UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from________ to ________

Commission File Number 1-32961

CBIZ, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation
or organization)

5959 Rockside Woods, N. Suite 600 Independence, Ohio
(Address of principal executive offices)

22-2769024
(I.R.S. Employer
Identification No.)

44131
(Zip Code)
(216) 447-9000
(Registrant's telephone number, including area code)
Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 Par Value	CBZ	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class of Common Stock	Outstanding at April 21, 2025
Common Stock, $0.01 per share	54,395,610

CBIZ, INC. AND SUBSIDIARIES

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

CBIZ, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)
(In thousands)

	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 8,850	$ 13,826
Restricted cash	40,777	38,661
Accounts receivable, net	735,426	534,858
Other current assets	76,847	72,528
Current assets before funds held for clients	861,900	659,873
Funds held for clients	140,932	175,853
Total current assets	**1,002,832**	**835,726**
Non-current assets:		
Property and equipment, net	92,092	88,163
Goodwill and other intangible assets, net	2,906,525	2,945,470
Assets of deferred compensation plan	162,066	167,170
Right-of-use assets, net	382,051	393,512
Other non-current assets	39,932	40,842
Total non-current assets	**3,582,666**	**3,635,157**
Total assets	**$ 4,585,498**	**$ 4,470,883**
LIABILITIES		
Current liabilities:		
Accounts payable	$ 102,646	$ 90,646
Income taxes payable	42,388	—
Accrued personnel costs	87,874	172,759
Contingent purchase price liabilities	46,731	61,164
Operating lease liabilities	61,673	60,549
Short-term debt (1)	66,226	66,177
Other current liabilities	111,658	78,579
Current liabilities before client fund obligations	519,196	529,874
Client fund obligations	140,867	175,928
Total current liabilities	**660,063**	**705,802**
Non-current liabilities:		
Long-term debt (1)	1,462,504	1,333,755
Income taxes payable	2,538	2,193
Deferred income taxes, net	1,022	10,880
Deferred compensation plan obligations	162,066	167,170
Contingent purchase price liabilities	19,232	35,803
Lease liabilities	360,140	372,586
Other non-current liabilities	3,232	62,711
Total non-current liabilities	**2,010,734**	**1,985,098**
Total liabilities	**2,670,797**	**2,690,900**
STOCKHOLDERS' EQUITY		
Common stock	1,420	1,380
Additional paid in capital	1,812,729	1,791,863
Retained earnings	1,018,895	896,122
Treasury stock	(918,327)	(910,601)
Accumulated other comprehensive (loss) income	(16)	1,219
Total stockholders' equity	**1,914,701**	**1,779,983**
Total liabilities and stockholders' equity	**$ 4,585,498**	**$ 4,470,883**

See the accompanying notes to the unaudited condensed consolidated financial statements

(1) Reflects the net debt for the Term Loan and Revolver with the associated debt issuance costs in short-term and long-term liabilities. See Note 5. Debt and Financing Arrangements for further discussion of the short-term and long-term debt.

CBIZ, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(In thousands, except per share data)

	Three Months Ended March 31,	
	2025	2024
Revenue	**$ 838,014**	**$ 494,297**
Operating expenses	609,912	376,485
Gross margin	**228,102**	**117,812**
Corporate general and administrative expenses	28,070	18,711
Operating income	**200,032**	**99,101**
Other (expense) income:		
Interest expense	(25,156)	(4,511)
Other (expense) income, net	(1,966)	9,424
Total other (expense) income, net	(27,122)	4,913
Income before income tax expense	**172,910**	**104,014**
Income tax expense	50,137	27,130
Net Income	**$ 122,773**	**$ 76,884**
Earnings per share:		
Basic	**$ 1.92**	**$ 1.54**
Diluted	**$ 1.91**	**$ 1.53**
Basic weighted average shares outstanding	63,843	50,045
Diluted weighted average shares outstanding	64,142	50,221
Comprehensive income:		
Net income	$ 122,773	$ 76,884
Other comprehensive (loss) income, net of tax	(1,235)	1,018
Comprehensive income	**$ 121,538**	**$ 77,902**

See the accompanying notes to the unaudited condensed consolidated financial statements

CBIZ, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)
(In thousands)

	Issued Common Shares	Treasury Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Totals
December 31, 2024	**137,945**	**87,747**	**$ 1,380**	**$ 1,791,863**	**$ 896,122**	**$ (910,601)**	**$ 1,219**	**$ 1,779,983**
Net income	—	—	—	—	122,773	—	—	122,773
Other comprehensive loss, net of tax	—	—	—	—	—	—	(1,235)	(1,235)
Indirect repurchase of shares for minimum tax withholding	—	88	—	—	—	(7,726)	—	(7,726)
Restricted stock units and awards	78	—	1	(1)	—	—	—	—
Performance share units	124	—	1	(1)	—	—	—	—
Stock-based compensation	—	—	—	5,639	—	—	—	5,639
Business acquisitions	3,777	—	38	15,229	—	—	—	15,267
March 31, 2025	**141,924**	**87,835**	**$ 1,420**	**$ 1,812,729**	**$ 1,018,895**	**$ (918,327)**	**$ (16)**	**$ 1,914,701**

	Issued Common Shares	Treasury Shares	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income	Totals
December 31, 2023	**137,387**	**87,573**	**$ 1,374**	**$ 832,475**	**$ 855,084**	**$ (899,093)**	**$ 1,778**	**$ 791,618**
Net income	—	—	—	—	76,884	—	—	76,884
Other comprehensive income, net of tax	—	—	—	—	—	—	1,018	1,018
Indirect repurchase of shares for minimum tax withholding	—	170	—	—	—	(11,229)	—	(11,229)
Restricted stock units and awards	102	—	1	(1)	—	—	—	—
Performance share units	273	—	3	(3)	—	—	—	—
Stock-based compensation	—	—	—	2,638	—	—	—	2,638
Business acquisitions	93	—	1	6,159	—	—	—	6,160
March 31, 2024	**137,855**	**87,743**	**$ 1,379**	**$ 841,268**	**$ 931,968**	**$ (910,322)**	**$ 2,796**	**$ 867,089**

See the accompanying notes to the unaudited condensed consolidated financial statement

CBIZ, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	**$ 122,773**	**$ 76,884**
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization expense	24,791	9,468
Bad debt expense, net of recoveries	417	550
Adjustment to contingent earnout liability	502	434
Stock-based compensation expense	5,639	2,638
Deferred income taxes	4,320	2,057
Other, net	1,009	150
Changes in assets and liabilities, net of acquisitions and divestitures:		
Accounts receivable, net	(201,258)	(121,551)
Other assets	(8,990)	(2,592)
Accounts payable	11,985	5,743
Income taxes payable	45,626	24,827
Accrued personnel costs	(84,642)	(62,381)
Other liabilities	(10,438)	53
Net cash used in operating activities	**(88,266)**	**(63,720)**
Cash flows from investing activities:		
Business acquisitions and purchases of client lists, net of cash acquired	—	(21,337)
Purchases of client fund investments	(8,300)	(4,440)
Proceeds from the sales and maturities of client fund investments	8,410	5,450
Proceeds from sales of divested operations	289	—
Change in funds held for clients	(91)	(1,015)
Additions to property and equipment	(5,177)	(5,121)
Other, net	(92)	(2,239)
Net cash used in investing activities	**(4,961)**	**(28,702)**
Cash flows from financing activities:		
Proceeds from bank debt	485,600	381,200
Payment of bank debt	(358,100)	(255,800)
Indirect repurchase of shares for minimum tax withholding	(7,555)	(11,229)
Changes in client funds obligations	(35,062)	(11,859)
Payment of contingent consideration for acquisitions and client lists	(29,520)	(31,124)
Net cash provided by financing activities	**55,363**	**71,188**
Net decrease in cash, cash equivalents and restricted cash	**(37,864)**	**(21,234)**
Cash, cash equivalents and restricted cash at beginning of year	$ 187,170	$ 157,148
Cash, cash equivalents and restricted cash at end of period	**$ 149,306**	**$ 135,914**
Reconciliation of cash, cash equivalents and restricted cash to the Condensed Consolidated Balance Sheets:		
Cash and cash equivalents	$ 8,850	$ 1,402
Restricted cash	40,777	27,740
Cash equivalents included in funds held for clients	99,679	106,772
Total cash, cash equivalents and restricted cash	**$ 149,306**	**$ 135,914**

See the accompanying notes to the unaudited condensed consolidated financial statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Selected Terms Used in Notes to the Condensed Consolidated Financial Statements

ASA – Administrative Service Agreement

ASC – Accounting Standards Codification

ASU – Accounting Standards Update

CPA firm – Certified Public Accounting firm

FASB – The Financial Accounting Standards Board

GAAP – United States Generally Accepted Accounting Principles

SOFR – Secured Overnight Financing Rate

SEC – United States Securities and Exchange Commission

Marcum Acquisition - the Transaction

Description of Business: CBIZ, Inc., together with all of its wholly-owned subsidiaries ("CBIZ", the "Company", "we", "us", or "our"), is a diversified services company which, acting through its subsidiaries, has been providing professional business services since 1996, primarily to small and medium-sized businesses, as well as individuals, governmental entities, and not-for-profit enterprises throughout the United States and parts of Canada. CBIZ, Inc. manages and reports its operations along three practice groups: Financial Services, Benefits and Insurance Services and National Practices. A further description of products and services offered by each of the practice groups is provided in Note 12, Segment Disclosures.

In December of 2024, the Company formed CBIZ CC, LLC and CBIZ Campus One Cell, LLC (collectively “Captive Insurance Company”). CBIZ CC, LLC, a sponsored captive core, is not expected to have any underwriting activities. CBIZ Campus One Cell, LLC, a sponsored captive cell, provides stop-loss coverages to a group of higher education institutions who self-insure their medical and prescription drug benefits. The term of the insurance policy is one year, and the insured is billed at the beginning of each month for that month’s coverage. Registered in the State of Vermont, the Captive Insurance Company commenced operation on January 1, 2025.

The Captive Insurance Company recognizes premium as revenue monthly as monthly coverage expires. For the three months ended March 31, 2025, revenue from the Captive Insurance Company was not material.

Basis of Consolidation: The accompanying unaudited condensed consolidated financial statements include the operations of CBIZ, Inc. and all of its wholly-owned subsidiaries after elimination of all intercompany balances and transactions. We have determined that our relationship with certain CPA firms with which we maintain ASAs qualify as variable interest entities ("VIEs"), and we are the primary beneficiary of such VIE. The accompanying unaudited condensed consolidated financial statements do not reflect the operations or accounts of the VIEs as the impact is not material to the financial condition, results of operations, or cash flows of CBIZ.

Unaudited Interim Financial Statements: The unaudited condensed consolidated financial statements have been prepared in accordance with GAAP and applicable rules and regulations of the SEC regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. As such, the information included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2024.

In the opinion of CBIZ management, the accompanying unaudited condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial condition, results of operations, and cash flows for the interim periods presented, but are not necessarily indicative of the results of operations to be anticipated for the full year ending December 31, 2025.

Use of Estimates: The preparation of unaudited condensed consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Changes in circumstances could cause actual results to differ materially from these estimates.

Changes in Accounting Policies: We have consistently applied the accounting policies for the periods presented as described in Note 1, Basis of Presentation and Significant Accounting Policies, to the consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2024.

Certain prior period amounts have been reclassified to conform to current year presentation.

NOTE 2. NEW ACCOUNTING PRONOUNCEMENTS

The FASB ASC is the sole source of authoritative GAAP other than the SEC issued rules and regulations that apply only to SEC registrants. The FASB issues an ASU to communicate changes to the FASB ASC. We assess and review the impact of all issued ASUs. During the three months ended March 31, 2025, we have implemented all new ASUs that are in effect and that may impact our consolidated financial statements.

NOTE 3. BUSINESS COMBINATIONS

Acquisition of Marcum LLP

On November 1, 2024, the Company completed the acquisition of Marcum LLP ("Marcum"). The acquisition is referred to herein as the "Transaction". During the three months ended March 31, 2025, the Company's condensed consolidated statement of comprehensive income included $328.7 million of revenue and $86.5 million of operating income associated with the results of operations of Marcum.

Stock Consideration Transferred

At closing, the purchase price for the purpose of the Transaction consisted of an aggregate of $1,063.0 million of cash consideration and $934.7 million of the Company's common stock, which represents a fair value of 13.6 million shares issued as stock consideration. Pursuant to the terms of the Transaction, with respect to the 13.6 million shares of stock consideration, approximately 4.0 million shares, in aggregate, were delivered from January 2, 2025 to April 1, 2025 to the selling shareholders. The remaining 9.6 million shares will be delivered in 32 monthly installments starting on May 1, 2025.

Measurement Period Adjustments

The Company applied the acquisition method of accounting in accordance with ASC 805, Business Combinations ("ASC 805") and recognized assets acquired and liabilities assumed at their fair value as of the date of acquisition, with the excess purchase consideration recorded to goodwill. As the Company finalizes the estimation of the fair value of the assets acquired and liabilities assumed, additional adjustments may be recorded during the measurement period (a period not to exceed 12 months from the acquisition date).

