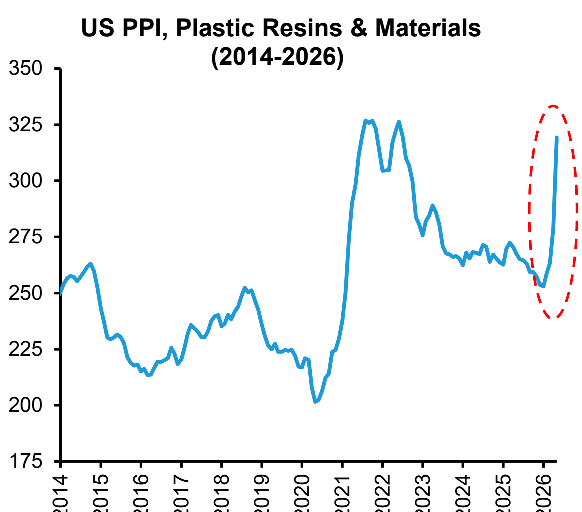
Source: Company filings, Bernstein analysis

EXHIBIT 8: **The Industrial volume outlook continues to improve with PMI above 50 for five consecutive months. We see upside to volumes in the back half of 2026**



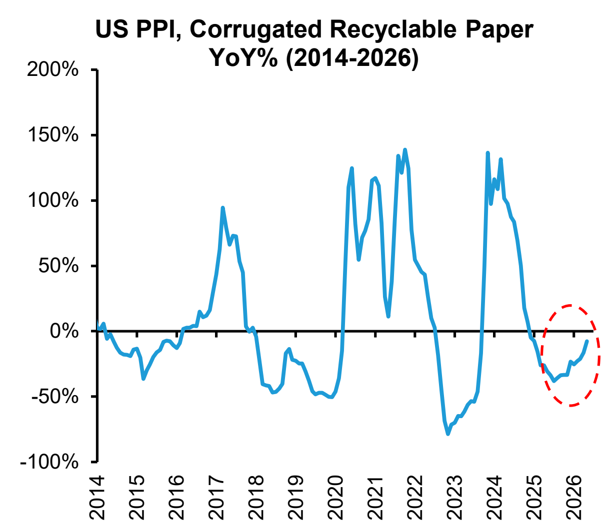
Source: Company filings, Bernstein analysis

EXHIBIT 9: **The US PPI for Plastics Materials and Resins inflected in May. Virgin plastic supply is tightening due to the Iran conflict, resulting in higher pricing that should in turn lift recycled plastic prices**



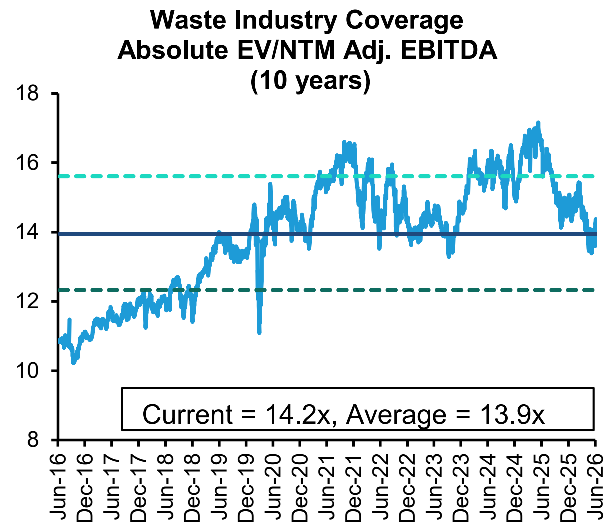
Source: Bloomberg, Company filings, US Bureau of Labor Statistics, FRED, Bernstein analysis

EXHIBIT 10: **Declines in the US PPI for old corrugated paper moderated in April and May, with a strong improvement in pricing YTD**



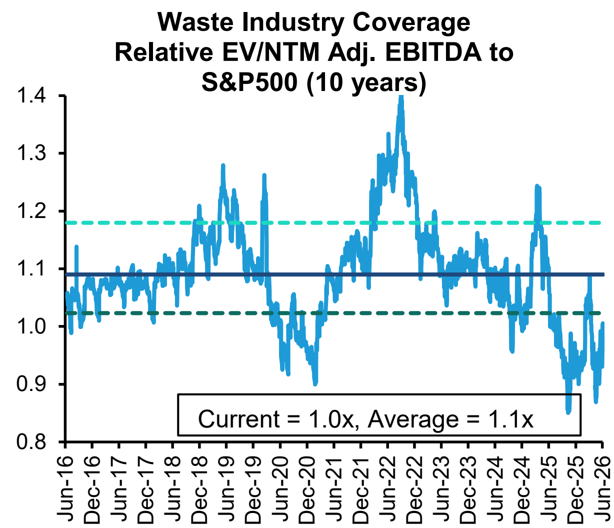
Source: Bloomberg, Company filings, US Bureau of Labor Statistics, FRED, Bernstein analysis

EXHIBIT 11: **The average EV/NTM EBITDA multiple for our Waste coverage is in line with its 10-year average on an absolute basis...**



Source: Bloomberg, Bernstein analysis

EXHIBIT 12: **but near decade lows versus the market at ~1.0x EV/NTM EBITDA relative to the S&P 500.**



Source: Bloomberg, Bernstein analysis

US INDUSTRIAL DISTRIBUTORS

Industrial distributors have broadly outperformed the S&P 500 and the XLI year-to-date, but stock-level performance has varied reflecting differences in end market exposure and execution (Exhibit 13). Grainger (+33%) performed the best in our coverage year-to-date, followed by Fastenal up +21%, and Ferguson up +3%. Wesco (not covered) and Ferguson have traded as mirror images following Q1:26 earnings, raising a question of whether investors are rotating into Wesco as the preferred data center proxy among the industrial distributors. Core & Main (not covered) is down -14% which we believe is due to weak residential construction activity with limited data center offset. The divergence in stock performance across the group is a function of end-market mix, reflecting different exposure to residential headwinds, non-residential and data center tailwinds, and improving manufacturing activity.

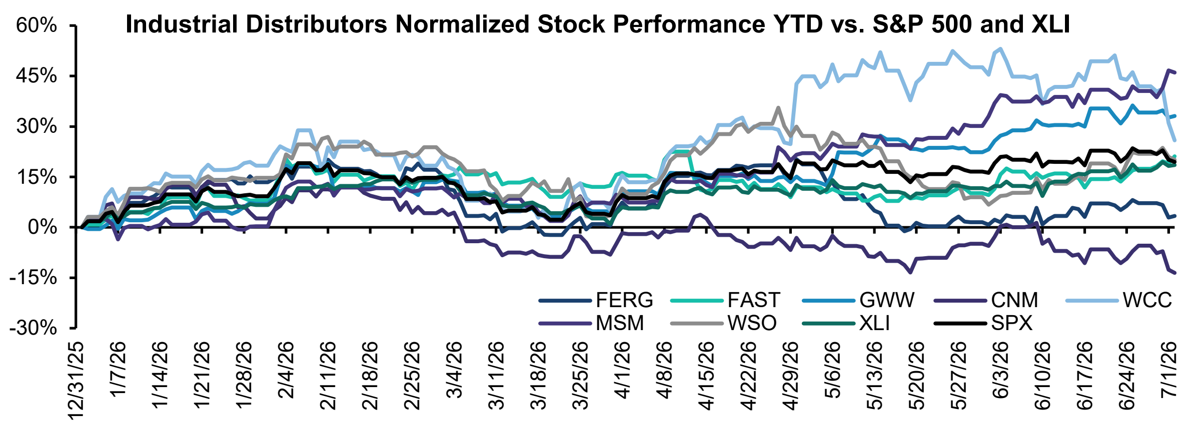
The macro backdrop for industrial distributors has improved materially since January 2026. PMI has been above 50 for five consecutive months, compared to 48 exiting 2025 (Exhibit 14). Non-residential construction remains robust driven by a large commercial project pipeline and data center construction (Exhibit 15). On the other hand residential construction activity has worsened since January, a negative for Ferguson's guide which originally struck us as conservative, but is now likely more fair. Housing starts declined -15% MoM in May 2026 to ~1.2m, the lowest level since May 2020, as mortgage rates and affordability constraints continue to weigh on new construction (Exhibit 16). Existing home sales were ~3.8m in May 2026 and remain near 20-year lows (Exhibit 17).

Grainger is the best-performing distributor in our coverage year-to-date, driven in part by a recovery from its relative underperformance versus Fastenal in 2025. Underlying fundamentals have bene stronger at Grainger, with a Q1:26 beat and raise, disciplined tariff-related pricing execution, and no impact from the branded product pricing pressures that weighed on Fastenal. Pre-quiet period conversations suggest the company has not seen incremental disruption from conflict in Iran, and pricing conversations appear healthy despite supply chain pressure from the Middle East. Monotaro, reported at GWW on a one-month lag, implies Q2:26 growth above 20%, partly reflecting pull-forward buying ahead of the Iran War—an attractive setup for Q2:26. Our broader concern on Grainger remains unchanged: consensus appears to be extrapolating gross margin improvement from 2020-23, calling for flat gross margins as the new norm breaking a decade-long pre-pandemic trend of structural declines. We remain cautious and model modest 30bps gross margin expansion in FY2026 followed by -20bps declines annually through FY2028, which could weigh modestly on EPS expectations.

Pricing execution is the main debate for Fastenal, as the company faces both leadership transition risk and challenging customer negotiations. Q1:26 results fell short of consensus expectations as lower visibility on branded products and slower-than-expected pricing negotiations weighed on pricing and margins. At our Strategic Decisions Conference at the end of May, CEO Daniel Florness acknowledged that the CFO transition may have delayed the internal escalation process that would have triggered earlier pricing actions. The company has been transparent about pricing missteps and appears to be working on resolving them, but balanced commentary makes it difficult to measure how quickly it will translate into better numbers. The broader execution concern for Fastenal is whether the CEO transition in July could introduce incremental risk at a time when pricing discipline remains critical. While the structural focus on digital penetration and larger customers remains strong, near-term pricing execution is a risk and we remain skeptical of consensus gross margin expectations following a period of higher tariff-driven pricing.

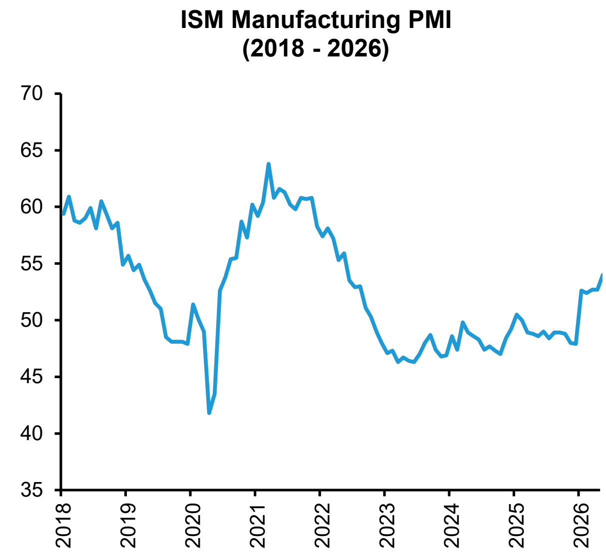
Ferguson is the laggard within our distributor coverage year-to-date, which we believe stems from weak residential construction activity partially offsetting non-residential strength. Ferguson holds the #1 or #2 position in 75% of its markets, and with approximately 20% market share in commercial plumbing and 5% in commercial HVAC it is the largest beneficiary of ongoing data center construction within our coverage. We believe this data center tailwind remains underappreciated by consensus. Together we expect the outlook for Ferguson to improve as non-residential activity strengthens and the residential headwind, while persistent, is well-understood and largely priced in.