During the three months ended March 31, 2025, the Company reassessed its estimates and inputs as new information about facts and circumstances that existed as of the acquisition date became known. As a result, the Company recorded a measurement period adjustment to reduce goodwill by $20.2 million, of which $21.0 million reflected a reduction of the estimated settlement amounts associated with an acquired liability from $61.0 million to $40.0 million, and $0.8 million reflected other immaterial adjustments related to assets and liabilities previously unrecognized. The acquired liability was previously reported as a component of other non-current liabilities and was reclassified to "other current liabilities" as of March 31, 2025 due to the estimated timing of settlement.

The following table summarizes the preliminary acquisition date fair value of net tangible and intangible assets acquired, net of liabilities assumed from Marcum, with the excess recorded as goodwill (in thousands):

	On November 1, 2024 Fair Value
Total consideration transferred	$ 1,997,781
Asset acquired:	
Account receivable	169,866
Unbilled revenue	23,247
Other current assets	25,829
Property and equipment	31,221
Other intangible assets	490,000
Right-of- use asset	164,970
Deferred income taxes, net	3,485
Total identifiable asset acquired	908,618
Liabilities assumed:	
Account payable	25,384
Accrued personnel costs	44,407
Other current liabilities	67,156
Contingent purchase price assumed (current and non-current)	25,042
Lease liabilities (current and non-current)	172,792
Other non-current liabilities	935
Total liabilities assumed	335,716
Net asset acquired	572,902
Goodwill	$ 1,424,879

The preliminary purchase price allocation is subject to further refinement and may require adjustments to arrive at the final purchase price allocation. The above fair values of assets acquired and liabilities assumed are preliminary and are based on the information that was available as of the reporting date. The final determination of the fair value of certain assets and liabilities will be completed as soon as the necessary information, such as final working capital adjustments, becomes available but no later than one year from the acquisition date.

Refer to the Annual Report on Form 10-K for the year ended December 31, 2024 for further discussion of the Transaction.

NOTE 4. ACCOUNTS RECEIVABLE, NET

Accounts receivable, less allowance for doubtful accounts, reflects the net realizable value of receivables and approximates fair value. Unbilled revenue is recorded at estimated net realizable value. Assessing the collectability of the receivables (billed and unbilled) requires management judgment based on a combination of factors, including but not limited to, an evaluation of our historical incurred loss experience, credit-worthiness of our clients, age of the trade receivable balance, current economic conditions that may affect a client's ability to pay, and reasonable and supportable forecasts. Receivables are charged-off against the allowance when the balance is deemed uncollectible.

Accounts receivable, net, at March 31, 2025 and December 31, 2024 was as follows (in thousands):

	March 31, 2025	December 31, 2024
Trade accounts receivable	$ 488,607	$ 416,211
Unbilled revenue, at net realizable value	290,448	150,362
Total accounts receivable	779,055	566,573
Allowance for doubtful accounts	(43,629)	(31,715)
Accounts receivable, net	$ 735,426	$ 534,858

Changes to the allowance for doubtful accounts for the three months ended March 31, 2025 and year ended December 31, 2024 were as follows (in thousands):

	March 31, 2025	December 31, 2024
Balance at beginning of period	$ (31,715)	$ (25,598)
Provision	(10,748)	(19,979)
Charge-offs, net of recoveries	(1,166)	13,862
Allowance for doubtful accounts	$ (43,629)	$ (31,715)

NOTE 5. DEBT AND FINANCING ARRANGEMENTS

2024 Credit Facilities - As of March 31, 2025, our primary financing arrangement is the 2024 Credit Facilities, which provides $2.0 billion in senior secured credit facilities, consisting of a $1.4 billion term loan (the “Term Loan”) and $600.0 million revolving credit facility (the “Revolving Credit Facility”). The 2024 Credit Facilities amend and restate the 2022 credit facility entered into on May 4, 2022 (the "2022 Credit Facility").

The 2024 Credit Facilities mature on November 1, 2029. The Term Loan provides for scheduled annual principal amortization payments of 5% in the first two years following closing, 7.5% annually in the third and fourth year following closing and 10% in the fifth year following closing, with the balance due at maturity.

The 2024 Credit Facilities contain certain restrictive covenants customary for facilities of this type, including restrictions on indebtedness, liens or other encumbrances, making certain payments, investments, or to sell or otherwise dispose of a substantial portion of assets, or to merge or consolidate with an unaffiliated entity. The 2024 Credit Facilities also limits our ability to make dividend payments. Historically, we have not paid cash dividends on our common stock. Our Board of Directors has discretion over the payment and level of dividends on common stock, subject to the limitations of the 2024 Credit Facilities and applicable law. The 2024 Credit Facilities contain a provision that, in the event of a defined change in control, the 2024 Credit Facilities may be terminated.

In addition, the 2024 Credit Facilities include a financial covenant requiring that Total Net Leverage Ratio not exceed 5.00 to 1.00 initially, stepping down in increments to 3.75 to 1.00 during and after the seventh fiscal quarter after the closing (with a limited ability to temporarily increase in connection with material acquisitions commencing in the sixth fiscal quarter after the closing). The 2024 Credit Facilities also require a Minimum Consolidated Interest Coverage Ratio of 3.00 to 1.00 and affirmative and negative covenants that are in each case generally similar to those contained in the 2022 Credit Facility, but with increases to certain baskets and caps and certain other exceptions. As of March 31, 2025 , we are in compliance with all covenants.

The balance outstanding under the 2024 Credit Facilities at March 31, 2025 and December 31, 2024 was as follows (in thousands):

	March 31, 2025	December 31, 2024
Short-term debt		
Current portion Term Loan	$ 70,000	$ 70,000
Current portion debt issuance costs, Term Loan	(3,774)	(3,823)
Total short-term debt, net	**$ 66,226**	**$ 66,177**
Long-term debt		
Revolver Facility	$ 165,900	$ 20,900
Debt issuance costs, Revolver	(6,836)	(7,160)
Long Term Portion Term Loan	1,312,500	1,330,000
Long Term Portion Debt Issuance Costs, Term Loan	(9,060)	(9,985)
Total long-term debt, net	**$ 1,462,504**	**$ 1,333,755**

The blended effective interest rates under the 2024 Credit Facilities and the 2022 Credit Facility, including the impact of interest rate swaps associated with those credit facilities, for the three months ended March 31, 2025 and 2024 were as follows:

	Three Months Ended March 31,	
	2025	2024
Weighted average rates	6.57%	5.23%
Range of effective rates	3.18% - 8.75%	1.93% - 6.83%

We had approximately $384 million of available funds under the 2024 Credit Facilities at March 31, 2025, based on the terms of the commitment. Available funds under the 2024 Credit Facilities are based on a multiple of earnings before interest, taxes, depreciation and amortization as defined in the 2024 Credit Facilities, and are reduced by letters of credit, other indebtedness and outstanding borrowings under the 2024 Credit Facilities. Under the 2024 Credit Facilities, loans are charged an interest rate consisting of a base rate or term SOFR rate plus an applicable margin, letters of credit are charged based on the same applicable margin, and a commitment fee is charged on the unused portion of the 2024 Credit Facilities.

Refer to the Annual Report on Form 10-K for the year ended December 31, 2024 for further discussion on the 2024 Credit Facilities.

Other Line of Credit - We have an unsecured $20.0 million line of credit by and among CBIZ Benefits and Insurance, Inc. and Huntington National Bank. We utilize this line to support our short-term funding requirements of payroll client fund obligations due to the investment of client funds, rather than liquidating client funds that have already been invested in available-for-sale securities. The line of credit did not have a balance outstanding at March 31, 2025 and December 31, 2024. On August 1, 2024, we renewed the line of credit and it will now terminate on July 31, 2025.

Interest Expense - Interest expense, including amortization of deferred financing costs, commitment fees, line of credit fees, and other applicable bank charges, for the three months ended March 31, 2025 and 2024 was $25.2 million and $4.5 million, respectively.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Letters of Credit and Guarantees - We provide letters of credit to landlords (lessors) of our leased premises in lieu of cash security deposits, which totaled $3.2 million and $3.2 million at March 31, 2025 and December 31, 2024, respectively. In addition, we provide license bonds to various state agencies to meet certain licensing requirements. The amount of license bonds outstanding was $2.2 million and $2.2 million at March 31, 2025 and December 31, 2024, respectively.

Legal Proceedings - On December 19, 2016, CBIZ Operations, Inc. ("CBIZ Operations") was named as a defendant in a lawsuit filed by Zotec Partners, LLC (“Zotec”) in the Marion County Indiana Superior Court. After various amendments, the lawsuit asserted claims under Indiana law for securities, statutory and common law fraud or deception, unjust enrichment, breach of contract, and vicarious liability against CBIZ Operations and a former employee of CBIZ MMP in connection with the sale of the CBIZ MMP medical billing practice to Zotec. The plaintiff claimed that CBIZ Operations had a duty to disclose the fact, unknown to employees of CBIZ Operations at the time of the transaction, that the former employee had a financial arrangement with a Zotec vendor at the time CBIZ Operations sold CBIZ MMP to Zotec. The plaintiff sought damages of up to $177.0 million out of the $200.0 million transaction price. Trial was held in October 2021. The jury found in favor of CBIZ on all fraud, contract and other claims before it. On November 14, 2022, the trial court ruled in favor of CBIZ and against Zotec’s claim for statutory securities fraud. The court also ruled in favor of CBIZ on its counterclaim for indemnification under contract. The trial court conducted a hearing on December 12, 2023, to consider evidence regarding the amount of damages owed by Zotec to CBIZ on the counterclaim. On March 12, 2024, the court awarded CBIZ $3.1 million on its counterclaim. On April 10, 2024, Zotec filed a notice of appeal. On April 8, 2025, the Court of Appeals affirmed the trial court's dismissal of the securities fraud claim against CBIZ. The Court of Appeals reversed the award to CBIZ on its counterclaim.

On November 10, 2023, CBIZ was named as a defendant in a putative class action lawsuit in the United States District Court for the District of Massachusetts by an individual claiming to be an employee of a CBIZ client whose personally identifiable information (“PII”) was compromised and stolen during a cyberattack CBIZ experienced on or about May 31, 2023. As a result of this incident, hackers were able to access and download certain files from CBIZ’s MOVEit Transfer server. The lawsuit alleges that CBIZ and Progress Software Corporation, the owner of MOVEit Transfer, failed to adequately secure and safeguard the individual’s, and similarly situated employees of CBIZ’s clients, PII from unauthorized access. The lawsuit seeks various remedies, including actual, compensatory, and punitive damages, along with injunctive relief, costs, and attorneys’ fees.

On December 8, 2023, CBIZ was named as a defendant in a second putative class action lawsuit in the United States District Court for the District of Massachusetts by an individual making similar claims and seeking similar remedies as in the first lawsuit regarding the cyberattack CBIZ experienced on or about May 31, 2023.

Both cases were transferred into a multidistrict litigation, styled as In Re: MOVEit Customer Data Security Breach Litigation, pending in the United States District Court for the District of Massachusetts (the “MDL”). To date, the MDL has over 180 cases against over 100 different defendants, all with claims arising out of the cyberbreach by hackers of Progress Software Corporation’s MOVEit Transfer software. The cases in the MDL, including the cases against CBIZ, are in their earliest stages, with a stay in place until the MDL Court issues a scheduling order. Due to the early stage of litigation, the Company is not able to determine or predict the ultimate outcome of these lawsuits nor reasonably provide an estimate or range of the possible outcome or losses, if any.

In addition to the items disclosed above, the Company is, from time to time, subject to claims and lawsuits arising in the ordinary course of business. We cannot predict the outcome of all such matters or estimate the possible loss, if any. Although the proceedings are subject to uncertainties in the litigation process and the ultimate disposition of these proceedings is not presently determinable, we intend to vigorously defend these matters.

Refer to the Annual Report on Form 10-K for the year ended December 31, 2024 for further discussion on the Company's commitments and contingencies.

NOTE 7. FINANCIAL INSTRUMENTS

Available-For-Sale Debt Securities - In connection with certain services provided by our payroll operations, we collect funds from our clients' accounts in advance of paying client obligations. These funds held for clients are segregated and invested in accordance with our investment policy, which requires all investments carry an investment grade rating at the time of initial investment. These investments, primarily consisting of corporate and municipal bonds, are classified as available-for-sale and are included in the "Funds held for clients" line item on the accompanying unaudited Condensed Consolidated Balance Sheets. The par value of these investments totaled $41.0 million and $41.3 million at March 31, 2025 and December 31, 2024, respectively, and these investments have maturity or callable dates ranging from April 2025 through February 2028.

At March 31, 2025, unrealized losses on the securities were not material and have not been recognized as a credit loss because the bonds are investment grade quality and management is not required or does not intend to sell prior to an expected recovery in value. The bond issuers continue to make timely principal and interest payments.

The following table summarizes activities related to these investments for the three months ended March 31, 2025 and the year ended December 31, 2024 (in thousands):

	Three Months Ended March 31, 2025	Year Ended December 31, 2024
Fair value at beginning of period	$ 40,999	$ 39,459
Purchases	8,300	23,210
Redemptions	(1,400)	(500)
Maturities	(7,010)	(21,423)
Change in bond premium	90	(386)
Fair market value adjustment	102	639
Fair value at end of period	$ 41,081	$ 40,999

In addition to the available-for-sale debt securities discussed above, we also held other depository assets in the amount of $0.2 million and $0.2 million at March 31, 2025 and December 31, 2024, respectively. Those depository assets are classified as Level 1 in the fair value hierarchy.

Interest Rate Swaps - We utilize interest rate swaps to manage interest rate risk exposure associated with our floating-rate debt under the 2024 Credit Facilities, or the forecasted acquisition of such liability. We do not purchase or hold any derivative instruments for trading or speculative purposes. Refer to the Annual Report on Form 10-K for the year ended December 31, 2024 for further discussion on our interest rate swaps.

The following table summarizes our outstanding interest rate swaps and their classification in the accompanying unaudited Condensed Consolidated Balance Sheets at March 31, 2025 and December 31, 2024 (amounts in thousands):

	March 31, 2025				
	Notional Amount	Fixed Rate	Expiration	Fair Value	Balance Sheet Location
Interest rate swap	$ 50,000	0.834 %	4/14/2025	$ 67	Other current asset
Interest rate swap	$ 30,000	1.186 %	12/14/2026	$ 1,266	Other non-current asset
Interest rate swap	$ 20,000	2.450 %	8/14/2027	$ 549	Other non-current asset
Interest rate swap	$ 25,000	3.669 %	4/14/2028	$ (37)	Other non-current liability
Interest rate swap	$ 25,000	4.488 %	10/14/2028	$ (710)	Other non-current liability
Interest rate swap [1]	$ 50,000	3.703 %	3/14/2030	$ (189)	Other non-current liability

(1) Entered into during the first quarter of 2025.

	December 31, 2024				
	Notional Amount	Fixed Rate	Expiration	Fair Value	Balance Sheet Location
Interest rate swap	$ 50,000	0.834 %	4/14/2025	$ 495	Other current asset
Interest rate swap	$ 30,000	1.186 %	12/14/2026	$ 1,604	Other non-current asset
Interest rate swap	$ 20,000	2.450 %	8/14/2027	$ 776	Other non-current asset
Interest rate swap	$ 25,000	3.669 %	4/14/2028	$ 243	Other non-current asset
Interest rate swap	$ 25,000	4.488 %	10/14/2028	$ (437)	Other non-current liability

Refer to Note 8, Fair Value Measurements, for additional disclosures regarding fair value measurements.

The following table summarizes the effects of the interest rate swaps on the accompanying unaudited Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2025 and 2024 (in thousands):

	Gain (Loss) Recognized in AOCI, net of tax		Gain Reclassified from AOCI into Expense	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2025	2024	2025	2024
Interest rate swaps	$ (717)	$ 1,854	$ 779	$ 1,191

NOTE 8. FAIR VALUE MEASUREMENTS

The following table summarizes our assets and (liabilities) at March 31, 2025 and December 31, 2024, respectively, that are measured at fair value on a recurring basis subsequent to initial recognition and indicates the fair value hierarchy of the valuation techniques utilized by us to determine such fair value (in thousands):

	Level	March 31, 2025	December 31, 2024
Assets of deferred compensation plan	1	$ 162,066	$ 167,170
Available-for-sale debt securities	1	41,081	40,999
Other depository assets	1	177	176
Deferred compensation plan obligations	1	(162,066)	(167,170)
Interest rate swaps	2	946	2,681
Bank debt	2	(1,528,730)	(1,399,932)
Contingent purchase price liabilities	3	(65,963)	(96,967)

During the three months ended March 31, 2025 and 2024, there were no transfers between the valuation hierarchy Levels 1, 2 and 3.

The following table summarizes the change in Level 3 fair values of our contingent purchase price liabilities for the three months ended March 31, 2025 and 2024 (pre-tax basis, in thousands):

	2025	2024
Beginning balance – December 31	$ (96,967)	$ (114,946)
Additions from business acquisitions	(757)	(13,522)
Settlement of contingent purchase price liabilities	32,228	34,716
Change in fair value of contingencies	170	70
Change in net present value of contingencies	(637)	(504)
Ending balance – March 31	$ (65,963)	$ (94,186)

The following table summarizes the changes in contingent purchase price consideration for previous acquisitions and contingent payments made for previous business acquisitions in the three months ended March 31, 2025 and 2024, respectively (in thousands):

	Three Months Ended March 31,	
	2025	2024
Net expense	$ 467	$ 434
Cash settlement paid	$ 29,520	$ 30,957
Shares issued (number)	33	60

Refer to the Annual Report on Form 10-K for the year ended December 31, 2024 for further discussion on the fair value measurements and classification of our financial assets and liabilities.

NOTE 9. OTHER COMPREHENSIVE INCOME

The following table is a summary of other comprehensive income and discloses the tax impact of each component of other comprehensive (loss) income for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
Net unrealized gain on available-for-sale securities, net of taxes(1)	$ 72	$ 56
Net unrealized (loss) gain on interest rate swaps, net of taxes(2)	(1,301)	960
Foreign currency translation	(6)	2
Total other comprehensive (loss) income, net of tax	$ (1,235)	$ 1,018

(1) Net of income tax expense of $29 and $21 for the three months ended March 31, 2025 and 2024, respectively.
(2) Net of income tax benefit of $434 and income tax expense of $322 for the three months ended March 31, 2025 and 2024, respectively.

NOTE 10. EMPLOYEE STOCK PLANS

On May 10, 2023, the shareholders of the Company approved an amendment to the 2019 Stock Omnibus Incentive Plan (the “2019 Plan”). The amendment added 1.5 million shares to the total number of shares that may be issued under the 2019 Plan. All other aspects of the 2019 Plan remain unchanged. The 2019 Plan, which expires in 2029, permits the grant of various forms of stock-based awards. A maximum of 4.6 million stock options, restricted stock or other stock-based compensation awards may be granted. The terms and vesting schedules for the stock-based awards vary by type and date of grant. Shares subject to award under the 2019 Plan may be either authorized but unissued shares of our common stock or treasury shares. Refer to the Annual Report on Form 10-K for the year ended December 31, 2024 for further discussion on the 2019 Plan.

Compensation expense for stock-based awards recognized during the three months ended March 31, 2025 and 2024 was as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Restricted stock units and awards	$ 4,859	$ 1,351
Performance share units	780	1,287
Total stock-based compensation expense	$ 5,639	$ 2,638

Stock Options and Restricted Stock Units and Awards – The Company did not grant any stock options, nor were any stock options exercised during the three months ended March 31, 2025. As of March 31, 2025, we have 150 thousand stock options outstanding with a weighted average exercise price per share of $35.22.

The following table presents our restricted stock units and awards activity during the three months ended March 31, 2025 (in thousands, except per share data):

	Restricted Stock Units and Awards		
	Number of Shares		Weighted Average Grant-Date Fair Value [(1)]
Outstanding at beginning of year	899	$	67.01
Granted	111	$	81.64
Exercised or released	(78)	$	49.87
Expired or canceled	(3)	$	69.70
Outstanding at March 31, 2025	929	$	70.20

(1) Represents weighted average market value of the shares; awards are granted at no cost to the recipients.

Performance Share Units ("PSUs") – PSUs are earned based on our financial performance over a contractual term of three years and the associated expense is recognized over that period based on the fair value of the award. A three-year cliff vesting schedule of the PSUs is dependent upon the Company's performance relative to pre-established goals based on an earnings per share target (weighted 70%) and total growth in revenue (weighted 30%). The fair value of PSUs is calculated using the market value of a share of our common stock on the date of grant. For performance achieved above specified levels, the recipient may earn additional shares of stock, not to exceed 200% of the number of PSUs initially granted. For the PSUs granted in 2025, the recipients may earn additional shares of stock, not to exceed 300% of the number of PSUs initially granted if performance achieved above specified levels.

The following table presents our PSUs activity during the three months ended March 31, 2025 (in thousands, except per share data):

	Performance Share Units		Weighted Average Grant-Date Fair Value Per Unit [(1)]
Outstanding at beginning of year	285	$	48.18
Granted	81	$	84.67
Vested	(124)	$	38.12
Adjustments for performance results	(3)	$	38.12
Outstanding at March 31, 2025	239	$	65.80

(1) Represents weighted average market value of the PSUs; PSUs are granted at no cost to the recipients.

NOTE 11. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share for the three months ended March 31, 2025 and 2024 (in thousands, except per share data):

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Numerator:		
Net Income	$ 122,773	$ 76,884
Denominator:		
Basic		
Weighted average common shares outstanding	63,843	50,045
Diluted		
Stock options (1)	84	74
Restricted stock units and awards (1)	215	99
Contingent shares (2)	—	3
Diluted weighted average common shares outstanding (3)	64,142	50,221
Basic earnings per share	$ 1.92	$ 1.54
Diluted earnings per share	$ 1.91	$ 1.53

(1) A total of 44 thousand and 40 thousand shares of stock-based awards were excluded from the calculation of diluted earnings per share for three months ended March 31, 2025 and 2024, respectively, as their effect would be anti-dilutive.

(2) Contingent shares represent additional shares to be issued for purchase price earned by former owners of businesses acquired by us once future conditions have been met.

(3) The denominator used in calculating diluted earnings per share did not include 239 thousand and 254 thousand PSUs for both the three months ended March 31, 2025, and 2024, respectively. The performance conditions associated with these PSUs were not met and consequently none of these PSUs were considered as issuable for the three months ended March 31, 2025 and 2024.

NOTE 12. SEGMENT DISCLOSURES

Our business units have been aggregated into three practice groups: Financial Services, Benefits and Insurance Services, and National Practices. The business units have been aggregated based on the following factors: similarity of the products and services provided to clients; similarity of the regulatory environment in which they operate; and similarity of economic conditions affecting long-term performance. The business units are managed along these segment lines. Refer to the Annual Report on Form 10-K for the year ended December 31, 2024 for further discussion on the segment lines.

Corporate and Other - Included in Corporate and Other are operating expenses that are not directly allocated to the individual business units. These expenses primarily consist of certain health care costs, gains or losses attributable to assets held in our non-qualified deferred compensation plan, stock-based compensation, consolidation and integration charges, certain professional fees, certain advertising costs, and other various expenses.

Accounting policies of the practice groups are the same as those described in Note 1, Basis of Presentation and Significant Accounting Policies, to the Annual Report on Form 10-K for the year ended December 31, 2024. Upon consolidation, intercompany accounts and transactions are eliminated, thus inter-segment revenue is not included in the measure of profit or loss for the practice groups. Performance of the practice groups is evaluated on income (loss) before income tax expense (benefit) excluding those costs listed above, which are reported in “Corporate and Other”.

The practice groups respective revenue and pre-tax income, significant segment expenses, and a reconciliation of segment profit or loss measure to the consolidated income before income tax expense for the three months ended March 31, 2025 and 2024 is presented below. We do not manage our assets on a segment basis, therefore segment assets are not presented below.

Segment information for the three months ended March 31, 2025 and 2024 was as follows (in thousands):

	Three months ended March 31, 2025			
	Financial Services	Benefits and Insurance Services	National Practices	Total
Revenue from external customers	**$ 713,661**	**$ 112,976**	**$ 11,377**	**$ 838,014**
Significant expenses:				
Personnel costs	411,302	66,665	10,155	488,122
Facility costs	23,710	3,208	2	26,920
Other costs, gains, and losses, net [1]	75,296	15,158	108	90,562
Total segment expense	510,308	85,031	10,265	605,604
Segment income before income tax expenses	**203,353**	**27,945**	**1,112**	**232,410**
Corporate & other:				
Unallocated corporate operating expenses				3,797
General & administrative expenses				28,070
Interest expense				25,156
Other expense, net				2,477
Consolidated income before income tax expenses				$ 172,910

	Three Months Ended March 31, 2024			
	Financial Services	Benefits and Insurance Services	National Practices	Total
Revenue from external customers	**$ 372,630**	**$ 108,408**	**$ 13,259**	**$ 494,297**
Significant expenses:				
Personnel costs	216,615	65,723	11,422	293,760
Facility costs	12,335	3,182	63	15,580
Other costs, gains, and losses, net [1]	36,525	14,688	448	51,661
Total segment expense	265,475	83,593	11,933	361,001
Segment income before income tax expenses	**107,155**	**24,815**	**1,326**	**133,296**
Corporate & other:				
Unallocated corporate operating expenses				15,354
General & administrative expenses				18,711
Interest expense				4,511
Other income, net				(9,294)
Consolidated income before income tax expenses				$ 104,014

(1) Other costs, gains, and losses, net primarily consist of travel and entertainment costs, computer and technology related costs, depreciation and amortization expenses, and other discretionary costs.

NOTE 13. SUBSEQUENT EVENTS

On April 14, 2025, we entered into a 5-year interest rate swap with a notional value of $50 million and a fixed rate of 3.503%. The interest rate swap expires on April 14, 2030.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context otherwise requires, references in this Quarterly Report on Form 10-Q to “we”, “us”, “our”, "CBIZ" or the "Company" shall mean CBIZ, Inc., and its operating subsidiaries.