EXHIBIT 13: **Within our coverage GWW performed the best following strong Q1:26 results and increased FY2026 guidance above consensus expectations due to stronger demand and pricing. FAST was in line with the XLI due to pricing concerns, while FERG underperformed - is this due to a DC-related rotation into WCC?**



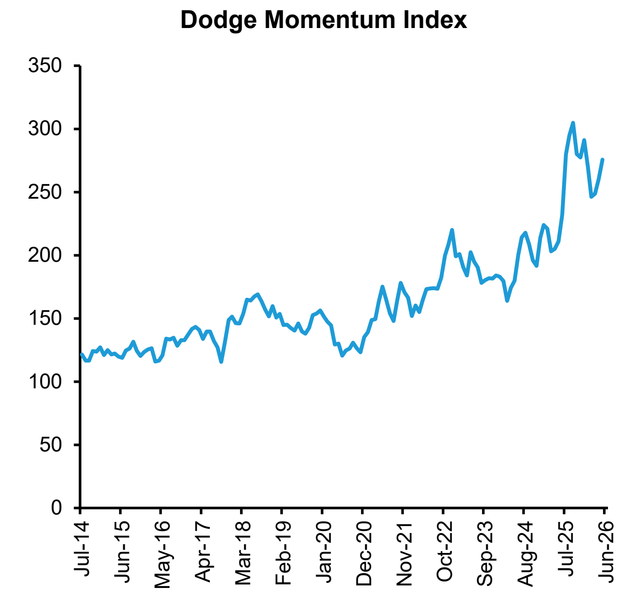
Source: Bloomberg, Bernstein analysis

EXHIBIT 14: **PMI has been above 50 for five consecutive months**



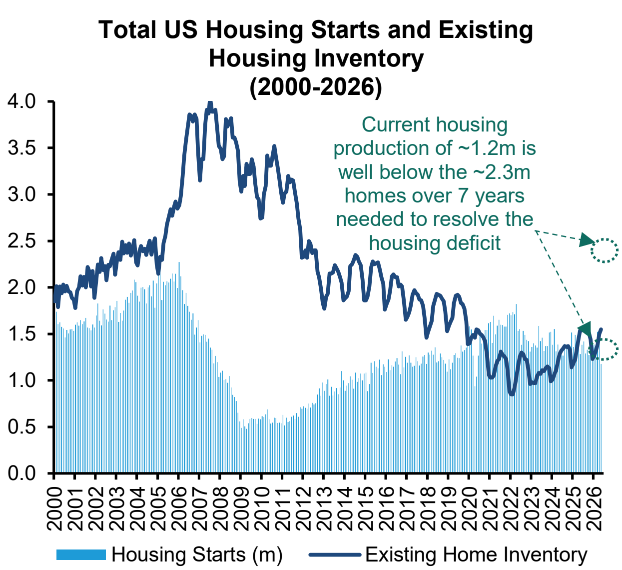
Source: ISM, Bloomberg, Bernstein analysis

EXHIBIT 15: **The Dodge Momentum Index indicates an improving non-residential construction backdrop**



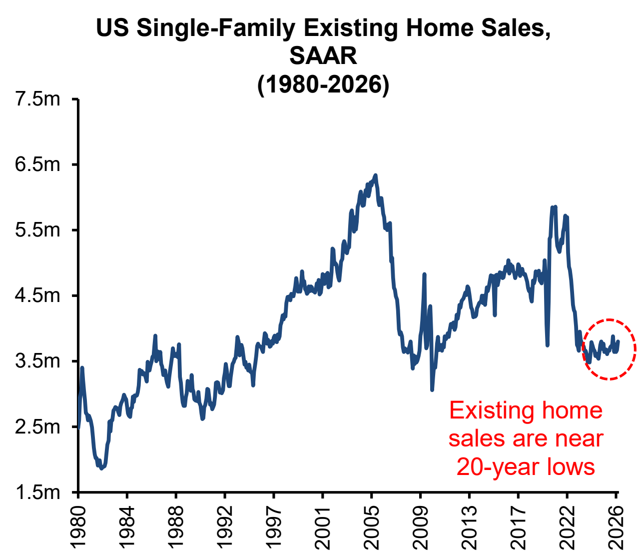
Source: Dodge, Bernstein analysis

EXHIBIT 16: **US Residential housing starts continue to decline, now at 1.2m SAAR—the lowest since May 2020—and below the ~2.3m needed to resolve the housing deficit**



Source: National Association of Realtors, Bloomberg, Bernstein analysis

EXHIBIT 17: **Existing home sales are near 20-year lows indicating a lackluster housing market**



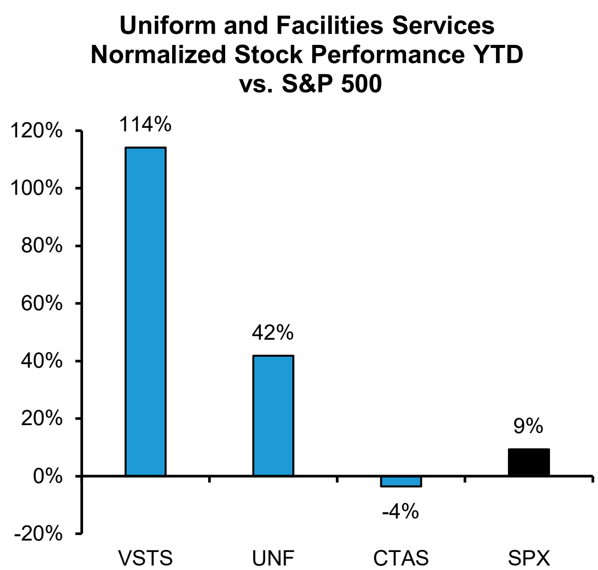
Source: National Association of Realtors, Federal Reserve St. Louis, Bloomberg, Bernstein analysis

CINTAS & ROLLINS

Cintas is down -4% year-to-date and, in our view, is stuck in deal purgatory until the UniFirst (not covered) acquisition is resolved (Exhibit 18). The fundamentals have been healthy, although investors have been disappointed by Cintas's margin progress over the last year. Incremental margins over the last 12 months have averaged 27% as the company invested in technology, on the low end of their 25-35% target range (Exhibit 19). Management has guided to 35-38% incremental margins in FYQ4:26, the first quarter lapping a full year of technology investments. Those results should provide clarity on whether lackluster margins were timing-related or structural.

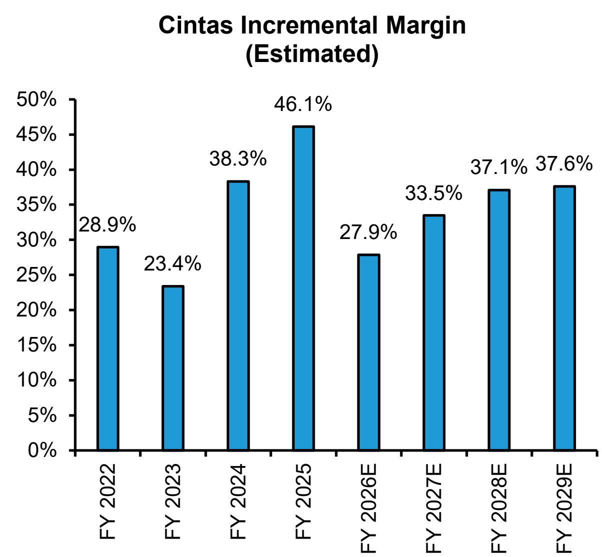
The Federal Trade Commission (FTC) issued a Second Request on June 11, 2026, likely pushing any approval to H1:27 at the earliest against management's expectation of H2:26 (Exhibit 20). The market implies a 75-80% probability of deal approval, above the 40-75% range we have heard from legal experts, and we believe the outcome of the deal will likely be binary (Exhibit 21). If FTC concerns center around the lack of a national player, divestments would need to be so significant that it would be unacceptable to Cintas. If it is local market concerns, the store overlap between Cintas and UniFirst would have to be so large that similarly significant divestments would be required. If the FTC challenges the deal, we believe the odds of Cintas winning in court are unlikely and the process would extend into late 2027.

EXHIBIT 18: **Is Cintas stuck in deal purgatory as it awaits approval of the UNF acquisition? The stock sold off in March with the market and has yet to recover.**



Source: Bloomberg, Bernstein analysis

EXHIBIT 19: **Management expects a step up in incremental margins to 35-38% in FYQ4:26—consistent with 2H:26 guidance—but we believe will be difficult to achieve as Cintas laps tough comps of 50-60% margins**



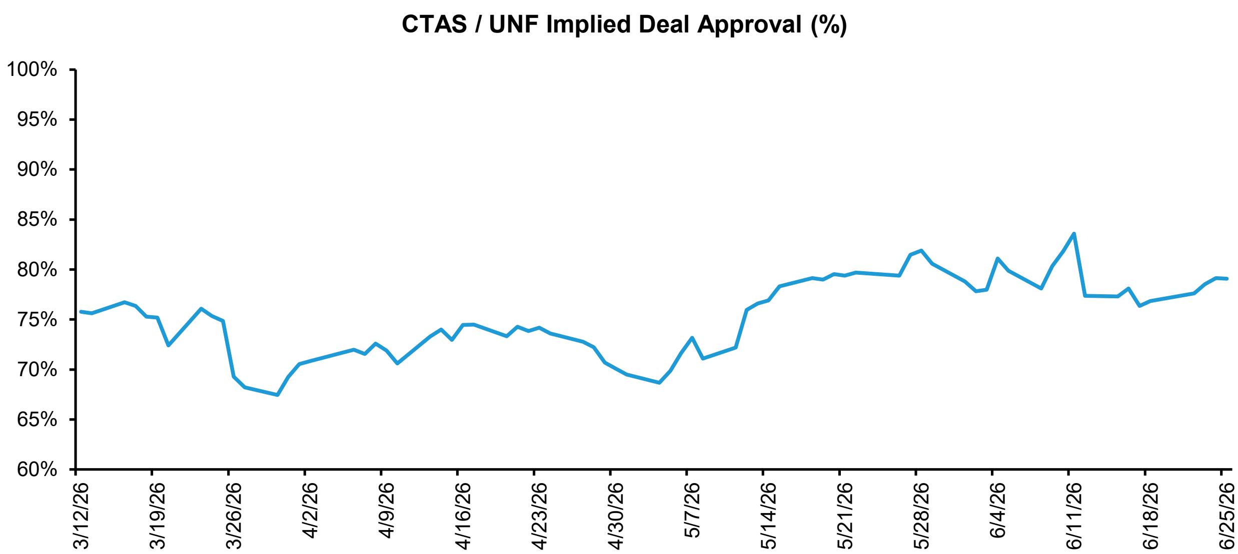
Source: Company filings, Bernstein analysis and estimates

EXHIBIT 20: **Cintas/UniFirst HSR Regulatory Timeline**

Cintas / UniFirst — HSR Regulatory Timeline		
Milestone	**Date**	**Status**
Merger agreement signed	March 10, 2026	Complete
HSR initial filing	April 8, 2026	Complete
Cintas voluntary HSR withdrawal	May 8, 2026	Complete
Cintas HSR refile	May 12, 2026	Complete
UniFirst shareholder vote	June 11, 2026	Approved
FTC Second Request issued	On or before June 11, 2026	Issued
Second 30-day FTC window opens	After substantial compliance	Pending
Base termination date	January 10, 2027	
Extension 1 — antitrust delay	May 10, 2027	
Extension 2 — antitrust delay	September 10, 2027	
Expected close (company guidance)	H2 2026	

Source: Company filings (Cintas/UniFirst 424B3), Bernstein analysis

EXHIBIT 21: **Experts' deal approval odds range from 40-75%, with the market currently implying 75-80%. If the FTC challenges the deal, the odds of overturning it in court are low, with the issue dragging out until September 2027.**



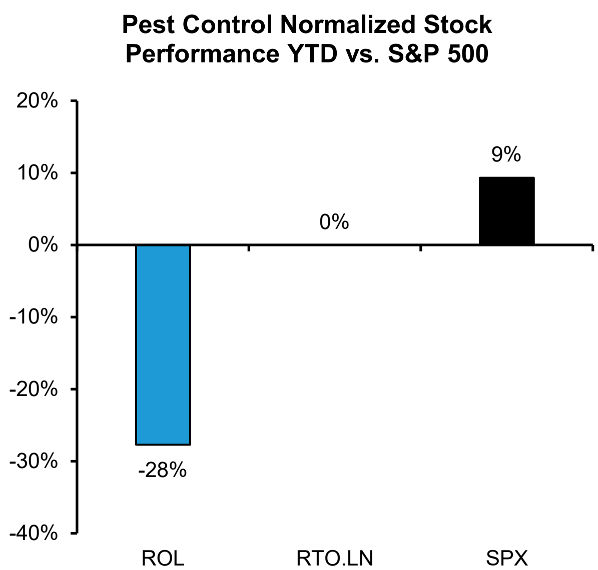
Source: Bloomberg, Bernstein analysis

Rollins has been the worst performing company in our coverage year-to-date, declining -28% vs. the S&P500 of +9% (Exhibit 22). The company reported weaker-than-expected Q4:25 results related to weather issues, while neither Rentokil nor Ecolab made similar commentary—note, 70-75% of Rollins stores have a Terminix store within a 15-mile radius. Rollins also reported weather issues in Q1:26, this time more legitimate given frequent blizzards, but had a healthy exit rate for the quarter with 8.4% organic growth in March. A separate concern, which we give less credence to, was the FTC's decision to cease enforcement of non-compete policies in the Pest Control industry. This coincided with Rollins's May investor day, where former CFO Ken Krause laid out a margin outlook primarily predicated on lower employee turnover. Two weeks after the investor day, Krause—the architect of Rollins's modernization plan—resigned after only three years at the company to take a leadership role in a different industry. More recently, intra-quarter commentary at a conference cited "choppy" trends linked to lower-end consumer pressure in parts of the business.