The following discussion is intended to assist in the understanding of our financial position at March 31, 2025 and December 31, 2024, results of operations for the three months ended March 31, 2025 and 2024, and cash flows for the three months ended March 31, 2025 and 2024, and should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and with our Annual Report on Form 10-K for the year ended December 31, 2024. This discussion and analysis contains forward-looking statements and should be read in conjunction with the disclosures and information contained in “Forward-Looking Statements” included elsewhere in this Quarterly Report on Form 10-Q and in “Item 1A. Risk Factors” included in this Quarterly Report on Form 10-Q and in the Annual Report on Form 10-K for the year ended December 31, 2024.

OVERVIEW

We provide professional business services, products and solutions that help our clients grow and succeed by better managing their finances and employees. These services are primarily provided to small and medium-sized businesses, as well as individuals, governmental entities, and not-for-profit enterprises throughout the United States and parts of Canada. We deliver integrated services through three practice groups: Financial Services, Benefits and

Insurance Services, and National Practices. Refer to Note 12, Segment Disclosures, to the accompanying unaudited condensed consolidated financial statements for a general description of services provided by each practice group.

Refer to the Annual Report on Form 10-K for the year ended December 31, 2024 for further discussion of our business and strategies, as well as the external relationships and regulatory factors that currently impact our operations.

EXECUTIVE SUMMARY

Revenue for the three months ended March 31, 2025 increased by $343.7 million, or 69.5%, to $838.0 million from $494.3 million for the same period in 2024. Revenue from newly acquired operations contributed $333.4 million, or 66.8%, of incremental revenue for the three months ended March 31, 2025, as compared to the same period in 2024. A detailed discussion of revenue by practice group is included under "Operating Practice Groups."

Net income was $122.8 million, or $1.91 per diluted share, in the first quarter of 2025, compared to $76.9 million, or $1.53 per diluted share, in the first quarter of 2024. Refer to “Results of Operations" for a detailed discussion of the components of net income.

The uncertainty in the current economic and geopolitical environment has already led to softness in the demand for the nonrecurring project-based services we offer. We expect this softness in demand caused by the current economic and geopolitical environment could continue and may limit management's ability to forecast demand for the remainder of 2025.

Strategic Use of Capital

Our overall business objective continues to focus on making strategic acquisitions that allow us to strengthen our presence in existing markets, expand into high growth industries, and broaden our services to our existing offerings. As a result of the Transaction and related 2024 Credit Facilities, we have $1,548.4 million outstanding debt under the 2024 Credit Facilities as of March 31, 2025. To achieve our business objective of making strategic acquisitions, our current priority for use of capital is to maximize cash flow to pay down debt, which will allow us more liquidity to make strategic acquisitions in the future. In addition, we believe that repurchasing shares of our common stock can be a prudent use of our financial resources, and that investing in our stock is an attractive use of capital and an efficient means to provide value to our stockholders.

During the three months ended March 31, 2025, we repurchased 0.1 million shares of our common stock for tax withholding purposes at a total cost of approximately $7.7 million.

On February 11, 2025, the CBIZ Board of Directors authorized the purchase of up to 5.0 million shares of our common stock under our share repurchase program (the “Share Repurchase Program”), which may be suspended or discontinued at any time and expires on March 31, 2026. The shares may be purchased in the open market, in privately negotiated transactions, and pursuant to Rule 10b5-1 trading plans. Privately negotiated transactions may include purchases from our employees, officers and directors, in accordance with the Securities and Exchange Commission (the “SEC”) rules. CBIZ management will determine the timing and amount of the purchases based on its evaluation of market conditions and other factors.

RESULTS OF OPERATIONS

Revenue

The following tables summarize total revenue for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,					
	2025	% of Total	2024	% of Total	$ Change	% Change
	(Amounts in thousands, except percentages)					
Financial Services	$ 713,661	85.1 %	$ 372,630	75.4 %	$ 341,031	91.5 %
Benefits and Insurance Services	112,976	13.5 %	108,408	21.9 %	4,568	4.2 %
National Practices	11,377	1.4 %	13,259	2.7 %	(1,882)	(14.2)%
Total CBIZ	$ 838,014	100.0 %	$ 494,297	100.0 %	$ 343,717	69.5 %

A detailed discussion of same-unit revenue by practice group is included under “Operating Practice Groups.”

Non-qualified Deferred Compensation Plan

We sponsor a Non-qualified Deferred Compensation Plan (the "deferred compensation plan"), under which a CBIZ employee’s compensation deferral is held in a rabbi trust and invested accordingly as directed by the employee. Income and expenses related to the deferred compensation plan, which are recorded in "Corporate and Other" for segment reporting purposes, are included in “Operating expenses”, “Gross margin” and “Corporate general and administrative expenses” and are directly offset by deferred compensation gains or losses in “Other (expense) income, net” in the accompanying unaudited Condensed Consolidated Statements of Comprehensive Income. The deferred compensation plan has no impact on “Income before income tax expense” or diluted earnings per share.

Income and expenses related to the deferred compensation plan for the three months ended March 31, 2025 and 2024 are as follows:

	Three Months Ended March 31,	
	2025	2024
	(Amounts in thousands)	
Operating (income) expense	$ (2,432)	$ 8,576
Corporate general & administrative (income) expense	(119)	1,057
Other (expenses) income, net	(2,551)	9,633

Excluding the impact of the above-mentioned income and expenses related to the deferred compensation plan, the operating results for the three months ended March 31, 2025 and 2024 are as follows:

	Three Months Ended March 31,							
	2025				2024			
	(Amounts in thousands, except percentages)							
	As Reported	Deferred Compensation Plan	Adjusted	% of Revenue	As Reported	Deferred Compensation Plan	Adjusted	% of Revenue
Gross margin	$ 228,102	$ (2,432)	$ 225,670	26.9 %	$ 117,812	$ 8,576	$ 126,388	25.6 %
Operating income	200,032	(2,551)	197,481	23.6 %	99,101	9,633	108,734	22.0 %
Other (expense) income , net	(1,966)	2,551	585	0.1 %	9,424	(9,633)	(209)	— %
Income before income tax expense	172,910	—	172,910	20.7 %	104,014	—	104,014	21.0 %

Operating Expenses

The following tables summarize total operating expenses for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,			
	2025	2024	$ Change	% Change
	(Amounts in thousands, except percentages)			
Operating expenses by segment:				
Financial Services	$ 510,493	$ 265,561	$ 244,932	92.2 %
Benefits and Insurance Services	85,358	83,637	1,721	2.1 %
National Practices	10,265	11,933	(1,668)	(14.0)%
Corporate and Other	3,796	15,354	(11,558)	(75.3)%
Total Operating expenses	$ 609,912	$ 376,485	$ 233,427	62.0 %
Operating expenses % of revenue	72.8 %	76.2 %		
Operating expenses excluding deferred compensation	$ 612,344	$ 367,909	$ 244,435	66.4 %
Operating expenses excluding deferred compensation % of revenue	73.1 %	74.4 %		

Three months ended March 31, 2025 compared to March 31, 2024. Total operating expenses for the three months ended March 31, 2025 increased by $233.4 million, or 62.0%, to $609.9 million as compared to $376.5 million in the same period of 2024. The deferred compensation plan decreased operating expenses by $2.4 million for the three months ended March 31, 2025 and increased operating expenses by $8.6 million in the same period in 2024. Excluding the deferred compensation expenses, which were recorded in "Corporate and Other" for segment reporting purposes, operating expenses would have been $612.3 million and $367.9 million, or 73.1% and 74.4% of revenue, for the three months ended March 31, 2025 and 2024, respectively. In addition, operating expenses for the three months ended March 31, 2025 included approximately $9.0 million of integration costs associated with the Transaction, and the operating expenses for the three months ended March 31, 2024 included approximately $0.1 million of non-recurring integration costs associated with the two acquisitions completed in 2024.

The majority of our operating expenses relate to personnel costs, which include (i) salaries and benefits, (ii) commissions paid to producers, (iii) incentive compensation, and (iv) stock-based compensation. Excluding the impact of deferred compensation, which was recorded in "Corporate and Other" for segment reporting purposes, operating expenses increased by approximately $244.4 million during the three months ended March 31, 2025 as compared to the same period in 2024, driven by $194.1 million higher personnel costs (of which $193.7 million was attributed to the net impact of acquisitions and divestitures), $15.3 million higher depreciation and amortization costs, $11.4 million higher facility costs, $9.9 million higher direct costs, $5.7 million higher technology costs, $3.9 million higher travel and entertainment costs, $2.1 million higher professional service costs, and $1.9 million higher marketing costs. Personnel costs are discussed in further detail under “Operating Practice Groups” below.

Corporate General & Administrative ("G&A") Expenses

	Three Months Ended March 31,			
	2025	2024	$ Change	% Change
	(Amounts in thousands, except percentages)			
G&A expenses	$ 28,070	$ 18,711	$ 9,359	50.0 %
G&A expenses % of revenue	3.3 %	3.8 %		
G&A expenses excluding deferred compensation	$ 28,189	$ 17,654	$ 10,535	59.7 %
G&A expenses excluding deferred compensation % of revenue	3.4 %	3.6 %		

Three months ended March 31, 2025 compared to March 31, 2024. The deferred compensation plan decreased G&A expenses by $0.1 million for the three months ended March 31, 2025, and increased G&A expenses by $1.1 million during the same period in 2024. The G&A expenses, excluding the impact of the deferred compensation plan, would have been $28.2 million, or 3.4% of revenue, for the three months ended March 31, 2025, compared to $17.7 million, or 3.6% of revenue, for the same period in 2024, an increase of approximately $10.5 million. The increase was primarily driven by $4.1 million higher legal and other professional services costs largely associated with the Transaction, $2.1 million higher personnel costs, $2.0 million higher other discretionary spending to support business growth, $0.9 million higher insurance costs, $0.6 million higher marketing costs, $0.5 million higher technology costs, and $0.3 million higher travel and entertainment costs. The G&A expenses for the three months ended March 31, 2025 included approximately $6.7 million of integration costs primarily associated with the Transaction. For the three months ended March 31, 2024 there were approximately $0.5 million non-recurring transaction and integration costs associated with acquisitions.

Other Income (Expense), Net

	Three Months Ended March 31,			
	2025	2024	$ Change	% Change
	(Amounts in thousands, except percentages)			
Interest expense	$ (25,156)	$ (4,511)	$ (20,645)	457.7 %
Other income (expense), net [(1)]	(1,966)	9,424	(11,390)	(120.9)%
Total other income (expense), net	$ (27,122)	$ 4,913	$ (32,035)	(652.0)%

[(1)] Other income (expense), net includes a net loss of $(2.6) million during the three months ended March 31, 2025, and a net gain of $9.6 million for the same period in 2024, associated with the value of investments held in a rabbi trust related to the deferred compensation plan, which were recorded in "Corporate and Other" for segment reporting purposes. The adjustments to the investments held in a rabbi trust related to the deferred compensation plan are offset by a corresponding increase or decrease to compensation expense, which is recorded as "Operating expenses" and "G&A expenses." The deferred compensation plan has no impact on "Income before income tax expense" or diluted earnings per share. In addition, included in Other income, net for the three months ended March 31, 2025 and 2024, is expense of $0.5 million and $0.4 million, respectively, related to net changes in the fair value of contingent consideration related to prior acquisitions.

Interest Expense

Three months ended March 31, 2025 compared with March 31, 2024. During the three months ended March 31, 2025, our average debt balance and weighted average effective interest rate were $1,443.4 million and 6.57%, respectively, compared to $325.6 million and 5.23%, respectively, for the same period of 2024. The increase in interest expense for the three months ended March 31, 2025 as compared to the same period in 2024 was primarily driven by higher average debt balance associated with the 2024 Credit Facilities which was entered into on November 1, 2024.

Our indebtedness is further discussed in Note 5, Debt and Financing Arrangements, to the accompanying unaudited condensed consolidated financial statements.

Other Income (Expense), Net

Three months ended March 31, 2025 compared with March 31, 2024. For the three months ended March 31, 2025, other income (expense), net includes a net loss of $(2.6) million associated with the deferred compensation plan. For the same period in 2024, other income (expense), net includes a net gain of $9.6 million associated with the deferred compensation plan. Excluding the impact of the deferred compensation plan from other income (expense), net would result in an increase of $0.8 million for the three months ended March 31, 2025 compared to the same period in 2024. The increase was primarily due to higher expense related to contingent consideration fair value adjustments of $0.2 million, a $0.3 million gain on the sale of assets, and higher other expenses of $0.3 million.

Further discussion related to the fair value contingent consideration adjustment is included in Note 8, Fair Value Measurements, to the accompanying unaudited condensed financial statements.

Income Tax Expense

	Three Months Ended March 31,			
	2025	2024	$ Change	% Change
	(Amounts in thousands, except percentages)			
Income tax expense	$ 50,137	$ 27,130	$ 23,007	84.8 %
Effective tax rate	29.0 %	26.1 %		

Three months ended March 31, 2025 compared with March 31, 2024. The effective tax rate for the three months ended March 31, 2025 was 29.0%, compared to an effective tax rate of 26.1% for the comparable period in 2024. The increase in the effective tax rate for the three month period ended March 31, 2025 was primarily due to a lower tax benefit recognized related to stock-based compensation expense during the first quarter of 2025 compared to the same period in 2024, which adversely affected the effective tax rate as related to pre-tax income. The increase in income tax expense in the first three months of 2025 compared to the same period in the prior year was primarily driven by the increase in pre-tax income in 2025.