The US Business Services industry as a whole had already de-rated meaningfully ahead of Rollins's sell-off, which may have added to the stock's multiple compression. Cintas de-rated from ~50x NTM P/E to ~30x, ADP ~30x NTM P/E to ~20x (not covered), and consulting/information services companies like Gartner, Verisk, Equifax (all not covered) saw multiples fall by -50% or more. While these are different businesses in different end markets, they are surprisingly correlated at times, likely a function of overlapping investor bases and share "quality compounder" positioning. Did the sector wide de-rating amplify Rollins's multiple compression?

Q2:26 is the first quarter since Q3:25 with a clean organic growth read, and we expect weather to be a benefit as this spring experienced warmer than average temperatures (Exhibit 23). The CFO departure is a more medium- to long-term risk. Krause was the architect of the SG&A cost discipline underpinning the 30-35% incremental margin targets, and his replacement has been at the company less than a year. We believe the probability of executing on the medium-term margin roadmap has declined, which is the basis for our downgrade to Market Perform the day after Rollins announced Krause's departure (Exhibit 24).

EXHIBIT 22: **Rollins lagged due to weather issues weighing on the one-time business, intra-quarter comments pointing to weak demand, and the departure of former CFO Ken Krause**



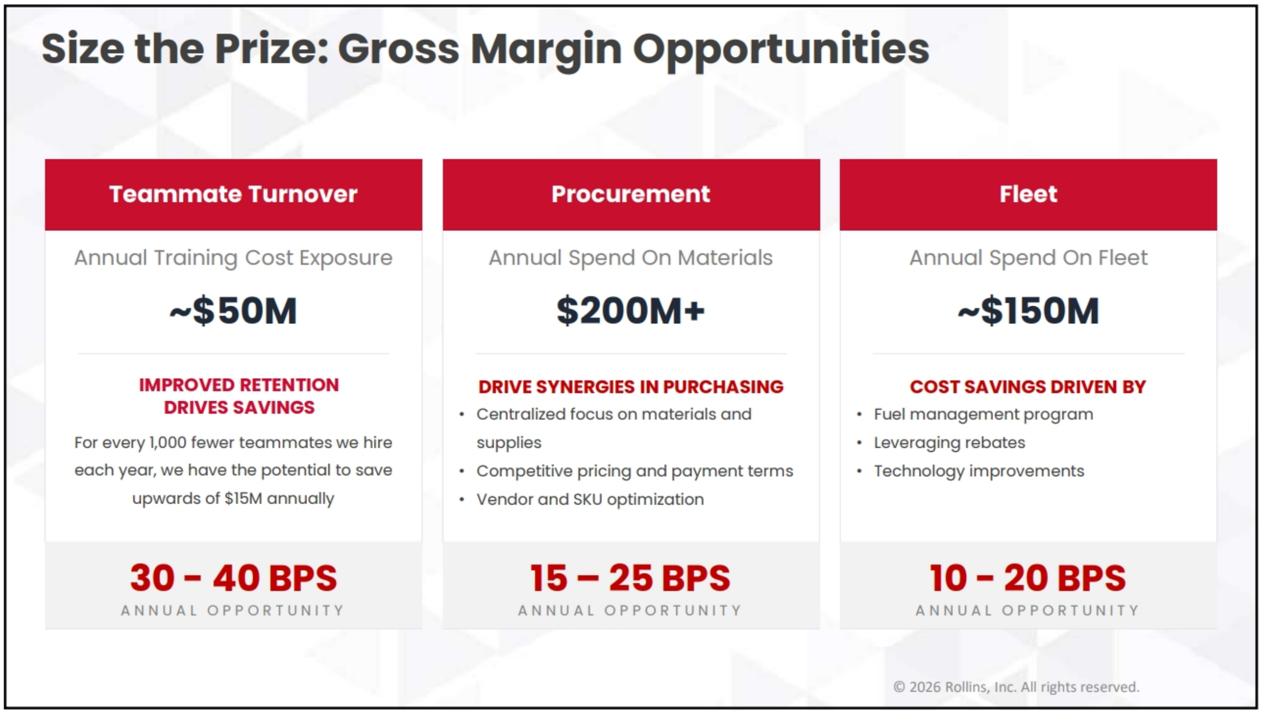
Source: Bloomberg, Bernstein analysis

EXHIBIT 23: **Q2:26 is the first quarter since Q3:25 with a clean organic growth read, and we expect weather to be a benefit as this spring experienced warmer than average temperatures**

Q2:26 Weather - Apr-May vs. 20th-Century Avg		
Region	**Apr**	**May**
Ohio Valley	+6.5F	-0.3F
Southwest	+5.0F	+3.2F
Southeast	+2.6F	+1.5F
Northeast	+2.9F	+0.2F
Midwest	+3.5F	+0.3F
Pacific NW / Mtn	+1.3F	+3.2F
California/Nevada	+3.2F	+2.7F
Northern Plains	+0.1F	+1.0F

Source: NOAA NCEI, Bernstein analysis

EXHIBIT 24: **At Rollins's May investor day, former CFO Ken Krause presented a margin expansion roadmap that implied 55-85bps of gross margin expansion, consistent with our prior thesis that the company could achieve 50-60bps of EBITDA margin expansion over the next 3-4 years. This target was not a FY2026 story but a FY2027 or later goal as incremental margins of 30-35% remained elusive. With the plan in its early stages, or at least newly announced, execution is critical, and with a new CFO we believe the odds of achieving these goals are now lower.**



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Source: Rollins Investor Day 2026

APPENDIX - FINANCIAL FORECASTS

EXHIBIT 25: **Waste Management (WM) Financials**

BERNSTEIN
SOCIETE GENERALE GROUP

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1'25	Q2'25	Q3'25	Q4'25	FY 2025	Q1'26	Q2'26E	Q3'26E	Q4'26E	FY 2026E	FY 2027E	FY 2028E	FY 2029E
Income Statement																			
Net Sales	15,455	15,218	17,931	19,698	20,426	22,063	6,018	6,430	6,443	6,313	25,204	6,227	6,688	6,845	6,724	26,483	28,299	29,891	31,582
Operating Expenses	9,496	9,341	11,111	12,294	12,606	13,383	3,612	3,839	3,833	3,693	14,977	3,694	3,961	4,006	3,910	15,570	16,595	17,484	18,425
Gross Profit	5,959	5,877	6,820	7,404	7,820	8,680	2,406	2,591	2,610	2,620	10,227	2,533	2,726	2,839	2,814	10,913	11,704	12,407	13,157
Selling and administrative expenses	1,631	1,728	1,864	1,938	1,926	2,264	687	696	665	674	2,722	707	698	674	668	2,747	2,801	2,872	2,938
Depreciation & Amortization	1,574	1,671	1,999	2,038	2,071	2,267	691	708	729	770	2,898	735	755	772	759	3,021	3,188	3,357	3,547
Operating Income (Recurring)	2,809	2,650	3,033	3,474	3,828	4,296	1,059	1,215	1,241	1,204	4,719	1,118	1,274	1,393	1,386	5,172	5,715	6,178	6,671
Adjusted EBITDA	4,383	4,321	5,032	5,512	5,899	6,563	1,750	1,923	1,970	1,974	7,617	1,853	2,029	2,165	2,146	8,193	8,903	9,535	10,218
Interest expense, net	411	426	365	378	500	598	232	232	225	223	912	225	228	229	227	909	906	838	709
Income before income taxes (Recurring)	2,358	2,169	2,632	3,024	3,241	3,700	834	992	1,027	984	3,837	896	1,048	1,168	1,158	4,271	4,814	5,346	5,968
Income tax expense	434	397	532	678	745	713	151	201	172	193	717	168	246	275	272	961	1,131	1,256	1,402
Net Income (Recurring)	1,880	1,713	2,046	2,318	2,518	2,918	673	803	801	780	3,057	731	802	894	886	3,313	3,683	4,089	4,565
EPS, Diluted (Recurring)	**$4.40**	**$4.03**	**$4.84**	**$5.59**	**$6.19**	**$7.23**	**$1.67**	**$1.99**	**$1.98**	**$1.93**	**$7.56**	**$1.81**	**$1.99**	**$2.23**	**$2.22**	**$8.26**	**$9.23**	**$10.23**	**$11.40**
Diluted shares outstanding	428	425	423	415	407	403	404	404	404	405	404	404	402	400	398	401	399	400	400
Tax Rate (Adjusted)	20.2%	21.0%	22.2%	23.3%	23.2%	21.2%	19.3%	19.0%	22.0%	20.7%	20.3%	18.4%	23.5%	23.5%	23.5%	22.4%	23.5%	23.5%	23.5%
Margin Analysis																			
Gross Margin	38.6%	38.6%	38.0%	37.6%	38.3%	39.3%	40.0%	40.3%	40.5%	41.5%	40.6%	40.7%	40.8%	41.5%	41.9%	41.2%	41.4%	41.5%	41.7%
EBIT Margin	18.2%	17.4%	16.9%	17.6%	18.7%	19.5%	17.6%	18.9%	19.3%	19.1%	18.7%	18.0%	19.1%	20.4%	20.6%	19.5%	20.2%	20.7%	21.1%
EBITDA Margin	28.4%	28.4%	28.1%	28.0%	28.9%	29.7%	29.1%	29.9%	30.6%	31.3%	30.2%	29.8%	30.3%	31.6%	31.9%	30.9%	31.5%	31.9%	32.4%
Net Profit Margin	12.2%	11.3%	11.4%	11.8%	12.3%	13.2%	11.2%	12.5%	12.4%	12.4%	12.1%	11.7%	12.0%	13.1%	13.2%	12.5%	13.0%	13.7%	14.5%
Year-on-Year Growth																			
Net Sales	3.6%	-1.5%	17.8%	9.9%	3.7%	8.0%	16.7%	19.0%	14.9%	7.1%	14.2%	3.5%	4.0%	6.2%	6.5%	5.1%	6.9%	5.6%	5.7%
Gross Profit	5.2%	-1.4%	16.0%	8.6%	5.6%	11.0%	19.2%	22.7%	18.1%	12.0%	17.8%	5.3%	5.2%	8.8%	7.4%	6.7%	7.2%	6.0%	6.0%
Operating Income (Recurring)	2.6%	-5.7%	14.5%	14.5%	10.2%	12.2%	4.4%	13.0%	7.6%	14.2%	9.8%	5.6%	4.9%	12.3%	15.2%	9.6%	10.5%	8.1%	8.0%
Adjusted EBITDA	4.0%	-1.4%	16.5%	9.5%	7.0%	11.3%	14.5%	18.9%	15.1%	15.7%	16.1%	5.9%	5.5%	9.9%	8.7%	7.6%	8.7%	7.1%	7.2%
EPS, Diluted (Recurring)	4.7%	-8.4%	20.1%	15.5%	10.8%	16.9%	-5.0%	9.4%	1.1%	13.1%	4.6%	8.5%	0.3%	12.7%	15.3%	9.2%	11.8%	10.8%	11.4%
Adjusted Free Cash Flow	1.0%	26.2%	-4.7%	-22.0%	-3.6%	21.8%	-33.5%	54.3%	32.8%	80.9%	26.8%	93.7%	30.2%	11.0%	31.9%	35.6%	9.4%	7.7%	12.6%
Balance Sheet																			
Cash and Cash Equivalents	3,647	648	194	445	552	414	216	440	175	201	201	158	8	40	248	248	2,671	5,336	8,492
Total assets	27,743	29,345	29,097	31,367	32,823	44,567	44,486	45,722	45,608	45,835	45,835	45,700	45,732	45,977	46,228	46,228	49,353	52,694	56,452
Total Debt	13,498	13,810	13,405	14,984	16,229	23,900	23,837	24,020	23,362	22,907	22,907	22,891	22,891	22,891	22,891	22,891	22,891	22,891	22,891
Other liabilities	7,175	8,081	8,566	9,519	9,698	12,413	11,998	12,500	12,726	12,937	12,937	12,787	12,828	12,986	13,157	13,157	13,932	14,608	15,327
Total shareholders' equity	7,068	7,452	7,124	6,849	6,903	8,252	8,650	9,201	9,519	9,990	9,990	10,021	10,012	10,099	10,179	10,179	12,530	15,193	18,233
Net working capital	(278)	(15)	(423)	(780)	(546)	(539)	(154)	(308)	(193)	(104)	(104)	145	(22)	161	163	163	153	148	143
Consolidated Statement of Cash Flows																			
Cash from Operations	3,874	3,403	4,338	4,534	4,719	5,390	1,208	1,545	1,592	1,698	6,043	1,501	1,767	1,630	1,792	6,689	7,524	8,039	8,730
Cash from Investing	(2,376)	(4,847)	(1,894)	(3,061)	(3,091)	(10,601)	(829)	(1,086)	(784)	(867)	(3,566)	(731)	(1,065)	(748)	(735)	(3,279)	(3,590)	(3,769)	(3,869)
Cash from Financing	1,964	(1,559)	(2,900)	(1,216)	(1,524)	5,155	(536)	(245)	(1,049)	(843)	(2,673)	(821)	(852)	(850)	(848)	(3,371)	(1,511)	(1,605)	(1,704)
Capital Expenditures	1,818	1,632	1,904	2,587	2,895	3,231	831	732	776	888	3,227	650	702	719	706	2,777	3,169	3,348	3,448
Capex % of sales	11.8%	10.7%	10.6%	13.1%	14.2%	14.6%	13.8%	11.4%	12.0%	14.1%	12.8%	10.4%	10.5%	10.5%	10.5%	10.5%	11.2%	11.2%	10.9%
Adjusted Free Cash Flow (FCF)	2,105	2,656	2,530	1,974	1,902	2,317	475	818	821	823	2,937	920	1,065	911	1,086	3,981	4,355	4,691	5,281
Free Cash Flow Conversion	126%	178%	139%	88%	83%	84%	75%	113%	136%	111%	108%	127%	133%	102%	123%	120%	118%	115%	116%
Free Cash Flow per Share	$4.92	$6.25	$5.98	$4.76	$4.67	$5.74	$1.18	$2.02	$2.03	$2.03	$7.27	$2.27	$2.65	$2.28	$2.73	$9.92	$10.92	$11.74	$13.19
Dividend Per Share	$2.05	$2.18	$2.30	$2.60	$2.80	$3.00	$0.83	$0.83	$0.83	$0.83	$3.30	$0.95	$0.87	$0.87	$0.87	$3.57	$3.79	$4.02	$4.26