Operating Practice Groups

We deliver our integrated services through three practice groups: Financial Services, Benefits and Insurance Services, and National Practices. A description of these groups' operating results and factors affecting their businesses is provided below.

Financial Services

	Three Months Ended March 31,			
	2025	2024	$ Change	% Change
	(Amounts in thousands, except percentages)			
Revenue	$ 713,661	$ 372,630	$ 341,031	91.5 %
Operating expenses	510,493	265,561	244,932	92.2 %
Gross margin / Operating income	203,168	107,069	96,099	89.8 %
Total other income, net	185	86	99	115.1 %
Income before income tax expense	$ 203,353	$ 107,155	$ 96,198	89.8 %
Gross margin percent	28.5 %	28.7 %		

Three months ended March 31, 2025 compared to March 31, 2024

Revenue

The Financial Services practice group revenue for the three months ended March 31, 2025 grew by 91.5% to $713.7 million from $372.6 million during the same period in 2024. This increase is primarily driven by those units that provide traditional accounting and tax-related services, which increased $315.6 million as a result of the acquistion, the units that provide national technology services, which increased $12.9 million all attributed to the acquisition, the units that provide advisory services, which increased by $8.6 million, and the units that provide government healthcare compliance business consulting, which increased by approximately $3.9 million.

We provide a range of services to affiliated CPA firms under joint referral and administrative service agreements (“ASAs”). Fees earned under the ASAs are recorded as revenue in the accompanying Condensed Consolidated Statements of Comprehensive Income and were approximately $234.3 million and $87.8 million for the three months ended March 31, 2025 and 2024, respectively.

Operating Expenses

Operating expenses for the three months ended March 31, 2025 increased by $244.9 million, or 92.2%, as compared to the same period last year. Personnel costs increased by $194.7 million, of which acquisitions contributed approximately $194.4 million to the increase. Compared to the same period in 2024, depreciation and amortization costs, direct costs, facility costs, technology costs, marketing costs, and professional services costs increased by approximately $15.7 million, $12.6 million, and $11.4 million, $5.4 million, $2.0 million, and $1.1 million, respectively. Additionally, there was $2.1 million higher other discretionary spending to support business growth. Operating expenses as a percentage of revenue increased slightly to 71.5% for the three months ended March 31, 2025 from 71.3% of revenue for the prior year quarter.

Benefits and Insurance Services

	Three Months Ended March 31,			
	2025	2024	$ Change	% Change
	(Amounts in thousands, except percentages)			
Revenue	$ 112,976	$ 108,408	$ 4,568	4.2 %
Operating expenses	85,358	83,637	1,721	2.1 %
Gross margin / Operating income	27,618	24,771	2,847	11.5 %
Total other income, net	327	44	283	643.2 %
Income before income tax expense	$ 27,945	$ 24,815	$ 3,130	12.6 %
Gross margin percent	24.4 %	22.8 %		

Three months ended March 31, 2025 compared to March 31, 2024

Revenue

The Benefits and Insurance Services practice group revenue increased by $4.6 million, or 4.2%, to $113.0 million during the three months ended March 31, 2025 compared to $108.4 million for the same period in 2024. The increase is primarily driven by a $5.5 million increase in payroll-related services and a $3.1 million increase in the employee benefit and retirement benefit services lines. The increase was offset by a $4.0 million decrease in the property and casualty services revenue.

Operating Expenses

Operating expenses for the three months ended March 31, 2025 increased by $1.7 million, or 2.1%, when compared to the same period last year. Personnel costs increased by $0.9 million, of which acquisitions contributed $1.6 million, offset by lower compensation related costs. Compared to the same period in 2024, direct cost increased by approximately $1.4 million. The increase was offset with a decrease of approximately $0.7 million in other discretionary spending to support business growth. Operating expenses as a percentage of revenue decreased to 75.6% for the quarter ended March 31, 2025 from 77.2% of revenue for the same period in 2024, primarily due to increase in revenue generated from the employee benefit and retirement benefit services.

National Practices

	Three Months Ended March 31,			
	2025	2024	$ Change	% Change
	(Amounts in thousands, except percentages)			
Revenue	$ 11,377	$ 13,259	$ (1,882)	(14.2)%
Operating expenses	10,265	11,933	(1,668)	(14.0)%
Gross margin / Operating income	1,112	1,326	(214)	(16.1)%
Income before income tax expenses	$ 1,112	$ 1,326	$ (214)	(16.1)%
Gross margin percent	9.8 %	10.0 %		

Three months ended March 31, 2025 compared with March 31, 2024

Revenue and Operating Expenses

The National Practices group is primarily driven by a cost-plus contract with a single client, which has existed since 1999. The cost-plus contract is a five-year contract with the most recent renewal through December 31, 2028. Revenues from this single client accounted for approximately 75% of the National Practice group's revenue. During the three months ended March 31, 2025, revenue decreased by $1.9 million, or 14.2% due to the divestiture in the same period in 2024. The operating expenses decreased by $1.7 million or 14.0%, primarily driven by lower personnel costs due to the impact of divestiture.

Corporate and Other

Corporate and Other are operating expenses that are not directly allocated to the individual business units. These expenses primarily consist of certain health care costs, gains or losses attributable to assets held in our deferred compensation plan, stock-based compensation, consolidation and integration charges, certain professional fees, certain advertising costs, and other various expenses.

	Three Months Ended March 31,			
	2025	2024	$ Change	% Change
	(Amounts in thousands, except percentages)			
Operating expenses	$ 3,796	$ 15,354	$ (11,558)	(75.3)%
Corporate general and administrative expenses	28,070	18,711	9,359	50.0 %
Operating loss	(31,866)	(34,065)	2,199	(6.5)%
Total other (expense) income, net	(27,634)	4,783	(32,417)	(677.8)%
Loss before income tax expense	$ (59,500)	$ (29,282)	$ (30,218)	103.2 %

Three months ended March 31, 2025 compared to March 31, 2024

Total operating expenses increased by $11.6 million during the three months ended March 31, 2025, as compared to the same period in 2024. The deferred compensation plan increased operating expenses by $2.4 million for the three months ended March 31, 2025 and increased operating expenses by $8.6 million during the same period in 2024. Excluding the deferred compensation expenses, operating expenses decreased by $0.5 million during the three months ended March 31, 2025, as compared to the same period in 2024. The decrease was primarily driven by lower personnel costs.

Total corporate general and administrative expenses increased by $9.4 million, or 50.0%, during the three months ended March 31, 2025, as compared to the same period in 2024. The deferred compensation plan decreased corporate general and administrative expenses by $0.1 million for the three months ended March 31, 2025 and increased corporate general and administrative expenses by $1.1 million during the same period in 2024. Excluding the deferred compensation expenses, corporate general and administrative expense increased by approximately $10.5 million during the three months ended March 31, 2025, as compared to the same period in 2024. The increase was primarily driven by $4.1 million higher legal and other professional services costs largely associated with the Transaction, $2.1 million higher personnel costs, $2.0 million higher other discretionary spending to support business growth, $0.9 million higher insurance costs, $0.6 million higher marketing costs, $0.5 million higher technology costs, and $0.3 million higher travel and entertainment costs. The G&A expenses for the three months ended March 31, 2025 included approximately $7.7 million integration costs primarily associated with the Transaction. For the three months ended March 31, 2024, there were approximately $0.5 million non-recurring transaction and integration costs associated with acquisitions.

Total other (expense) income, net increased by $32.4 million during the three months ended March 31, 2025, as compared to the same period in 2024. For the three months ended March 31, 2025, total other (expense) income, net includes a net loss of $2.6 million associated with the deferred compensation plan. For the same period in 2024, total other expense, net includes a net gain of $9.6 million associated with the deferred compensation plan. Excluding the impact of the deferred compensation plan, total other income (expense), net decreased by $20.2 million, primarily due to higher interest expense of $20.6 million, partially offset by a decrease of $0.3 million in interest income.

LIQUIDITY

Our principal sources of liquidity are cash generated from operating activities and financing activities. Our cash flows from operating activities are driven primarily by our operating results and changes in our working capital requirements while our cash flows from financing activities are dependent upon our ability to access credit or other capital. We historically maintain low cash levels and apply any available cash to pay down the outstanding debt balance.

We historically experience a use of cash to fund working capital requirements during the first quarter of each fiscal year. This is primarily due to the seasonal accounting and tax services period under the Financial Services practice group, as well as payment of accrued employees' incentives programs. Upon completion of the seasonal accounting and tax services period, cash provided by operations during the remaining three quarters of the fiscal year substantially exceeds the use of cash in the first quarter of the fiscal year.

Accounts receivable balances increase in response to the first three months' revenue generated by the Financial Services practice group. A significant amount of this revenue is billed and collected in subsequent quarters. Days sales outstanding (“DSO”) represent accounts receivable and unbilled revenue (net of realization adjustments) at the end of the period, divided by trailing twelve months' daily revenue. We provide DSO data because such data is commonly used as a performance measure by analysts and investors and as a measure of our ability to collect on receivables in a timely manner. Trailing-twelve-month DSO, including the impact of acquisitions, was 96 days and 101 days at March 31, 2025 and 2024, respectively. DSO at December 31, 2024 was 73 days.

The following table presents selected cash flow information. For additional details, refer to the accompanying Condensed Consolidated Statements of Cash Flows.

	Three Months Ended March 31,	
	2025	2024
	(Amounts in thousands)	
Net cash used in operating activities	$ (88,266)	$ (63,720)
Net cash used in investing activities	(4,961)	(28,702)
Net cash provided by financing activities	55,363	71,188
Net decrease in cash, cash equivalents and restricted cash	$ (37,864)	$ (21,234)

Operating Activities - Cash used in operating activities was $88.3 million during the three months ended March 31, 2025, primarily consisted of working capital use of $247.7 million, which was offset by net income of $122.8 million and certain non-cash items, such as depreciation and amortization expense of $24.8 million, deferred income tax of $4.3 million, stock-based compensation expense of $5.6 million, and an adjustment to contingent earnout liability of $0.5 million. Cash used in operating activities was $63.7 million during the three months ended March 31, 2024, primarily consisted of working capital use of $155.9 million, which was offset by net income of $76.9 million and certain non-cash items, such as depreciation and amortization expense of $9.5 million, deferred income tax of $2.1 million, and stock-based compensation expense of $2.6 million.

Investing Activities - Cash used in investing activities during the three months ended March 31, 2025 was $5.0 million and consisted primarily of $5.2 million in capital expenditures, and $0.1 million in other investing activities primarily related to acquisition related working capital adjustment payments and notes receivable. The net cash flow related to funds held for clients and other activities were immaterial. Cash used in investing activities during the three months ended March 31, 2024 was $28.7 million and consisted primarily of $21.3 million used for business acquisitions, $5.1 million in capital expenditures, and $2.2 million in other investing activities primarily related to acquisition related working capital adjustment payments and notes receivable. The net cash flow related to funds held for clients and other activities were immaterial.

The balances in funds held for clients and client fund obligations can fluctuate with the timing of cash receipts and the related cash payments. The nature of these accounts is further described in Note 1, Basis of Presentation and Significant Accounting Policies, to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Financing Activities - Cash provided by financing activities during the three months ended March 31, 2025 was $55.4 million and primarily consisted of $127.5 million in net proceeds from the credit facility, partially offset by $7.6 million of cash used in share repurchases for tax withholding purposes, a $35.1 million net decrease in client fund obligations and $29.5 million in contingent consideration payments related to prior acquisitions. Cash provided by financing activities during the three months ended March 31, 2024 was $71.2 million and primarily consisted of $125.4 million in net proceeds from the credit facility, partially offset by $11.2 million of cash used in share repurchases for tax withholding purposes, a $11.9 million net decrease in client fund obligations and $31.1 million in contingent consideration payments related to prior acquisitions.

CAPITAL RESOURCES

Credit Facility - At March 31, 2025, we had $1,548.4 million outstanding under the 2024 Credit Facilities as well as $3.2 million of outstanding letters of credit. Available funds under the 2024 Credit Facilities, based on the terms of the commitment, were approximately $384.0 million at March 31, 2025. The weighted average interest rate under the 2024 Credit Facilities was 6.57% during the three months ended March 31, 2025, compared to 5.23% for the same period in 2024. The 2024 Credit Facilities allow for the allocation of funds for future strategic initiatives, including acquisitions and the repurchase of our common stock, subject to the terms and conditions of the 2024 Credit Facilities.

Debt Covenant Compliance - Under the 2024 Credit Facilities, we are required to meet certain financial covenants with respect to (i) total leverage ratio and (ii) minimum interest charge coverage ratio. We are in compliance with our financial covenants as of March 31, 2025. Our ability to service our debt and to fund future strategic initiatives will depend upon our ability to generate cash in the future. For further discussion regarding our 2024 Credit Facilities, refer to Note 5, Debt and Financing Arrangements, to the accompanying unaudited condensed consolidated financial statements.