Source: Company filings, Bernstein analysis

EXHIBIT 26: **Waste Connections (WCN) Financials**

BERNSTEIN
SOCIETE GENERALE GROUP

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1'25	Q2'25	Q3'25	Q4'25	FY 2025	Q1'26	Q2'26E	Q3'26E	Q4'26E	FY 2026E	FY 2027E	FY 2028E	FY 2029E
Income Statement																			
Revenue	5,389	5,446	6,151	7,212	8,022	8,920	2,228	2,407	2,458	2,373	9,467	2,371	2,532	2,602	2,526	10,031	10,630	11,237	11,873
Cost of operations	3,199	3,277	3,654	4,336	4,745	5,192	1,291	1,393	1,407	1,364	5,455	1,361	1,461	1,488	1,451	5,761	6,024	6,334	6,657
Gross Profit	2,190	2,169	2,497	2,876	3,277	3,728	937	1,014	1,052	1,009	4,012	1,010	1,071	1,114	1,075	4,270	4,606	4,903	5,216
Selling, general and administrative	546	538	612	696	799	883	250	243	236	230	960	251	251	245	240	987	1,067	1,122	1,180
Depreciation & Amortization	744	752	813	919	1,003	1,164	290	308	315	319	1,232	315	330	340	330	1,314	1,393	1,473	1,556
Operating Income (Recurring)	924	911	1,215	1,299	1,508	1,728	420	469	503	464	1,856	451	500	540	516	2,007	2,188	2,350	2,522
Adjusted EBITDA	1,673	1,662	1,919	2,221	2,524	2,902	712	786	833	787	3,119	770	830	880	846	3,326	3,581	3,822	4,078
Interest expense, net	138	157	160	196	265	315	79	80	79	84	322	85	85	83	82	335	312	271	238
Income before income taxes (Recurring)	786	737	937	1,092	1,247	1,406	348	404	438	384	1,575	364	415	457	434	1,670	1,876	2,079	2,284
Income tax expense	139	50	152	213	221	146	71	99	89	83	341	64	99	109	103	376	444	494	544
Net Income (Recurring)	720	696	847	986	1,081	1,239	293	333	372	330	1,328	315	348	384	362	1,409	1,570	1,730	1,891
EPS, Diluted (Recurring)	**$2.72**	**$2.64**	**$3.24**	**$3.82**	**$4.19**	**$4.79**	**$1.13**	**$1.29**	**$1.44**	**$1.29**	**$5.15**	**$1.23**	**$1.37**	**$1.51**	**$1.43**	**$5.53**	**$6.23**	**$6.92**	**$7.62**
Diluted shares outstanding	265	264	262	258	258	259	259	259	258	256	258	256	255	255	253	255	252	250	248
Tax Rate (Adjusted)	24.1%	23.4%	24.6%	24.0%	26.0%	25.3%	15.9%	29.9%	26.8%	27.8%	25.4%	26.5%	28.0%	27.0%	28.0%	27.4%	27.4%	27.4%	27.4%
Margin Analysis																			
Gross Margin	40.6%	39.8%	40.6%	39.9%	40.9%	41.8%	42.0%	42.1%	42.8%	42.5%	42.4%	42.6%	42.3%	42.8%	42.6%	42.6%	43.3%	43.6%	43.9%
EBIT Margin	17.1%	16.7%	19.8%	18.0%	18.8%	19.4%	18.9%	19.5%	20.5%	19.6%	19.6%	19.0%	19.7%	20.7%	20.4%	20.0%	20.6%	20.9%	21.2%
EBITDA Margin	31.1%	30.5%	31.2%	30.8%	31.5%	32.5%	32.0%	32.7%	33.9%	33.2%	32.9%	32.5%	32.8%	33.8%	33.5%	33.2%	33.7%	34.0%	34.3%
Net Profit Margin	13.4%	12.8%	13.8%	13.7%	13.5%	13.9%	13.2%	13.8%	15.1%	13.9%	14.0%	13.3%	13.8%	14.8%	14.3%	14.0%	14.8%	15.4%	15.9%
Year-on-Year Growth																	0.5%	0.3%	0.3%
Revenue	9.5%	1.1%	13.0%	17.2%	11.2%	11.2%	7.5%	7.1%	5.1%	5.0%	6.1%	6.4%	5.2%	5.9%	6.4%	6.0%	6.0%	5.7%	5.7%
Gross Profit	6.4%	-0.9%	15.1%	15.2%	14.0%	13.7%	10.1%	7.1%	5.7%	7.9%	7.6%	7.8%	5.6%	6.0%	6.6%	6.4%	7.9%	6.4%	6.4%
Operating Income (Recurring)	4.3%	-1.4%	33.4%	6.9%	16.2%	14.5%	8.0%	7.3%	2.9%	12.6%	7.5%	7.2%	6.7%	7.3%	11.2%	8.1%	9.0%	7.4%	7.3%
Adjusted EBITDA	6.8%	-0.7%	15.5%	15.7%	13.7%	15.0%	9.5%	7.5%	5.8%	7.5%	7.5%	8.0%	5.6%	5.6%	7.5%	6.6%	7.7%	6.7%	6.7%
EPS, Diluted (Recurring)	7.5%	-3.0%	22.6%	18.1%	9.6%	14.4%	8.9%	3.9%	6.8%	10.5%	7.5%	8.7%	6.1%	4.5%	10.9%	7.5%	12.7%	11.0%	10.1%
Adjusted Free Cash Flow	4.2%	-8.2%	19.9%	15.4%	5.1%	-0.5%	2.2%	-7.9%	21.6%	1.0%	3.4%	-26.0%	20.8%	-1.1%	108.1%	14.2%	26.7%	9.2%	8.5%
Balance Sheet																			
Cash and equivalents	423	714	220	181	184	198	249	267	291	230	230	323	511	621	704	704	1,395	2,219	3,174
Total assets	13,738	13,992	14,700	17,135	17,916	19,818	20,254	20,679	20,782	21,129	21,129	21,186	21,306	21,463	21,598	21,598	22,239	23,007	23,900
Total Debt	4,354	4,717	5,047	6,897	6,751	8,081	8,396	8,346	8,630	8,820	8,820	9,102	9,102	9,102	9,102	9,102	9,102	9,102	9,102
Other liabilities	2,445	2,412	2,660	3,124	3,467	3,877	3,844	3,979	4,059	4,064	4,064	4,027	4,066	4,111	4,160	4,160	4,339	4,527	4,723
Total shareholders' equity	6,934	6,859	6,989	7,109	7,693	7,860	8,014	8,354	8,093	8,245	8,245	8,058	8,138	8,250	8,336	8,336	8,797	9,378	10,075
Net working capital	(203)	(229)	(341)	(467)	(598)	(706)	(652)	(753)	(793)	(850)	(850)	(735)	(843)	(854)	(867)	(867)	(906)	(951)	(997)
Consolidated Statement of Cash Flows																			
Cash from Operations	1,541	1,409	1,698	2,022	2,127	2,229	542	638	677	557	2,414	546	767	714	689	2,715	3,066	3,305	3,548
Cash from Investing	(1,426)	(1,046)	(1,693)	(3,087)	(1,581)	(3,159)	(603)	(417)	(414)	(589)	(2,023)	(356)	(345)	(369)	(362)	(1,424)	(1,393)	(1,464)	(1,538)
Cash from Financing	(96)	(78)	(499)	1,028	(544)	945	113	(206)	(239)	(29)	(360)	(96)	(234)	(234)	(243)	(808)	(982)	(1,017)	(1,055)
Capital Expenditures	666	665	744	913	934	1,056	212	285	297	399	1,194	297	324	333	323	1,277	1,244	1,315	1,389
Capex % of sales	12.4%	12.2%	12.1%	12.7%	11.6%	11.8%	9.5%	11.9%	12.1%	16.8%	12.6%	12.5%	12.8%	12.8%	12.8%	12.7%	11.7%	11.7%	11.7%
Adjusted FCF	917	842	1,010	1,165	1,224	1,218	332	367	385	176	1,259	246	443	380	365	1,438	1,822	1,990	2,159
Free Cash Flow Conversion	162%	411%	163%	139%	160%	197%	137%	126%	134%	68%	117%	112%	150%	116%	118%	125%	133%	131%	129%
Free Cash Flow per Share	$3.47	$3.19	$3.86	$4.51	$4.74	$4.71	$1.28	$1.42	$1.49	$0.68	$4.88	$0.96	$1.74	$1.49	$1.44	$5.65	$7.23	$7.96	$8.70
Dividend Per Share	$0.67	$0.71	$0.85	$0.95	$1.05	$1.05	$0.32	$0.32	$0.32	$0.35	$1.05	$0.35	$0.33	$0.33	$0.37	$1.38	$1.52	$1.67	$1.84

Source: Company filings, Bernstein analysis

EXHIBIT 27: **Republic Services (RSG) Financials**

BERNSTEIN
SOCIETE GENERALE GROUP

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1'25	Q2'25	Q3'25	Q4'25	FY 2025	Q1'26	Q2'26E	Q3'26E	Q4'26E	FY 2026E	FY 2027E	FY 2028E	FY 2029E
Income Statement																			
Revenue	10,300	10,154	11,296	13,510	14,965	16,032	4,009	4,235	4,212	4,136	16,592	4,113	4,311	4,372	4,347	17,142	18,128	19,067	20,067
Cost of operations	6,299	6,101	6,739	8,200	8,942	9,350	2,314	2,449	2,463	2,404	9,630	2,366	2,510	2,560	2,517	9,953	10,451	10,916	11,408
Gross Profit	4,001	4,053	4,557	5,310	6,022	6,682	1,695	1,786	1,749	1,732	6,962	1,747	1,801	1,812	1,829	7,189	7,677	8,152	8,659
Depreciation, Depletion and Amortization	1,041	1,076	1,185	1,352	1,501	1,677	434	463	459	458	1,814	461	472	478	483	1,893	2,009	2,119	2,236
Selling, general and administrative	1,092	1,053	1,196	1,457	1,609	1,675	427	425	422	437	1,711	425	427	372	439	1,662	1,750	1,822	1,897
Operating Income (Recurring)	1,775	1,830	2,111	2,488	2,848	3,194	806	870	895	808	3,379	830	875	933	879	3,517	3,802	4,095	4,410
Adjusted EBITDA	2,910	2,989	3,384	3,929	4,447	4,979	1,268	1,361	1,383	1,295	5,307	1,321	1,374	1,440	1,390	5,526	5,927	6,330	6,762
Interest expense, net	386	350	312	392	502	531	138	143	141	144	566	149	148	149	151	596	573	543	497
Income before income taxes (Recurring)	1,282	1,362	1,614	1,928	2,261	2,417	667	729	704	572	2,672	657	725	728	636	2,745	3,027	3,349	3,710
Income tax expense	222	173	283	344	460	388	170	170	95	19	454	131	165	167	144	607	671	742	823
Net Income (Recurring)	1,065	1,139	1,331	1,563	1,777	2,032	496	556	594	547	2,193	526	573	575	541	2,214	2,442	2,703	2,994
EPS, Diluted (Recurring)	**$3.31**	**$3.56**	**$4.17**	**$4.93**	**$5.61**	**$6.45**	**$1.58**	**$1.77**	**$1.90**	**$1.76**	**$7.02**	**$1.70**	**$1.85**	**$1.87**	**$1.77**	**$7.19**	**$8.07**	**$9.08**	**$10.24**
Diluted shares outstanding	322	320	319	317	317	315	313	313	312	310	312	309	309	307	306	308	303	298	292
Tax Rate (Adjusted)	16.9%	16.4%	17.5%	18.9%	21.4%	15.9%	25.6%	23.7%	15.6%	4.4%	17.9%	19.9%	21.0%	21.0%	15.0%	19.4%	19.3%	19.3%	19.3%
Margin Analysis																			
Gross Margin	38.8%	39.9%	40.3%	39.3%	40.2%	41.7%	42.3%	42.2%	41.5%	41.9%	42.0%	42.5%	41.8%	41.4%	42.1%	41.9%	42.3%	42.8%	43.2%
EBIT Margin	17.2%	18.0%	18.7%	18.4%	19.0%	19.9%	20.1%	20.5%	21.2%	19.5%	20.4%	20.2%	20.3%	21.3%	20.2%	20.5%	21.0%	21.5%	22.0%
EBITDA Margin	28.3%	29.4%	30.0%	29.1%	29.7%	31.1%	31.6%	32.1%	32.8%	31.3%	32.0%	32.1%	31.9%	32.9%	32.0%	32.2%	32.7%	33.2%	33.7%
Net Profit Margin	10.3%	11.2%	11.8%	11.6%	11.9%	12.7%	12.4%	13.1%	14.1%	13.2%	13.2%	12.8%	13.3%	13.1%	12.4%	12.9%	13.5%	14.2%	14.9%
Year-on-Year Growth																			
Revenue	2.6%	-1.4%	11.3%	19.6%	10.8%	7.1%	3.8%	4.6%	3.3%	2.2%	3.5%	2.6%	1.8%	3.8%	5.1%	3.3%	5.8%	5.2%	5.2%
Gross Profit	2.8%	1.3%	12.4%	16.5%	13.4%	11.0%	7.4%	7.2%	2.3%	0.2%	4.2%	3.1%	0.8%	3.6%	5.6%	3.3%	6.8%	6.2%	6.2%
Operating Income (Recurring)	4.7%	3.1%	15.3%	17.9%	14.5%	12.2%	9.1%	6.3%	4.7%	3.2%	5.8%	3.0%	0.5%	4.3%	8.8%	4.1%	8.1%	7.7%	7.7%
Adjusted EBITDA	3.6%	2.7%	13.2%	16.1%	13.2%	12.0%	8.9%	8.2%	6.1%	3.4%	6.6%	4.2%	1.0%	4.1%	7.4%	4.1%	7.3%	6.8%	6.8%
EPS, Diluted (Recurring)	7.0%	7.7%	17.0%	18.2%	13.8%	15.0%	9.1%	9.9%	5.3%	11.5%	8.8%	7.4%	4.3%	-1.6%	0.3%	2.4%	12.2%	12.6%	12.7%
Adjusted Free Cash Flow	3.4%	1.4%	22.6%	15.0%	13.9%	10.0%	36.1%	12.4%	31.7%	-45.9%	11.4%	35.4%	-38.0%	23.6%	186.7%	16.2%	0.8%	22.7%	8.7%
Balance Sheet																			
Cash and Cash Equivalents	181	211	289	491	636	620	715	734	683	731	731	765	788	599	422	422	739	1,684	2,914
Total assets	22,684	23,434	24,955	29,053	31,410	32,402	33,103	33,397	33,789	34,366	34,366	34,600	34,958	35,079	35,221	35,221	36,358	37,719	39,346
Total Debt	8,689	8,934	9,554	11,786	12,819	12,713	13,283	12,967	13,274	13,581	13,581	13,864	13,864	13,864	13,864	13,864	13,864	13,864	13,864
Other liabilities	5,874	6,011	6,421	7,581	8,047	8,282	8,155	8,378	8,643	8,816	8,816	8,755	8,757	9,051	9,214	9,214	9,758	10,296	10,841
Total shareholders' equity	8,118	8,484	8,979	9,686	10,542	11,405	11,663	12,050	11,871	11,968	11,968	11,980	12,336	12,163	12,142	12,142	12,735	13,558	14,640
Net working capital	(551)	(630)	(726)	(719)	(1,055)	(934)	(832)	(932)	(942)	(885)	(885)	(801)	(801)	(797)	(791)	(791)	(756)	(722)	(685)
Consolidated Statement of Cash Flows																			
Cash from Operations	2,352	2,472	2,787	3,190	3,618	3,936	1,025	1,109	1,181	981	4,296	1,227	1,055	1,346	1,094	4,722	4,852	5,213	5,608
Cash from Investing	(1,719)	(1,923)	(2,466)	(4,423)	(3,667)	(2,561)	(1,288)	(527)	(756)	(742)	(3,313)	(910)	(825)	(793)	(800)	(3,328)	(2,803)	(2,516)	(2,606)
Cash from Financing	(589)	(612)	(329)	1,344	62	(1,398)	284	(544)	(463)	(215)	(938)	(238)	(207)	(741)	(471)	(1,658)	(1,732)	(1,752)	(1,772)
Capital Expenditures	1,207	1,195	1,316	1,454	1,631	1,855	459	407	444	577	1,887	476	625	393	400	1,894	2,003	1,716	1,806
Capex % of sales	11.7%	11.8%	11.7%	10.8%	10.9%	11.6%	11.4%	9.6%	10.5%	14.0%	11.4%	11.6%	14.5%	9.0%	9.2%	11.1%	11.0%	9.0%	9.0%
Adjusted Free Cash Flow (FCF)	1,219	1,236	1,515	1,742	1,985	2,183	727	693	771	242	2,433	984	430	952	694	2,827	2,849	3,497	3,802
Free Cash Flow Conversion	114%	128%	117%	117%	115%	107%	147%	126%	140%	44%	114%	187%	78%	171%	143%	133%	122%	135%	133%
Free Cash Flow per Share	$3.78	$3.86	$4.74	$5.49	$6.27	$6.94	$2.32	$2.21	$2.47	$0.78	$7.79	$3.18	$1.39	$3.10	$2.27	$9.19	$9.41	$11.75	$13.00
Dividend Per Share	$2.05	$2.18	$2.30	$2.60	$2.80	$3.00	$0.58	$0.63	$0.63	$0.63	$2.46	$0.00	$0.66	$0.66	$0.66	$1.97	$2.07	$2.17	$2.28

Source: Company filings, Bernstein analysis

EXHIBIT 28: **Ferguson (FERG) Financials**

BERNSTEIN
SOCIETE GENERALE GROUP

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1'25	Q2'25	Q3'25	Q4'25	FY 2025	Q1'26	Q2'26E	Q3'26E	Q4'26E	FY 2026E	FY 2027E	FY 2028E	FY 2029E
Income Statement																			
Net Sales	19,729	19,940	22,792	28,566	29,734	29,818	7,213	8,363	8,245	7,495	31,316	7,472	8,781	8,719	7,926	32,898	34,872	36,964	39,182
Cost of Goods Sold	13,822	13,957	15,812	19,810	20,709	20,774	4,997	5,750	5,662	5,199	21,608	5,154	6,095	6,049	5,494	22,791	24,132	25,543	27,037
Gross Profit	5,907	5,983	6,980	8,756	9,025	9,044	2,216	2,613	2,583	2,296	9,708	2,318	2,687	2,670	2,432	10,107	10,740	11,421	12,146
Selling, general and administrative expenses	4,261	4,329	4,732	5,635	6,045	6,139	1,565	1,650	1,640	1,610	6,465	1,607	1,715	1,699	1,663	6,684	7,050	7,437	7,863
Depreciation and amortization	260	282	298	301	321	351	93	96	96	95	380	97	119	118	107	440	471	499	529
Operating Income (Recurring)	1,539	1,587	2,092	2,951	2,917	2,705	597	906	883	625	3,011	647	918	896	693	3,153	3,400	3,677	3,955
Adjusted EBITDA	1,689	1,755	2,259	3,153	3,105	2,905	651	963	943	686	3,243	711	997	974	764	3,446	3,714	4,010	4,307
Interest expense, net	72	83	89	111	184	179	46	49	47	48	190	45	47	42	39	173	174	153	115
Income before income taxes (Recurring)	1,463	1,452	1,970	2,839	2,722	2,523	559	854	830	563	2,806	595	868	847	640	2,950	3,197	3,493	3,810
Income Taxes	0	308	452	702	684	640	144	218	204	152	718	151	221	208	173	753	817	893	973
Net Income (Recurring)	1,122	1,144	1,518	2,137	2,038	1,883	415	636	626	411	2,088	444	646	639	467	2,196	2,380	2,601	2,836
EPS, Diluted (Recurring)	**$4.84**	**$5.04**	**$6.75**	**$9.76**	**$9.84**	**$9.33**	**$2.09**	**$3.22**	**$3.18**	**$2.10**	**$10.58**	**$2.28**	**$3.34**	**$3.32**	**$2.44**	**$11.38**	**$12.60**	**$14.03**	**$15.61**
Diluted shares outstanding	232	227	225	219	207	202	199	198	197	196	197	195	194	192	191	193	189	185	182
Tax Rate (Adjusted)	0.0%	21.2%	22.9%	24.7%	25.1%	25.4%	25.8%	25.5%	24.6%	27.0%	25.6%	25.4%	25.5%	24.6%	27.0%	25.5%	25.5%	25.5%	25.6%
Margin Analysis																			
Gross Margin	29.9%	30.0%	30.6%	30.7%	30.4%	30.3%	30.7%	31.2%	31.3%	30.6%	31.0%	31.0%	30.6%	30.6%	30.7%	30.7%	30.8%	30.9%	31.0%
EBIT Margin	7.8%	8.0%	9.2%	10.3%	9.8%	9.1%	8.3%	10.8%	10.7%	8.3%	9.6%	8.7%	10.4%	10.3%	8.7%	9.6%	9.8%	9.9%	10.1%
EBITDA Margin	8.6%	8.8%	9.9%	11.0%	10.4%	9.7%	9.0%	11.5%	11.4%	9.2%	10.4%	9.5%	11.3%	11.2%	9.6%	10.5%	10.7%	10.8%	11.0%
Net Profit Margin	5.7%	5.7%	6.7%	7.5%	6.9%	6.3%	5.8%	7.6%	7.6%	5.5%	6.7%	5.9%	7.4%	7.3%	5.9%	6.7%	6.8%	7.0%	7.2%
Year-on-Year Growth																			
Net Sales	8.5%	1.1%	14.3%	25.3%	4.1%		3.0%	6.6%	6.6%	3.6%	5.0%	3.6%	5.0%	5.7%	5.8%	5.1%	6.0%	6.0%	6.0%
Gross Profit	8.7%	1.3%	16.7%	25.4%	3.1%		3.2%	11.1%	7.8%	6.9%	7.3%	4.6%	2.8%	3.4%	5.9%	4.1%	6.3%	6.3%	6.3%
Operating Income (Recurring)	8.4%	3.1%	31.8%	41.1%	-1.2%		-4.0%	18.3%	15.0%	13.8%	11.3%	8.4%	1.3%	1.4%	10.8%	4.7%	7.8%	8.1%	7.6%
Adjusted EBITDA	8.3%	3.9%	28.7%	39.6%	-1.5%		-3.0%	18.5%	15.0%	14.1%	11.6%	9.2%	3.5%	3.3%	11.4%	6.3%	7.8%	8.0%	7.4%
EPS, Diluted (Recurring)	-5.9%	4.2%	33.9%	44.6%	0.8%		-2.2%	21.3%	19.8%	11.7%	13.4%	9.3%	3.6%	4.4%	16.4%	7.6%	10.7%	11.4%	11.2%
Balance Sheet																			
Cash and cash equivalents	-	2,115	1,335	771	601	722	-	407	832	557	557	820	1,050	1,484	1,468	1,468	1,801	2,321	3,043
Total assets	-	13,825	13,766	15,661	15,994	16,491	-	17,642	18,146	17,152	17,152	17,789	18,279	18,454	17,761	17,761	18,727	19,906	21,314
Total Debt	-	3,166	2,564	3,929	3,766	3,798	-	3,577	4,124	4,126	4,126	4,127	4,127	4,127	4,127	4,127	4,127	4,127	4,127
Other liabilities	-	6,050	6,199	7,067	7,191	7,260	-	8,339	8,025	7,169	7,169	7,788	8,100	8,085	7,421	7,421	7,643	7,876	8,124
Total shareholders' equity	-	4,609	5,003	4,665	5,037	5,433	5,423	5,726	5,997	5,857	5,857	5,874	6,052	6,242	6,213	6,213	6,958	7,903	9,064
Net working capital	-	2,297	2,092	3,231	3,102	3,276	-	3,447	3,774	4,002	4,002	3,795	3,749	3,521	3,475	3,475	3,770	4,084	4,418
Consolidated Statement of Cash Flows																			
Cash from Operations	-	1,533	1,380	1,149	2,723						2,181	772	845	1,048	599	3,265	2,525	2,756	3,003
Cash from Investing	-	(606)	(172)	(922)	(1,054)						(545)	(94)	(147)	(146)	(137)	(524)	(584)	(607)	(631)
Cash from Financing	-	51	(1,997)	(744)	(1,807)						(1,848)	(413)	(469)	(468)	(479)	(1,828)	(1,608)	(1,629)	(1,650)
Capital Expenditures	-	282	239	290	441						354	92	50	50	50	372	384	407	431
Capex % of sales		1.4%	1.0%	1.0%	1.5%						1.1%		1.1%	1.1%	1.1%	0.9%	1.1%	1.1%	1.1%
Free Cash Flow	-	1,251	1,141	859	2,282						1,827	680	749	952	512	2,893	2,141	2,349	2,572
Free Cash Flow Conversion		130%	78%	40%	1						91%	164%	116%	147%	115%	134%	92%	92%	92%
Free Cash Flow per Share		$5.51	$5.07	$3.92	$11.01						$9.26	$3.49	$3.87	$4.95	$2.68	$14.98	$11.33	$12.67	$14.15
Dividend Per Share		$1.45	$0.46	$2.51	$3.41						$3.38	$0.89	$0.87	$0.87	$0.93	$3.57	$3.75	$3.93	$4.13