Use of Capital - Our overall business objective continues to focus on making strategic acquisitions that allow us to strengthen our presence in existing markets, expand into high growth industries, and broaden our services to our existing offerings. As a result of the Transaction and related 2024 Credit Facilities we have $1,548.4 million of outstanding debt as of March 31, 2025. To achieve our business objective of making strategic acquisitions, our current priority for use of capital is to maximize cash flow to pay down debt, which will allow us more liquidity to make strategic acquisitions in the future. In addition, we believe that repurchasing shares of our common stock can be a prudent use of our financial resources, and that investing in our stock is an attractive use of capital and an efficient means to provide value to our stockholders. During the three months ended March 31, 2025 we completed no acquisitions. During the three months ended March 31, 2025, we also repurchased 0.1 million shares of our common stock for tax withholding purposes at a total cost of approximately $7.7 million.

Cash Requirements - Cash requirements for the remainder of 2025 and beyond will include the repayment of outstanding debt and related interest, making strategic acquisitions, funding seasonal working capital requirements, making contingent purchase price payments for previous acquisitions, share repurchases, income tax payments, and capital expenditures. We believe that cash provided by operations, as well as available funds under our 2025 Credit Facilities will be sufficient to meet cash requirements for the remainder of 2025 and beyond.

OFF-BALANCE SHEET ARRANGEMENTS

We maintain administrative service agreements with independent CPA firms (as described more fully under Item 1. “Business – Financial Services” and in Note 1, Basis of Presentation and Significant Accounting Policies, to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024), which qualify as variable interest entities. The accompanying unaudited condensed consolidated financial statements do not reflect the operations or accounts of variable interest entities as the impact is not material to the financial condition, results of operations, or cash flows of CBIZ.

We provide letters of credit to landlords (lessors) of our leased premises in lieu of cash security deposits, which totaled $3.2 million and $3.2 million at March 31, 2025 and December 31, 2024, respectively. In addition, we provide license bonds to various state agencies to meet certain licensing requirements. The amount of license bonds outstanding was $2.2 million and $2.2 million at March 31, 2025 and December 31, 2024, respectively.

We have various agreements under which we may be obligated to indemnify the other party with respect to certain matters. Generally, these indemnification clauses are included in contracts arising in the normal course of business under which we customarily agree to hold the other party harmless against losses arising from a breach of representations, warranties, covenants or agreements, related to matters such as title to assets sold and certain tax matters. Payment by us under such indemnification clauses is generally conditioned upon the other party making a claim. Such claims are typically subject to challenge by us and to dispute resolution procedures specified in the particular contract. Further, our obligations under these agreements may be limited in terms of time and/or amount and, in some instances, we may have recourse against third parties for certain payments made by us. It is not possible to predict the maximum potential amount of future payments under these indemnification agreements due to the conditional nature of our obligations and the unique facts of each particular agreement. Historically, we have not made any payments under these agreements that have been material individually or in the aggregate. As of March 31, 2025, we are not aware of any material obligations arising under indemnification agreements that would require payment.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The SEC defines critical accounting policies as those that are most important to the portrayal of a company's financial condition and results and that require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

Our discussion and analysis of our results of operations, financial condition and liquidity is based upon our unaudited condensed consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the amounts of assets and liabilities, revenues and expenses and disclosure of contingent assets and liabilities as of the date of the unaudited condensed consolidated financial statements. As more information becomes known, these estimates and assumptions could change, which would have an impact on actual results that may differ materially from these estimates and judgments under different assumptions. We have not made any changes to our critical accounting policies and estimates as previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

NEW ACCOUNTING PRONOUNCEMENTS

Refer to Note 2, New Accounting Pronouncements, to the accompanying unaudited condensed consolidated financial statements for a discussion of recently issued accounting pronouncements.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical fact included in this Quarterly Report on Form 10-Q, including, without limitation, "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding our financial position, business strategy and plans and objectives for future performance are forward-looking statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Forward-looking statements are commonly identified by the use of such terms and phrases as "will," "could," "can," "may," "strive," "hope," "intend," "believe," "estimate," "continue," "plan," "expect," "project," "anticipate," "outlook," "foreseeable future," "seek" and words or phrases of similar import in connection with any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance or results of current and anticipated services, sales efforts, expenses, and financial results.

From time to time, we may also provide oral or written forward-looking statements in other materials we release to the public. Any or all of our forward-looking statements in this Quarterly Report on Form 10-Q and in any other public statements that we make, are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, but are not limited to: payments on accounts receivable may be slower than expected, or amounts due on receivables or notes may not be fully collectible; our business could be adversely affected if Marcum does not perform to our expectations or we underestimate the liabilities we have assumed; we are dependent on the services of our executive officers, and other key employees, the loss of whom may have a material adverse effect on our business, financial condition and results of operations; restrictions imposed by independence requirements and conflict of interest rules, as well as the nature and terms of our current Administrative Service Agreements, limit our ability to provide services to clients of the attest firms with which we have contractual relationships and the ability of such attest firms to provide attestation services to our clients; our goodwill and other intangible assets could become impaired, which could lead to material non-cash charges against earnings and a material impact on our results of operations and financial condition; certain liabilities resulting from acquisitions are estimated and could lead to a material impact on our results of operations; we may fail to realize the anticipated benefits of acquisitions, or they may prove disruptive and could result in the combined business failing to meet our expectations; recent Securities & Exchange Commission ("SEC") and Public Company Accounting Oversight Board ("PCAOB") sanctions against Marcum may adversely impact our performance and reputation; if we are unable to implement and maintain effective internal control over financial reporting following the Transaction, we may fail to prevent or detect material misstatements in our financial statements, in which case investors could lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may decline; we may not be able to acquire and finance additional businesses, which could limit our ability to pursue our business strategy; we will incur transaction, integration, and restructuring costs in connection with our acquisition program; governmental regulations and interpretations are subject to changes, which could have a material adverse effect on our financial condition; changes in the United States healthcare environment, including new healthcare legislation, may adversely affect the revenue and margins in our healthcare benefit business; we are subject to risks relating to processing customer transactions for our payroll and other transaction processing businesses; cyberattacks or other security breaches involving our computer systems or the systems of one or more of our vendors could materially and adversely affect our business; we are subject to risk as it relates to software that we license from third parties; we are reliant on information processing systems and any failure or disruptions of these systems could have a material adverse effect on our business, financial condition and results of operations; we could be held liable for errors and omissions; the business services industry is competitive and fragmented, if we are unable to compete effectively, our business, financial condition and results of operations could be negatively impacted; given our levels of share-based compensation, our tax rate may vary significantly depending on our stock price; rapid technological changes could significantly impact our competitive position, client relationships and operating results and our ability to realize the anticipated benefits of the Transaction; climate change legislation or regulations restricting emissions of greenhouse gases could result in increased operating costs; the widespread outbreak of a communicable illness or any other public health crisis could adversely affect our business, financial condition and results of operations; we require a significant amount of cash for interest payments on our debt and to expand our business as planned; terms of our amended and restated credit agreement the 2024 Credit Facilities could adversely affect our ability to run our business and/or reduce stockholder returns; our failure to satisfy covenants in our debt instruments could cause a default under those instruments; our increased leverage following the Transaction may adversely impact our business; we may be more sensitive to revenue fluctuations than other companies, which could result in fluctuations in the market price of our common stock; the significant number of shares issuable as the stock consideration in the Transaction may adversely impact our stock price; the future issuance of additional shares could adversely affect the price of our common stock; there is volatility in our stock price; and the price of our common stock could be adversely impacted if we do not perform to expectations following the Transaction.

Such forward-looking statements can be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties. Should one or more of these risks materialize, or should the underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, projected or implied.

Consequently, no forward-looking statement can be guaranteed. A more detailed description of risk factors may be found in our periodic filings with the SEC, including in “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2024. All forward-looking statements made in this Quarterly Report on Form 10-Q are made only as of the date hereof, and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You are advised, however, to consult any further disclosures we make on related subjects in the current, quarterly, periodic and annual reports we file with the SEC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our floating rate debt under the 2024 Credit Facilities exposes us to interest rate risk. Interest rate risk results when the maturity or repricing intervals of interest-earning assets and interest-bearing liabilities are different. A change in the Federal Funds Rate, or the reference rate set by Bank of America, N.A., would have affected the rate at which we could borrow funds under the 2024 Credit Facilities. The balance outstanding under our 2024 Credit Facilities at March 31, 2025 was $1,548.4 million, of which $1,348.4 million was subject to rate risk. If market rates were to increase or decrease 100 basis points from the levels at March 31, 2025, interest expense would have increased or decreased approximately $13.5 million annually.

We do not engage in trading market risk sensitive instruments. We periodically use interest rate swaps to manage interest rate risk exposure. The interest rate swaps effectively modify our exposure to interest rate risk, primarily through converting portions of our floating rate debt under the 2024 Credit Facilities to a fixed rate basis. These agreements involve the receipt or payment of floating rate amounts in exchange for fixed rate interest payments over the life of the agreements without an exchange of the underlying principal amounts.

As of March 31, 2025, we have the following interest rate swaps outstanding (in thousands):

	March 31, 2025		
	Notional Amount	Fixed Rate	Expiration
Interest rate swap	$ 50,000	0.834 %	4/14/2025
Interest rate swap	$ 30,000	1.186 %	12/14/2026
Interest rate swap	$ 20,000	2.450 %	8/14/2027
Interest rate swap	$ 25,000	3.669 %	4/14/2028
Interest rate swap	$ 25,000	4.488 %	10/14/2028
Interest rate swap	$ 50,000	3.703 %	3/14/2030

Management will continue to evaluate the potential use of interest rate swaps as we deem appropriate under certain operating and market conditions. We do not enter into derivative instruments for trading or speculative purposes.

In connection with the services provided by our payroll operations, funds collected from our clients' accounts in advance are segregated and may be invested in short-term investments, such as corporate and municipal bonds. In accordance with our investment policy, all investments carry an investment grade rating at the time of the initial acquisition, and are classified as available-for-sale securities. At each respective balance sheet date, these investments are adjusted to fair value with fair value adjustments being recorded to other comprehensive income or loss and reflected in the accompanying Condensed Consolidated Statements of Comprehensive Income for the respective period. If an investment is deemed to be other-than-temporarily impaired due to credit loss, then the adjustment is recorded to "Other income (expense), net" in the accompanying Condensed Consolidated Statements of Comprehensive Income. Refer to Note 7, Financial Instruments, and Note 8, Fair Value Measurements, to the accompanying unaudited condensed consolidated financial statements for further discussion regarding these investments and the related fair value assessments.

ITEM 4. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Management has evaluated the effectiveness of our disclosure controls and procedures ("Disclosure Controls") as of the end of the period covered by this report. This evaluation ("Controls Evaluation") was done with the participation of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). Disclosure Controls are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure Controls include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including the CEO and CFO as appropriate, to allow timely decisions regarding required disclosure.

Limitations on the Effectiveness of Controls

Management, including our CEO and CFO, does not expect that our Disclosure Controls or our internal control over financial reporting will prevent all errors and all fraud. Although our Disclosure Controls are designed to provide reasonable assurance of achieving their objective, a control system, no matter how well conceived and operated, can provide only reasonable, but not absolute, assurance that the objectives of a control system are met. Further, any control system reflects limitations on resources, and the benefits of a control system must be considered relative to its costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within CBIZ have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of a control. A design of a control system is also based upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

Conclusions

Our Disclosure Controls are designed to provide reasonable assurance of achieving their objectives and, based upon the Controls Evaluation, our CEO and CFO have concluded that as of the end of the period covered by this report, CBIZ's Disclosure Controls were effective at that reasonable assurance level.

(b) Internal Control over Financial Reporting

We are currently in the process of fully integrating control processes and information systems related to the Marcum acquisition into our existing control environment. We believe that we have taken the necessary steps to monitor and maintain appropriate internal controls over financial reporting during this integration.

Other than the above, there have been no changes to our internal control over financial reporting during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are involved in various legal proceedings relating to claims arising out of our operations. As of the date hereof, we are not engaged in any legal proceedings that are reasonably expected, individually or in the aggregate, to have a material adverse effect on our business, financial condition, results of operations or cash flows.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed under “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024 as filed with the SEC. These risks could materially and adversely affect the business, financial condition and results of operations of CBIZ.

Payments on accounts receivable may be slower than expected, or amounts due on receivables or notes may not be fully collectible. Professional services firms often experience higher average accounts receivable days outstanding compared to many other industries, which may be magnified if the general economy worsens. If our collections become slower, our liquidity may be adversely impacted. We monitor the aging of receivables regularly and make assessments of the ability of customers to pay amounts due. We provide for potential bad debts and recognize additional reserves against bad debts as we deem it appropriate. Notwithstanding these measures, our customers may face unexpected circumstances that adversely impact their ability to pay their trade receivables or note obligations to us, and we may face unexpected losses as a result.