Source: Company filings, Bernstein analysis

EXHIBIT 29: **Fastenal (FAST) Financials**

BERNSTEIN
SOCIETE GENERALE GROUP

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1'25	Q2'25	Q3'25	Q4'25	FY 2025	Q1'26	Q2'26E	Q3'26E	Q4'26E	FY 2026E	FY 2027E	FY 2028E	FY 2029E
Income Statement																			
Net Sales	5,334	5,647	6,011	6,981	7,347	7,546	1,959	2,080	2,133	2,027	8,200	2,202	2,266	2,304	2,190	8,962	9,695	10,499	11,371
Cost of sales	2,818	3,080	3,234	3,765	3,992	4,144	1,076	1,138	1,168	1,129	4,509	1,219	1,251	1,272	1,221	4,963	5,403	5,888	6,416
Gross Profit	2,515	2,568	2,777	3,216	3,355	3,402	884	943	966	899	3,691	983	1,016	1,032	968	3,999	4,292	4,611	4,954
Selling, general, and administrative expenses	1,458	1,426	1,560	1,762	1,826	1,892	490	507	524	514	2,035	535	537	557	547	2,176	2,325	2,487	2,659
Operating Income	1,057	1,142	1,217	1,454	1,529	1,510	394	436	442	384	1,656	448	479	475	422	1,822	1,966	2,124	2,295
EBITDA	1,212	1,310	1,394	1,637	1,713	1,693	441	483	489	431	1,843	495	530	525	472	2,021	2,181	2,356	2,545
Net Interest Expense	-14	-9	-10	-14	-7	-2	-1	1	-1	0	-1	1	1	0	1	3	11	21	32
Income before income taxes	1,044	1,133	1,208	1,440	1,522	1,508	393	437	441	385	1,655	448	479	475	423	1,825	1,977	2,145	2,327
Income Taxes	253	274	283	353	367	358	94	106	105	91	396	109	117	113	99	438	475	515	558
Net Income	791	859	925	1,087	1,155	1,151	299	330	336	294	1,259	340	363	362	323	1,387	1,503	1,630	1,769
EPS, Diluted common shareholders	**$0.69**	**$0.75**	**$0.80**	**$0.94**	**$1.01**	**$1.00**	**$0.26**	**$0.29**	**$0.29**	**$0.26**	**$1.09**	**$0.30**	**$0.32**	**$0.31**	**$0.28**	**$1.21**	**$1.31**	**$1.42**	**$1.54**
Diluted shares outstanding	1,149	1,151	1,154	1,151	1,146	1,149	1,150	1,150	1,151	1,151	1,150	1,151	1,151	1,151	1,151	1,151	1,151	1,150	1,150
Tax Rate	24.2%	24.2%	23.4%	24.5%	24.1%	23.7%	24.0%	24.3%	23.9%	23.5%	23.9%	24.2%	24.3%	23.9%	23.5%	24.0%	24.0%	24.0%	24.0%
Margin Analysis																			
Gross Margin	47.2%	45.5%	46.2%	46.1%	45.7%	45.1%	45.1%	45.3%	45.3%	44.3%	45.0%	44.6%	44.8%	44.8%	44.2%	44.6%	44.3%	43.9%	43.6%
EBIT Margin	19.8%	20.2%	20.3%	20.8%	20.8%	20.0%	20.1%	21.0%	20.7%	19.0%	20.2%	20.3%	21.1%	20.6%	19.3%	20.3%	20.3%	20.2%	20.2%
EBITDA Margin	22.7%	23.2%	23.2%	23.5%	23.3%	22.4%	22.5%	23.2%	22.9%	21.3%	22.5%	22.5%	23.4%	22.8%	21.5%	22.6%	22.5%	22.4%	22.4%
Net Profit Margin	14.8%	15.2%	15.4%	15.6%	15.7%	15.2%	15.2%	15.9%	15.7%	14.5%	15.3%	15.4%	16.0%	15.7%	14.8%	15.5%	15.5%	15.5%	15.6%
Year-on-Year Growth																			
Net Sales	7.4%	5.9%	6.4%	16.1%	5.2%	2.7%	3.4%	8.6%	11.7%	11.1%	8.7%	12.4%	8.9%	8.0%	8.0%	9.3%	8.2%	8.3%	8.3%
Gross Profit	4.9%	2.1%	8.2%	15.8%	4.3%	1.4%	2.6%	9.2%	12.5%	9.8%	8.5%	11.2%	7.7%	6.8%	7.8%	8.3%	7.3%	7.4%	7.4%
Operating Income	5.8%	8.0%	6.6%	19.4%	5.2%	-1.2%	0.9%	12.7%	13.8%	11.5%	9.7%	13.6%	9.7%	7.5%	9.7%	10.1%	7.9%	8.0%	8.0%
EBITDA	6.0%	8.1%	6.4%	17.5%	4.6%	-1.2%	1.3%	11.7%	12.5%	10.1%	8.9%	12.3%	9.6%	7.5%	9.5%	9.7%	7.9%	8.0%	8.0%
EPS, Diluted common shareholders	5.2%	8.4%	7.4%	17.8%	6.8%	-0.6%	0.2%	12.7%	12.3%	12.1%	9.2%	13.6%	9.7%	7.8%	9.9%	10.2%	8.4%	8.5%	8.5%
Balance Sheet																			
Cash and cash equivalents	175	246	236	230	221	256	232	238	288	277	277	309	133	202	299	299	570	892	1,273
Total assets	3,800	3,965	4,299	4,549	4,463	4,698	4,871	5,016	5,116	5,053	5,053	5,210	5,342	5,467	5,492	5,492	6,191	6,982	7,873
Total Debt	345	405	390	555	260	200	200	230	195	125	125	125	125	125	125	125	125	125	125
Other liabilities	789	827	867	830	854	882	981	979	1,027	984	984	1,095	1,131	1,160	1,128	1,128	1,182	1,242	1,307
Total shareholders' equity	2,666	2,733	3,042	3,163	3,349	3,616	3,690	3,807	3,895	3,944	3,944	3,990	4,086	4,182	4,239	4,239	4,884	5,615	6,441
Net working capital	1,741	1,681	1,998	2,307	2,198	2,344	2,416	2,534	2,520	2,505	2,505	2,512	2,750	2,740	2,664	2,664	2,908	3,176	3,467
Consolidated Statement of Cash Flows																			
Cash from Operations	843	1,102	770	941	1,433	1,173	262	279	387	368	1,296	378	174	419	447	1,419	1,465	1,585	1,719
Cash from Investing	(240)	(282)	(149)	(163)	(161)	(215)	(54)	(64)	(55)	(58)	(231)	(58)	(84)	(85)	(83)	(310)	(337)	(365)	(395)
Cash from Financing	(595)	(754)	(627)	(775)	(1,282)	(914)	(236)	(216)	(281)	(322)	(1,055)	(288)	(266)	(266)	(266)	(1,086)	(858)	(899)	(943)
Capital Expenditures	246	168	157	174	173	227	56	69	60	60	245	59	84	85	83	311	337	365	395
Capex % of sales	4.6%	3.0%	2.6%	2.5%	2.4%	3.0%	2.8%	3.3%	2.8%	3.0%	3.0%	2.7%	3.7%	3.7%	3.8%	3.5%	3.5%	3.5%	3.5%
Free Cash Flow	596	934	614	767	1,260	947	207	209	327	308	1,051	320	90	334	364	1,108	1,129	1,221	1,324
Free Cash Flow Conversion	75%	109%	66%	71%	109%	82%	69%	63%	97%	105%	83%	94%	25%	92%	113%	80%	75%	75%	75%
Free Cash Flow per Share	$0.52	$0.81	$0.53	$0.67	$1.10	$0.82	$0.18	$0.18	$0.28	$0.27	$0.91	$0.28	$0.08	$0.29	$0.32	$0.96	$0.98	$1.06	$1.15
Dividend Per Share	$0.44	$0.70	$0.56	$0.62	$0.89	$0.78	$0.21	$0.22	$0.22	$0.22	$0.87	$0.00	$0.23	$0.23	$0.23	$0.69	$0.73	$0.76	$0.80

Source: Company filings, Bernstein analysis

EXHIBIT 30: **W. W. Grainger (GWW) Financials**

BERNSTEIN
SOCIETE GENERALE GROUP

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1'25	Q2'25	Q3'25	Q4'25	FY 2025	Q1'26	Q2'26E	Q3'26E	Q4'26E	FY 2026E	FY 2027E	FY 2028E	FY 2029E
Income Statement																			
Net Sales	11,486	11,797	13,022	15,228	16,478	17,168	4,306	4,554	4,657	4,425	17,942	4,742	4,959	4,989	4,648	19,338	20,354	21,477	22,675
Cost of Goods Sold	7,089	7,559	8,302	9,379	9,982	10,410	2,596	2,799	2,859	2,679	10,933	2,846	3,037	3,029	2,803	11,715	12,368	13,100	13,884
Gross Profit	4,397	4,238	4,720	5,849	6,496	6,758	1,710	1,755	1,798	1,746	7,009	1,896	1,922	1,960	1,845	7,622	7,986	8,377	8,791
Selling, General and Administrative expenses	3,135	3,219	3,173	3,634	3,931	4,121	1,038	1,077	1,287	1,112	4,514	1,103	1,150	1,154	1,140	4,546	4,717	4,903	5,094
Operating Income (Recurring)	1,388	1,327	1,547	2,194	2,591	2,653	672	678	707	634	2,691	793	772	806	705	3,077	3,269	3,474	3,697
Adjusted EBITDA	1,657	1,555	1,774	2,459	2,867	2,952	745	765	786	713	3,009	869	865	889	787	3,411	3,618	3,838	4,078
Net Interest Expense (Income)	79	93	87	93	93	77	21	20	20	20	81	21	19	18	17	74	55	24	-16
Income before income taxes (Recurring)	1,335	1,255	1,485	2,125	2,526	2,600	657	661	688	620	2,626	775	758	792	692	3,017	3,230	3,466	3,729
Income Taxes	314	192	371	533	597	595	157	153	171	141	622	194	189	198	173	755	807	866	932
Net Income (Recurring)	959	876	1,042	1,526	1,851	1,925	479	482	490	451	1,902	555	541	567	492	2,156	2,294	2,439	2,637
EPS, Diluted (Recurring)	**$17.31**	**$16.18**	**$19.82**	**$29.67**	**$36.67**	**$38.96**	**$9.86**	**$9.97**	**$10.21**	**$9.44**	**$39.48**	**$11.65**	**$11.47**	**$12.08**	**$10.53**	**$45.72**	**$49.63**	**$53.77**	**$59.25**
Diluted shares outstanding	55	54	52	51	50	50	48	48	48	48	48	47	47	47	47	47	46	45	45
Tax Rate (Adjusted)	24.7%	25.4%	25.0%	25.1%	23.8%	22.9%	23.9%	23.1%	24.9%	22.7%	23.7%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Margin Analysis																			
Gross Margin	38.3%	35.9%	36.2%	38.4%	39.4%	39.4%	39.7%	38.5%	38.6%	39.5%	39.1%	40.0%	38.8%	39.3%	39.7%	39.4%	39.2%	39.0%	38.8%
EBIT Margin	12.1%	11.2%	11.9%	14.4%	15.7%	15.5%	15.6%	14.9%	15.2%	14.3%	15.0%	16.7%	15.6%	16.2%	15.2%	15.9%	16.1%	16.2%	16.3%
EBITDA Margin	14.4%	13.2%	13.6%	16.1%	17.4%	17.2%	17.3%	16.8%	16.9%	16.1%	16.8%	18.3%	17.4%	17.8%	16.9%	17.6%	17.8%	17.9%	18.0%
Net Profit Margin	8.3%	7.4%	8.0%	10.0%	11.2%	11.2%	11.1%	10.6%	10.5%	10.2%	10.6%	11.7%	10.9%	11.4%	10.6%	11.1%	11.3%	11.4%	11.6%
Year-on-Year Growth																			
Net Sales	2.4%	2.7%	10.4%	16.9%	8.2%	4.2%	1.7%	5.6%	6.1%	4.5%	4.5%	10.1%	8.9%	7.1%	5.0%	7.8%	5.3%	5.5%	5.6%
Gross Profit	1.1%	-3.6%	11.4%	23.9%	11.1%	4.0%	2.5%	3.6%	4.5%	4.2%	3.7%	10.9%	9.5%	9.0%	5.7%	8.8%	4.8%	4.9%	4.9%
Operating Income (Recurring)	3.2%	-4.4%	16.6%	41.8%	18.1%	2.4%	0.4%	2.0%	3.1%	0.2%	1.4%	18.0%	13.9%	14.0%	11.2%	14.3%	6.3%	6.3%	6.4%
Adjusted EBITDA	0.5%	-6.1%	14.1%	38.6%	16.6%	3.0%	1.2%	2.3%	3.6%	0.6%	1.9%	16.6%	13.1%	13.2%	10.4%	13.4%	6.1%	6.1%	6.3%
EPS, Diluted (Recurring)	3.4%	-6.5%	22.5%	49.7%	23.6%	6.3%	2.5%	2.2%	3.5%	-3.2%	1.3%	18.2%	15.0%	18.3%	11.5%	15.8%	8.6%	8.3%	10.2%
Balance Sheet																			
Cash and cash equivalents	360	585	241	325	660	1,036	666	597	535	585	585	695	674	840	816	816	1,392	2,234	3,246
Total assets	6,005	6,295	6,592	7,588	8,147	8,829	8,658	8,937	8,848	8,962	8,962	9,473	9,790	9,926	9,935	9,935	10,964	12,136	13,500
Total Debt	2,215	2,397	2,362	2,319	2,300	2,778	2,281	2,343	2,369	2,488	2,488	2,411	2,411	2,411	2,411	2,411	2,411	2,411	2,411
Other liabilities	1,730	1,805	2,070	2,534	2,406	2,348	2,530	2,511	2,518	2,333	2,333	2,719	2,810	2,756	2,609	2,609	2,707	2,817	2,935
Total shareholders' equity	1,855	1,849	1,874	2,440	3,115	3,358	3,480	3,674	3,561	3,736	3,736	3,930	4,156	4,345	4,502	4,502	5,433	6,495	7,741
Net working capital	1,818	1,901	2,242	2,677	2,817	2,895	2,850	3,053	2,926	3,085	3,085	3,015	3,141	3,084	3,193	3,193	3,372	3,569	3,778
Consolidated Statement of Cash Flows																			
Cash from Operations	1,042	1,123	937	1,333	2,031	2,111	646	377	597	395	2,015	739	508	708	465	2,420	2,464	2,607	2,808
Cash from Investing	(202)	(179)	(226)	(263)	(422)	(520)	(125)	(158)	(260)	(102)	(645)	(178)	(191)	(150)	(139)	(658)	(458)	(322)	(340)
Cash from Financing	(1,023)	(726)	(1,039)	(972)	(1,278)	(1,180)	(898)	(303)	(398)	(226)	(1,825)	(446)	(338)	(392)	(350)	(1,526)	(1,430)	(1,443)	(1,456)
Capital Expenditures	221	197	255	256	445	541	125	175	258	126	684	170	191	150	139	650	458	322	340
Capex % of sales	1.9%	1.7%	2.0%	1.7%	2.7%	3.2%	2.9%	3.8%	5.5%	2.8%	3.8%	3.6%	3.8%	3.0%	3.0%	3.4%	2.2%	1.5%	1.5%
Free Cash Flow	821	926	682	1,077	1,586	1,570	521	202	339	269	1,331	569	317	558	326	1,770	2,006	2,285	2,468
Free Cash Flow Conversion	97%	133%	65%	70%	87%	82%	109%	42%	115%	60%	78%	103%	59%	98%	66%	82%	87%	94%	94%
Free Cash Flow per Share	$14.95	$17.24	$13.07	$21.08	$31.66	$31.34	$10.79	$4.20	$7.08	$5.65	$27.73	$12.00	$6.72	$11.88	$6.97	$37.60	$43.41	$50.37	$55.46
Dividend Per Share	$5.68	$5.94	$6.39	$6.78	$7.30	$8.01	$2.05	$2.26	$2.05	$2.10	$8.46	$2.05	$2.37	$2.15	$2.21	$8.78	$9.22	$9.68	$10.17

Source: Company filings, Bernstein analysis

EXHIBIT 31: **Rollins (ROL) Financials**

BERNSTEIN
SOCIETE GENERALE GROUP

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1'25	Q2'25	Q3'25	Q4'25	FY 2025	Q1'26	Q2'26E	Q3'26E	Q4'26E	FY 2026E	FY 2027E	FY 2028E	FY 2029E
Income Statement																			
Net Sales	2,015	2,161	2,424	2,696	3,073	3,389	823	1,000	1,026	913	3,761	906	1,098	1,122	999	4,126	4,505	4,920	5,373
Cost of services provided (ex-D&A)	994	1,049	1,163	1,308	1,470	1,603	400	462	467	448	1,777	446	504	508	487	1,944	2,112	2,299	2,503
Gross Profit	1,022	1,113	1,262	1,387	1,603	1,786	422	538	559	465	1,984	461	594	614	512	2,181	2,393	2,621	2,871
Selling and administrative expenses	623	656	727	803	915	1,015	251	308	301	274	1,133	283	337	332	299	1,250	1,356	1,474	1,601
Depreciation and amortization	81	88	94	91	100	113	29	32	32	32	125	32	37	38	33	140	151	164	180
Operating Income (Recurring)	324	368	453	491	604	675	147	206	232	167	752	153	228	252	188	820	916	1,012	1,119
Adjusted EBITDA	399	455	543	593	693	770	172	231	258	194	855	178	257	283	214	932	1,037	1,147	1,269
Interest expense, net	7	5	1	3	19	28	6	7	8	7	29	9	8	9	7	33	28	21	12
Income before income taxes	261	355	475	499	586	630	138	191	217	155	701	137	212	236	173	758	859	962	1,078
Income Taxes	58	94	124	130	151	164	32	50	54	38	174	29	54	57	45	186	215	241	269
Net Income (Recurring)	233	261	344	367	436	479	108	148	170	121	547	113	166	186	136	600	673	751	838
EPS, Diluted (Recurring)	**$0.47**	**$0.53**	**$0.70**	**$0.74**	**$0.90**	**$0.99**	**$0.22**	**$0.31**	**$0.35**	**$0.25**	**$1.13**	**$0.24**	**$0.34**	**$0.39**	**$0.28**	**$1.25**	**$1.40**	**$1.55**	**$1.73**
Diluted shares outstanding	491	492	492	492	490	484	484	485	485	483	484	481	482	482	482	482	482	483	484
Tax Rate	22.1%	26.5%	26.1%	26.1%	25.8%	26.0%	23.5%	26.0%	24.8%	24.7%	24.9%	21.3%	25.5%	24.3%	26.0%	24.5%	25.0%	25.0%	25.0%
Margin Analysis																			
Gross Margin	50.7%	51.5%	52.0%	51.5%	52.2%	52.7%	51.4%	53.8%	54.4%	51.0%	52.8%	50.8%	54.1%	54.7%	51.3%	52.9%	53.1%	53.3%	53.4%
EBIT Margin	16.1%	17.0%	18.7%	18.2%	19.7%	19.9%	17.9%	20.6%	22.6%	18.3%	20.0%	16.9%	20.8%	22.5%	18.8%	19.9%	20.3%	20.6%	20.8%
EBITDA Margin	19.8%	21.0%	22.4%	22.0%	22.5%	22.7%	20.9%	23.1%	25.2%	21.2%	22.7%	19.7%	23.4%	25.2%	21.4%	22.6%	23.0%	23.3%	23.6%
Incremental Margin	11.2%	38.2%	33.4%	18.5%	26.5%	24.6%	16.3%	19.6%	35.4%	15.7%	22.7%	7.8%	26.4%	25.1%	23.1%	21.0%	27.8%	26.6%	26.9%
Net Profit Margin	11.6%	12.1%	14.2%	13.6%	14.2%	14.1%	13.1%	14.8%	16.5%	13.3%	14.5%	12.5%	15.1%	16.5%	13.6%	14.5%	14.9%	15.3%	15.6%
Year-on-Year Growth																			
Net Sales	10.6%	7.2%	12.2%	11.2%	14.0%	10.3%	9.9%	12.1%	12.0%	9.7%	11.0%	10.2%	9.8%	9.4%	9.4%	9.7%	9.2%	9.2%	9.2%
Gross Profit	10.2%	8.9%	13.4%	10.0%	15.6%	11.4%	10.3%	11.6%	13.0%	9.1%	11.1%	9.1%	10.4%	10.0%	10.1%	9.9%	9.7%	9.5%	9.5%
Operating Income (Recurring)	3.3%	13.7%	23.0%	8.6%	23.0%	11.7%	6.7%	10.3%	18.4%	8.1%	11.4%	4.0%	10.7%	8.6%	12.1%	9.1%	11.6%	10.5%	10.5%
Adjusted EBITDA	5.8%	14.0%	19.3%	9.3%	16.9%	11.2%	7.6%	10.0%	17.7%	7.0%	11.0%	3.8%	11.2%	9.4%	10.3%	9.0%	11.3%	10.6%	10.6%
EPS, Diluted (Recurring)	-0.6%	11.7%	31.9%	6.4%	20.7%	10.1%	9.6%	11.9%	21.4%	11.5%	14.1%	5.6%	12.6%	10.2%	12.1%	10.3%	12.1%	11.3%	11.4%
Free Cash Flow	7.1%	41.6%	-9.2%	16.2%	13.9%	17.0%	16.5%	23.2%	31.1%	-13.6%	12.1%	-20.6%	32.4%	12.4%	16.4%	11.4%	14.7%	10.9%	11.0%
Balance Sheet																			
Cash and cash equivalents	94	98	105	95	104	90	201	123	127	100	100	117	23	104	166	166	273	415	595
Total assets	1,744	1,846	1,981	2,122	2,595	2,820	2,949	3,180	3,220	3,141	3,141	3,160	3,429	3,534	3,527	3,527	3,938	4,396	4,909
Total Debt	292	203	155	55	491	395	485	545	486	610	610	651	651	651	651	651	651	651	651
Other liabilities	637	702	744	800	949	1,094	1,107	1,191	1,202	1,156	1,156	1,128	1,316	1,319	1,270	1,270	1,392	1,523	1,666
Total shareholders' equity	816	941	1,082	1,267	1,156	1,331	1,356	1,444	1,532	1,374	1,374	1,382	1,463	1,565	1,606	1,606	1,896	2,223	2,592
Net working capital	(182)	(239)	(225)	(226)	(274)	(292)	(282)	(313)	(289)	(289)	(289)	(234)	(355)	(318)	(317)	(317)	(346)	(378)	(413)
Consolidated Statement of Cash Flows																			
Cash from Operations	319	436	402	466	528	608	147	175	191	165	678	118	230	215	191	755	864	958	1,063
Cash from Investing	(455)	(162)	(99)	(134)	(373)	(176)	(33)	(231)	(40)	(24)	(327)	(25)	(234)	(44)	(27)	(330)	(349)	(368)	(388)
Cash from Financing	128	(281)	(290)	(336)	(149)	(441)	(5)	(24)	(147)	(168)	(344)	(76)	(90)	(89)	(103)	(358)	(408)	(449)	(494)
Capital Expenditures	27	23	27	31	32	28	7	7	9	6	28	7	8	9	6	30	33	36	40
Capex % of sales	1.3%	1.1%	1.1%	1.1%	1.1%	0.8%	0.8%	0.7%	0.8%	0.6%	0.7%	0.8%	0.7%	0.8%	0.6%	0.7%	0.7%	0.7%	0.7%
Free Cash Flow	291	413	375	435	496	580	140	168	183	159	650	111	223	205	185	724	831	922	1,023
Free Cash Flow Conversion	143%	158%	107%	118%	114%	124%	133%	119%	112%	137%	123%	103%	141%	115%	144%	126%	129%	128%	127%
Free Cash Flow per Share	$0.59	$0.84	$0.76	$0.88	$1.01	$1.20	$0.29	$0.35	$0.38	$0.33	$1.34	$0.23	$0.46	$0.43	$0.38	$1.50	$1.72	$1.91	$2.12
Dividend Per Share	$0.31	$0.33	$0.42	$0.43	$0.54	$0.62	$0.17	$0.17	$0.17	$0.18	$0.68	$0.18	$0.18	$0.18	$0.20	$0.75	$0.82	$0.90	$0.99