Our business could be adversely affected if Marcum does not perform to our expectations or we underestimate the liabilities we are assuming. Even if we successfully integrate Marcum, there can be no assurance we will realize the anticipated benefits of the Transaction. While our management and advisors have spent significant time and resources evaluating Marcum’s business, it is difficult to predict future performance and the benefits from a transaction involving large and complex organizations. In addition, we assumed Marcum’s liabilities other than specified excluded liabilities that were not contributed by Marcum to MAG prior to closing of the Transaction. It is possible that we may have underestimated the liabilities that we assumed, or we may have assumed liabilities that are unknown or that we did not foresee and were not excluded from Marcum’s contribution to Marcum Advisory Group ("MAG"). If the liabilities that we assumed are more than we anticipate, or insurance coverage is not available to us in sufficient amounts to cover the liabilities that we assumed, it could increase the effective cost of the Transaction and adversely impact our financial condition and results of operations. The performance and benefits that we ultimately achieve may be influenced by a variety of factors, many of which are outside of our control. If we do not achieve the anticipated benefits of the Transaction, at all or in the expected timeframe, or become responsible for costs or liabilities that we did not foresee, our business could be adversely affected.

We are dependent on the services of our executive officers, and other key employees, the loss of any of whom may have a material adverse effect on our business, financial condition and results of operations. Our success depends in large part upon the abilities and continued services of our executive officers, our business unit presidents, and other key employees. In the course of business operations, employees may retire, resign or seek employment elsewhere, particularly in the current employment environment, given wage pressures and worker shortages. While most employees are bound in writing to agreements containing non-compete, non-solicit, confidentiality, and other restrictive covenants barring competitive employment, client acceptance, and solicitation of employees for a period of between one and ten years following their resignation, not all employees are subject to such restrictions, especially in jurisdictions that disfavor restrictive employment covenants. Moreover, courts outside of such jurisdictions are at times reluctant to enforce such restrictive covenants. In light of the competitive employment environment and risks related to the enforcement of restrictive covenants, we cannot assure you that we will be able to retain the services of such personnel. If we cannot retain the services of these personnel, there could be a material adverse effect on our business, financial condition and results of operations. In order to support our growth, we intend to continue to effectively recruit, hire, train and retain additional qualified personnel. Our inability to attract and retain necessary personnel to support our current operations and further growth could have a material adverse effect on our business, financial condition and results of operations.

Restrictions imposed by independence requirements and conflict of interest rules, as well as the nature and terms of our current Administrative Service Agreements, limit our ability to provide services to clients of the attest firms with which we have contractual relationships and the ability of such attest firms to provide attestation services to our clients. Restrictions imposed by independence requirements and state accountancy laws and regulations preclude us from rendering audit and other attest services (other than internal audit services). As such, we and our subsidiaries maintain joint-referral relationships and ASAs with independent, licensed CPA firms under which audit and other attest services may be provided to our clients by such CPA firms. The CPA firms are wholly owned by licensed CPAs, a vast majority of whom are employed by us.

As a condition to close the Transaction, CBIZ CPAs, a CPA firm with which we maintain an ASA, completed the Attest Purchase, which consisted of purchasing from Marcum substantially all of Marcum's attest business assets, subject to certain exclusions. We expect the Attest Purchase will significantly increase the attest services received and the revenues generated under our existing ASA with CBIZ CPAs.

Under the ASA with CBIZ CPAs and our other ASAs, we provide a range of services to the CPA firms, including: functions such as professional staff, office management, bookkeeping, and accounting; preparing marketing and promotion materials; and providing office space, computer equipment, systems support and administrative support. Services are performed in exchange for a fee. Fees earned by us under the ASAs are recorded as revenue in our Consolidated Statements of Comprehensive Income. In the event that accounts receivable and unbilled work in process become uncollectible by the CPA firms, the service fee due to us is typically reduced on a proportional basis.

As previously discussed in Item 1, Business, the ASAs do not provide us with control over the associated CPA firms, which are independent entities. As such, the continuation of our association with each CPA firm is subject to the terms and lengths of the applicable ASA, and the ability of the parties to work cooperatively together. Our ability to provide non-attest services to clients that receive attest services from the CPA firms may be contingent on our ability to extend the ASAs as they expire, and the ability and willingness of the CPA firms to retain their attest clients. Further, our ability to realize the anticipated benefits of the Transaction will depend in significant part upon maintaining our relationship with CBIZ CPAs and its ability to integrate Marcum’s attest business assets in an efficient and effective manner. Any inability by CBIZ CPAs to successfully and timely integrate Marcum’s attest business assets could have a material adverse effect on our business and results of operations.

With respect to CPA firm clients that are required to file audited financial statements with the SEC, the SEC staff has informed us that, under Regulation S-X, it considers CBIZ to be an "associated entity" of the CPA firms with which CBIZ has contractual relationships. Accordingly, we do not hold any financial interest in, nor do we enter into any business relationship with, an SEC-reporting attest client that the CPA firm performing an audit could not maintain. Further, we do not provide any non-audit services to an SEC-reporting attest client that the CPA firm performing an audit could not provide under the auditor independence restrictions set out in the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley"), and other rules and requirements of the SEC and the Public Company Accounting Oversight Board (“PCAOB”). As a result, the acquisition and integration of Marcum's attest business assets into CBIZ CPAs and Marcum's non-attest business assets into CBIZ will result in conflicts and independence impairments that will likely require certain services to be terminated and result in a loss of revenue. Although we conducted due diligence on conflicts and independence issues in connection with the Transaction, it is possible that the conflicts and independence issues, and resulting potential loss of revenue, could be more significant than anticipated. Applicable professional standards generally permit us to provide additional services to privately-held companies, in addition to those services that may be provided to SEC-reporting attest clients of a CPA firm. We and the CPA firms have implemented policies and procedures designed to enable us to maintain independence and freedom from conflicts of interest in accordance with applicable standards. In the past, given the pre-existing limits set by us on our relationships with SEC-reporting attest clients of the CPA firms, and the limited number and size of such clients, the imposition of independence restrictions under Sarbanes-Oxley, SEC rules and interpretation, and PCAOB standards did not materially affect our revenues. Following the Attest Purchase, there has been a significant increase in the number of SEC-reporting attest clients of CBIZ CPAs (from very few or none in recent periods to well over 100 following the Attest Purchase). As a result, it may be more challenging to manage conflicts of interest and independence restrictions and these challenges could adversely impact our revenues and results of operations. The SEC staff has further informed us that independence rules that apply to clients that receive attest services under SEC and PCAOB standards from such CPA firms would prohibit such clients from holding any shares of our common stock.

There can be no assurance that following the policies and procedures implemented by us and the CPA firms will enable us and the CPA firms to avoid circumstances that would cause us and them to lack independence from an SEC-reporting attest client; nor can there be any assurance that state, United States Government Accountability Office or United States Department of Labor accountancy authorities or other accountancy authorities will not impose additional restrictions on the profession. To the extent that the CPA firms for whom we provide staffing, administrative and other services are affected, we may experience a decline in fee revenue from these businesses as well as expenses related to addressing independence concerns. To date, revenues derived from providing services in connection with attestation engagements of the attest firms performed for SEC-reporting clients have not been material, but we expect they will significantly increase as a result of the Attest Purchase.

Our goodwill and other intangible assets could become impaired, which could lead to material non-cash charges against earnings and a material impact on our results of operations and financial condition. As of March 31, 2025, the net carrying value of our goodwill and other intangible assets totaled $2,332.2 million and $595.3 million, respectively. In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 350, Intangibles - Goodwill and Other, and ASC Topic 360, Property, Plant, and Equipment, we assess these assets, including client lists, to determine if there is any indication of impairment. Failure to achieve the anticipated benefits of the Transaction, significant negative industry or economic trends, disruptions to our business, adverse changes resulting from new governmental regulations, negative impact on client list due to loss of customers, impact on client list due to declining revenue of existing customers, divestitures and sustained market capitalization declines may result in recognition of impairments. Any impairment of goodwill or intangible assets would result in a non-cash charge against current earnings, which could lead to a material impact on our results of operations and financial condition. Given the significant increase in goodwill and intangible assets following the Transaction, the potential magnitude of any such impairment could be significant.

Certain liabilities resulting from acquisitions are estimated and could lead to a material impact on our results of operations. Through our acquisition activities, we record liabilities for future contingent earnout payments that are settled in cash or through the issuance of common stock. The fair value of these liabilities is assessed on a quarterly basis and changes in assumptions used to determine the amount of the liability or a change in the fair value of our common stock could lead to an adjustment that may have a material impact on our results of operations.

We may fail to realize the anticipated benefits of acquisitions, or they may prove disruptive and could result in the combined business failing to meet our expectations. The success of our acquisitions, including the success of our recent acquisition of Marcum pursuant to the Transaction, will depend, in part, on our ability to successfully integrate acquired businesses with current operations. If we are not able to successfully achieve this objective, the anticipated benefits of any acquisition may not be realized fully or at all or may take longer or cost more to realize than expected. The process of integrating operations may require a disproportionate amount of resources and management attention. Our management team may encounter unforeseen difficulties in managing integrations.

It is possible that the integration process could result in the loss of valuable employees, the disruption of each company's ongoing business or inconsistencies in standards, controls, procedures, practices, and policies that could adversely impact our operations. Disruption and distraction caused by this process could also prevent us from pursuing, or otherwise divert resources and attention from, otherwise attractive business and growth opportunities. Any substantial diversion of management attention or difficulties in operating the combined business could affect our revenues and ability to achieve operational, financial and strategic objectives.

Recent SEC and PCAOB sanctions against Marcum may adversely impact our performance and reputation.
On June 21, 2023, Marcum agreed to pay an aggregate of $13.0 million as a result of charges by the SEC and the PCAOB. In addition, Marcum was censured and required to adhere to several undertakings, including retaining an independent consultant to review and evaluate its audit, review and quality control policies and procedures. The charges against Marcum related to quality control failures and violations of audit standards in connection with audit work for a large number of special purpose acquisition company ("SPAC") clients, as well as other clients. Following the Attest Purchase, Marcum's attest business is subject to CBIZ CPAs' system of quality control, and there is uncertainty as to how CBIZ CPAs' quality control procedures will impact the ability of Marcum's attest business to profitably retain and grow client business over time. In addition, CBIZ CPAs' system of quality control procedures could be subject to additional regulatory scrutiny following the Transaction as a result of the events described above. Whether as a result of any such scrutiny or for other reasons, it is possible CBIZ CPAs could determine additional investments in control procedures are appropriate following the Attest Purchase. Any additional investments or the implementation of any additional control procedures could impact our profitability going forward. There also may be adverse reputational impacts as a result of the SEC and PCAOB order that may adversely affect CBIZ CPAs and us as a result of the Transaction. Any of the foregoing could adversely impact our business and results of operations.

If we are unable to implement and maintain effective internal control over financial reporting following the Transaction, we may fail to prevent or detect material misstatements in our financial statements, in which case investors could lose confidence in the accuracy and completeness of our financial reports and the

market price of our common stock may decline.We and Marcum have maintained separate internal control over financial reporting with different financial reporting processes and systems. In addition, Marcum was a private company and not subject to the enhanced public company requirements with respect to internal control over financial reporting. Prior to the close of the Transaction, Marcum has identified certain material weaknesses in its internal control over financial reporting related to accounting for contingent liabilities in connection with acquisitions, post-retirement obligations, financial statement footnote disclosures and cost assessments and the corresponding impact on revenue on a project level basis. As Marcum's internal control over financial reporting has not previously been subject to audit, additional material weaknesses could be discovered. Marcum also has not had to prepare quarterly financial information in the format that will be required for CBIZ's public filings and in the timeframe in which it will be necessary. We are integrating Marcum's internal controls and financial reporting processes and systems with ours. We may encounter difficulties and unanticipated issues in combining our respective accounting systems due to the complexity of the financial reporting processes and because Marcum has not previously been subject to public company financial reporting obligations. We may also identify errors or misstatements that could require adjustments or restatements to financial statements. If we are unable to implement and maintain effective internal control over financial reporting following the Transaction, we may be unable to produce financial statements within required time periods or fail to prevent or detect material misstatements in our financial statements, in which case investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may decline.

We may not be able to acquire and finance additional businesses, which could limit our ability to pursue our business strategy. We acquired five businesses during 2024, including Marcum. Strategic acquisitions are part of our overall business growth strategy, and it is our intention to selectively acquire businesses or client lists over time that are complementary to existing service offerings in our target markets and/or new and attractive markets. However, we cannot be certain that we will be able to continue identifying appropriate acquisition candidates and acquire them on satisfactory terms, and we cannot be assured that such acquisitions, even if completed, will perform as expected or will contribute significant synergies, revenues or profits. In addition, we may face increased competition for acquisition opportunities, which may inhibit our ability to complete transactions on terms that are favorable to us. As discussed below, there are certain provisions under the 2024 Credit Facilities (as defined below) that may limit our ability to acquire additional businesses. In the event that we are not in compliance with certain covenants as specified in the 2024 Credit Facilities, we could be restricted from making acquisitions, restricted from borrowing funds from the Term Loan and Revolving Credit Facility (as defined below) for other uses, or required to pay down the outstanding balance on the line of credit. To the extent we are unable to find suitable acquisition candidates, an important component of our growth strategy may not be realized.

We will incur transaction, integration, and restructuring costs in connection with our acquisition program. We have incurred and will continue to incur significant costs in connection with our acquisition program, including fees of our attorneys, accountants, and financial advisors. If acquisitions are consummated, we expect to incur additional costs associated with transaction fees and other costs related to the acquisitions. If acquisitions are not consummated, such costs may adversely affect our revenues and ability to achieve operational, financial and strategic objectives.