Source: Company filings, Bernstein analysis

EXHIBIT 32: **Cintas (CTAS) Financials**

BERNSTEIN
SOCIETE GENERALE GROUP

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Q1'26	Q2'26	Q3'26	Q4'26E	FY 2026E	Q1'27E	Q2'27E	Q3'27E	Q4'27E	FY 2027E	FY 2028E	FY 2029E
Income Statement																				
Net Sales	6,477	6,892	7,085	7,116	7,854	8,816	9,597	10,340	2,718	2,800	2,841	2,871	11,231	2,890	2,977	3,020	3,052	11,938	12,692	13,495
Cost of Goods Sold	3,568	3,764	3,851	3,802	4,222	4,642	4,910	5,166	1,352	1,388	1,393	1,434	5,566	1,431	1,469	1,475	1,513	5,888	6,204	6,538
Gross Profit	2,909	3,129	3,234	3,315	3,632	4,173	4,686	5,174	1,367	1,412	1,448	1,437	5,665	1,458	1,507	1,545	1,539	6,050	6,488	6,957
Selling and administrative expenses	1,917	1,981	2,071	1,929	2,045	2,371	2,618	2,814	749	757	789	782	3,076	793	801	835	828	3,257	3,449	3,653
Operating Income	950	1,134	1,163	1,385	1,587	1,803	2,069	2,360	618	656	660	655	2,589	666	706	710	711	2,793	3,038	3,304
EBITDA	1,229	1,494	1,542	1,773	1,987	2,212	2,511	2,854	744	783	789	787	3,102	800	842	847	851	3,339	3,619	3,921
Interest expense	110	102	105	98	89	111	101	101	24	28	28	24	105	22	21	18	13	73	28	-27
Income before income taxes	841	1,102	1,058	1,288	1,499	1,693	1,974	2,264	596	629	632	631	2,488	644	685	693	698	2,720	3,011	3,331
Income Taxes	57	220	182	177	263	345	402	452	105	133	130	129	497	113	145	142	143	544	602	666
Net Income	831	875	868	1,103	1,230	1,343	1,566	1,806	489	494	502	502	1,988	531	540	550	555	2,176	2,409	2,665
EPS, Diluted common shareholders	**$1.89**	**$2.00**	**$2.03**	**$2.56**	**$2.91**	**$3.25**	**$3.79**	**$4.40**	**$1.20**	**$1.21**	**$1.24**	**$1.24**	**$4.89**	**$1.31**	**$1.33**	**$1.37**	**$1.38**	**$5.40**	**$6.03**	**$6.73**
Diluted shares outstanding	439	438	428	431	422	414	413	410	409	406	405	405	406	404	406	402	401	403	400	396
Tax Rate	6.8%	19.9%	17.2%	13.7%	17.5%	20.4%	20.4%	20.0%	17.6%	21.2%	20.6%	20.5%	20.0%	17.6%	21.2%	20.6%	20.5%	20.0%	20.0%	20.0%
Margin Analysis																				
Gross Margin	44.9%	45.4%	45.6%	46.6%	46.2%	47.3%	48.8%	50.0%	50.3%	50.4%	51.0%	50.1%	50.4%	50.5%	50.6%	51.2%	50.4%	50.7%	51.1%	51.6%
EBIT Margin	14.7%	16.4%	16.4%	19.5%	20.2%	20.4%	21.6%	22.8%	22.7%	23.4%	23.2%	22.8%	23.1%	23.0%	23.7%	23.5%	23.3%	23.4%	23.9%	24.5%
EBITDA Margin	19.0%	21.7%	21.8%	24.9%	25.3%	25.1%	26.2%	27.6%	27.4%	28.0%	27.8%	27.4%	27.6%	27.7%	28.3%	28.0%	27.9%	28.0%	28.5%	29.1%
Incremental Margin (Estimated)	22.5%	63.6%	25.0%	742.1%	28.9%	23.4%	38.3%	46.1%	31.2%	25.9%	22.2%	33.0%	27.9%	32.5%	33.1%	32.8%	35.4%	33.5%	37.1%	37.6%
Net Profit Margin	12.8%	12.7%	12.2%	15.5%	15.7%	15.2%	16.3%	17.5%	18.0%	17.6%	17.7%	17.5%	17.7%	18.4%	18.1%	18.2%	18.2%	18.2%	19.0%	19.7%
Year-on-Year Growth																				
Net Sales	21.7%	6.4%	2.8%	0.4%	10.4%	12.2%	8.9%	7.7%	8.7%	9.3%	8.9%	7.6%	8.6%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%
Gross Profit	22.2%	7.6%	3.4%	2.5%	9.6%	14.9%	12.3%	10.4%	9.1%	10.6%	9.8%	8.4%	9.5%	6.7%	6.7%	6.7%	7.1%	6.8%	7.2%	7.2%
Operating Income	22.8%	19.3%	2.6%	19.2%	14.6%	13.6%	14.8%	14.1%	10.1%	10.9%	8.2%	9.7%	9.7%	7.7%	7.7%	7.7%	8.5%	7.9%	8.8%	8.7%
EBITDA	26.7%	21.5%	3.2%	15.0%	12.0%	11.3%	13.5%	13.7%	10.0%	8.6%	7.0%	9.4%	8.7%	7.5%	7.5%	7.4%	8.1%	7.6%	8.4%	8.3%
EPS, Diluted common shareholders	72.6%	5.7%	1.4%	26.3%	13.7%	11.5%	16.7%	16.2%	9.0%	11.6%	10.3%	13.7%	11.2%	9.9%	9.6%	10.3%	11.5%	10.3%	11.6%	11.6%
Balance Sheet																				
Cash and cash equivalents	139	97	145	494	90	124	342	264	138	201	183	728	728	738	912	1,277	1,644	1,644	2,763	4,110
Total assets	6,958	7,437	7,670	8,237	8,147	8,546	9,169	9,825	9,838	10,133	10,234	10,793	10,793	10,829	11,066	11,456	11,826	11,826	13,068	14,547
Total Debt	2,535	2,850	2,540	2,542	2,796	2,486	2,476	2,425	2,426	2,977	2,657	2,657	2,657	2,657	2,657	2,657	2,657	2,657	2,657	2,657
Other liabilities	1,406	1,584	1,895	2,007	2,044	2,196	2,377	2,716	2,656	2,700	2,789	3,031	3,031	2,896	2,953	2,958	3,116	3,116	3,199	3,287
Total shareholders' equity	3,017	3,003	3,235	3,688	3,308	3,864	4,316	4,684	4,756	4,455	4,788	5,105	5,105	5,276	5,456	5,841	6,054	6,054	7,213	8,604
Net working capital	1,063	1,324	1,279	1,315	1,420	1,584	1,464	1,528	1,730	1,814	1,832	1,612	1,612	1,798	1,827	1,887	1,741	1,741	1,884	2,037
Consolidated Statement of Cash Flows																				
Cash from Operations	964	1,068	1,291	1,361	1,538	1,598	2,080	2,166	414	531	621	884	2,451	509	679	661	871	2,720	2,974	3,257
Cash from Investing	(136)	(236)	(285)	(137)	(403)	(389)	(609)	(624)	(116)	(193)	(101)	(123)	(534)	(108)	(113)	(97)	(131)	(449)	(477)	(508)
Cash from Financing	(864)	(873)	(955)	(880)	(1,538)	(1,173)	(1,253)	(1,619)	(424)	(275)	(540)	(216)	(1,455)	(391)	(392)	(200)	(372)	(1,355)	(1,378)	(1,401)
Capital Expenditures	272	277	230	143	241	331	409	409	102	106	91	123	422	108	113	97	131	449	477	508
Capex % of sales	4.2%	4.0%	3.2%	2.0%	3.1%	3.8%	4.3%	4.0%	3.8%	3.8%	3.2%	4.3%	3.8%	3.8%	3.8%	3.2%	4.3%	3.8%	3.8%	3.8%
Free Cash Flow	692	791	1,061	1,217	1,297	1,267	1,670	1,757	313	425	531	761	2,029	400	566	565	740	2,271	2,496	2,749
Free Cash Flow Conversion	82%	89%	121%	110%	105%	94%	106%	97%	64%	86%	106%	152%	102%	75%	105%	103%	133%	104%	104%	103%
Free Cash Flow per Share	$1.58	$1.81	$2.48	$2.83	$3.07	$3.06	$4.04	$4.28	$0.76	$1.05	$1.31	$1.88	$4.99	$0.99	$1.39	$1.40	$1.84	$5.63	$6.24	$6.94
Dividend Per Share	$0.41	$0.51	$0.64	$1.07	$0.90	$1.10	$1.30	$1.51	$0.45	$0.45	$0.00	$0.41	$1.31	$0.47	$0.47	$0.00	$0.43	$1.37	$1.44	$1.52

Source: Company filings, Bernstein analysis

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