Governmental regulations and interpretations are subject to changes, which could have a material adverse effect on our financial condition. Changes in laws and regulations, or the interpretation and application thereof, could result in changes in the amount or the type of business services required by businesses and individuals, as well as our operational obligations under such legal or regulatory changes, which could have a material adverse effect on our financial condition and our operational, financial and strategic objectives. We cannot be sure that future laws and regulations will provide the similarly favorable opportunities for us to provide business consulting and management services to businesses and individuals, or to meet our operational, financial and strategic objectives.

Changes in the United States healthcare environment, including new healthcare legislation, may adversely affect the revenue and margins in our healthcare benefit businesses. Our employee benefits business, specifically our group health consulting and brokerage businesses, receives commissions for brokering employer-sponsored healthcare policies with insurance carriers on behalf of the client. In many cases, these commissions consist of a ratable portion of the insurance premiums on those policies, based upon a sliding scale pertaining to the dollar volume of premiums and/or the number of participants in the plan.

Changes in the healthcare environment, including any legislated changes in the United States' national healthcare system, that affect the methods by which insurance carriers remunerate brokers, could adversely impact our revenues and margins in this business. Specifically, legislation or other changes could afford our clients and their employees the ability to seek insurance coverage through other means direct access with insurance carriers or other similar avenues, which could eliminate or adversely alter the remuneration brokers receive from insurance carriers for their services. Furthermore, statutory or regulatory changes may result in establishing alternatives to employer-sponsored healthcare insurance or replace it with government-sponsored health insurance programs. These changes could materially alter the healthcare industry in the United States and our ability to provide effective services in these areas may be substantially limited and adversely affect revenue and margins in our healthcare benefit business.

Higher rates of unemployment in the United States could result in a general reduction in the number of individuals with employer-sponsored healthcare coverage. This decline in employee participation in healthcare insurance plans at our clients could result in a reduction in the commissions we receive from insurance carriers for our brokerage services, which could have an adverse impact on revenues and margins in this business.

We are subject to risks relating to processing customer transactions for our payroll and other transaction processing businesses. The high volume of client funds and data processed by us, or by our out-sourced resources abroad, in our transaction related businesses entails risks for which we may be held liable if the accuracy or timeliness of the transactions processed is not correct. In addition, related to our payroll and employee benefits businesses, we store personal information about some of our clients and their employees for which we may be liable under the Health Insurance Portability and Accountability Act or other governmental regulations if the security of this information is breached. In the past, our third-party service providers had experienced data breaches that allowed unauthorized third-parties to gain access to the Company's and its clients' data, including personally identifiable information. While this breach did not subject the company to liability under the Health Insurance Portability and Accountability Act or other governmental regulations, there can be no assurance that in the event of a future breach, we will not be liable under those governmental regulations. We could incur significant legal expense to defend any claims against us, even those claims that we believe are without merit and against which we believe we have substantial defenses. While we carry insurance against these potential liabilities, we cannot be certain that circumstances surrounding such an error or breach of security would be entirely reimbursed through insurance coverage. We make risk-based decisions on the measures to implement, and we believe we have appropriate controls and procedures in place to address our fiduciary responsibility and mitigate these risks. However, if we are not successful in managing these risks, our business, financial condition, and results of operations may could be harmed in the future.

Cyberattacks or other security breaches involving our computer systems or the systems of one or more of our vendors could materially and adversely affect our business. Our systems, like others in the industries we serve, are vulnerable to cybersecurity risks, and we are subject to potential disruption caused by such activities. Companies like ours are subject to frequent attacks on their systems. Such attacks may have various goals, from seeking confidential information to causing operational disruption. We have experienced cyber-attacks and other security breaches in the past. Although to date such activities have not resulted in material disruptions to our operations or materially affected our business strategy, results of operations or financial condition, no assurance can be provided that we will not experience material disruptions or suffer material adverse effects in the future. Any future significant violations of our data security privacy could result in the loss of business, litigation, regulatory investigations, penalties, ongoing expenses related to notifications and client credit monitoring and support, and other expenses, any of which could damage our reputation and adversely affect the growth of our business. Additional events or cyberattacks in the future could exacerbate the foregoing risks and create additional challenges to maintaining client relationships and our reputation. While we have deployed resources that are responsible for maintaining what we consider to be appropriate levels of cybersecurity, and while we utilize third-party technology products and services to help identify threats and protect our information technology systems and infrastructure against security breaches and cyber-incidents, we do not believe such resources or products and services can provide absolute protection against all potential risks and incidents. We make risk-based decisions on the measures to implement, and our responsive and precautionary measures may not be adequate or effective to prevent, identify, or mitigate attacks by hackers, foreign governments, or other actors or breaches caused by employee error, malfeasance, or other disruptions. We are also dependent on security measures that some of our third-party vendors and customers are taking to protect their own systems and infrastructures. In the past, our third-party vendors have experienced issues with their security measures. Although to date such issues have not resulted in material disruptions or materially affected our business, financial condition, or results of operations, no assurance can be provided that we will not experience material disruptions or suffer material adverse effects in the future if our third-party vendors do not maintain adequate security measures, do not require their sub-contractors to maintain adequate security measures, do not perform as anticipated and in accordance with contractual requirements, or become targets of cyberattacks.

Combining our systems and processes with those of Marcum could create additional complexity and challenges. If we fail to integrate our and Marcum's cybersecurity measures in a timely and effective manner, the foregoing cybersecurity risks could increase.

We are subject to risk as it relates to software that we license from third parties. We license software from third parties, much of which is integral to our systems and our business. The licenses are generally terminable if we breach our obligations under the license agreements. If any of these relationships were terminated or if any of these parties were to cease doing business or cease to support the applications we currently utilize, we may be forced to spend significant time and money to replace the licensed software. However, we cannot assure you that the necessary replacements will be available on reasonable terms, if at all.

We are reliant on information processing systems and any failure or disruptions of these systems could have a material adverse effect on our business, financial condition and results of operations. Our ability to provide business services depends on our capacity to store, retrieve, process and manage significant databases, and expand and upgrade periodically our information processing capabilities. Interruption or loss of our information processing capabilities through loss of stored data, breakdown or malfunctioning of computer equipment and software systems, telecommunications failure, or damage caused by extreme weather conditions, electrical power outage, geopolitical events, or other disruption could have a material adverse effect on our business, financial condition and results of operations. Although we have disaster recovery procedures in place and insurance to protect against such contingencies, we cannot be sure that insurance or these services will continue to be available, cover all our losses or compensate us for the possible loss of clients occurring during any period that we are unable to provide business services.

We could be held liable for errors and omissions. All of our business services entail an inherent risk of malpractice and other similar claims resulting from errors and omissions. Therefore, we maintain errors and omissions insurance coverage. Although we believe that our insurance coverage is adequate, we cannot be certain that actual future claims, judgments, settlements, or related legal expenses would not exceed the coverage amounts. If such judgments, settlements, or related legal expenses exceed insurance coverage by a material amount, they could have a material adverse effect on our business, financial condition and operating results. In addition, we cannot be certain that the different insurance carriers that provide errors and omissions coverage for different lines of our business will not dispute their obligation to cover a particular claim. If we have a large claim, or a large number of claims, on our insurance, the rates for such insurance may increase, and amounts expended in defense or settlement of these claims prior to exhaustion of deductible or self-retention levels may become significant, but contractual arrangements with clients may constrain our ability to incorporate such increases into service fees. Insurance rate increases, disputes by carriers over coverage questions, payments by us within deductible or self-retention limits, as well as any underlying claims or settlement of such claims, could have a material adverse effect on our business, financial condition and results of operations.

We are not a CPA firm and we do not perform any attest services for clients. We do not maintain any ownership interest in or control over any CPA firm with which one of our subsidiaries may maintain an ASA. All of our administrative and professional staff who are provided to such CPA firms work under the sole direction, supervision and control of the particular CPA firm, and we do not control how attest work is conducted. For these reasons we do not believe we have liability to any party related to their receipt of attest services from such CPA firms. Nevertheless, from time to time we have been sued for attest work that we do not perform but which is performed by such CPA firms. While we have been successful to date in defending against such suits, it is possible that similar claims may be brought in the future. We will be required to defend against such claims, and may incur expenses related to such lawsuits and may not be successful in defending against such lawsuits. In the event that the CPA firms with which we maintain ASAs incur judgments and costs related to such suits that threaten the solvency of the CPA firms, we could incur expenditures related to such proceedings, which could have a material adverse effect on our business, financial condition, and results of operations.

The business services industry is competitive and fragmented. If we are unable to compete effectively, our business, financial condition and results of operations could be negatively impacted. We face competition from a number of sources in the business services industry. Many of our competitors are large companies that may have greater financial, technical, marketing and other resources. Our principal competitors include financial and management consulting firms, the consulting practices of major accounting firms, local and regional business services companies, independent contractors, the in-house or former in-house resources of our clients, as well as new entrants into our markets. We cannot assure you that, as our industry continues to evolve, additional competitors will not enter the industry or that our clients will not choose to conduct more of their business services internally or through alternative business services providers. Although we monitor industry trends and respond accordingly, we cannot assure you that we will be able to anticipate and successfully respond to such trends in a timely manner. We cannot be certain that we will be able to effectively compete against current and future competitors, or that competitive pressure will not have a material adverse effect on our business, financial condition and results of operations.

Given our levels of share-based compensation, our tax rate may vary significantly depending on our stock price. We apply FASB ASC 718, Compensation - Stock Compensation under which the tax effects of the accounting for share-based compensation may significantly impact our effective tax rate from period to period. In future periods in which our stock price is higher than the grant date fair value of the share-based compensation vesting or exercises in that period, we will recognize excess tax benefits that will decrease our effective tax rate. In future periods in which our stock price is lower than the grant price of the share-based compensation vesting in that period, our effective tax rate may increase. The amount and value of share-based compensation issued relative to our earnings in a particular period will also affect the magnitude of the impact of share-based compensation on our effective tax rate. These tax effects are dependent on our stock price and exercise activity, which we do not control, and a decline in our stock price could significantly increase our effective tax rate and adversely affect our results of operations.

Rapid technological changes could significantly impact our competitive position, client relationships and operating results and our ability to realize the anticipated benefits of the Transaction. The professional business services industry has been and continues to be impacted by significant technological changes and innovation, enabling companies to offer services competitive with ours. Those technological changes may (i) reduce demand for our services, (ii) enable the development of competitive products or services, or (iii) enable our current customers to reduce or bypass the use of our services. Additionally, rapid changes in artificial intelligence, block chain-based technology, automation and related innovations are increasing the competitiveness landscape. The ability of our combined organization following the Transaction to invest in technology and data analytics in order to serve our client base was a key rationale for the Transaction. While this provides opportunities, it also can expose us to elevated risk if we do not effectively manage these investments, which may be significant. If we are not successful in anticipating or responding to technological changes, we may not generate a return on these investments and demand for our services could be further reduced by advanced technologies being deployed by our competitors. In some cases, we depend on key vendors and partners to provide technology and other support. If these third parties fail to perform their obligations or cease to work with us, our ability to execute on our strategic initiatives could be adversely affected.

Climate change legislation or regulations restricting emissions of greenhouse gases could result in increased operating costs. In 2009, the Environmental Protection Agency ("EPA") published its findings that emissions of carbon dioxide, methane, and other greenhouse gases (“GHGs”), present an endangerment to public health and the environment because emissions of such gases are, according to the EPA, contributing to the warming of the earth's atmosphere and other climate changes. Based on these findings, the EPA has adopted a series of regulations under the Clean Air Act that require monitoring, reporting and/or emission controls of GHGs for certain emission sources. In addition, almost one-half of the states have taken legal measures to reduce emissions of GHGs primarily through the planned development of GHG emission inventories and/or regional GHG cap and trade programs. Most of these cap and trade programs work by requiring either major sources of emissions or major producers of fuels to acquire and surrender emission allowances, with the number of allowances available for purchase reduced each year until the overall GHG emission reduction goal is achieved. The adoption and implementation of any regulations imposing GHG reporting obligations on, or limiting emissions of GHGs from, our equipment and operations could require us to incur costs to monitor and to reduce emissions of GHGs associated with our operations.

The widespread outbreak of a communicable illness or any other public health crisis could adversely affect our business, financial condition and results of operations. We may face risks related to public health threats or widespread outbreak of a communicable illness. A widespread outbreak of a communicable disease or a public health crisis could adversely affect the global and domestic economy and our business partners’ ability to conduct business in the United States for an indefinite period of time. Any mitigation measures implemented by foreign, federal, state, and local governments in response to future public health threats could adversely impact the ability of our employees, contractors, suppliers, customers, and other business partners to conduct business activities. Future public health threats or widespread outbreaks of communicable illnesses could have a material adverse effect on our business, financial condition, and results of operations, and will depend on numerous factors that we may not be able to predict, the duration and severity of the public health threat or pandemic, governmental actions in response to the public health threat or pandemic, the impact of business and economic disruptions on our clients and their demand for our services, and our clients' ability to pay for our services.

We require a significant amount of cash for interest payments on our debt and to expand our business as planned. As of March 31, 2025, our debt consisted primarily of $1.5 billion in principal amount outstanding under our amended and restated credit agreement (the "2024 Credit Facilities") providing for $2.0 billion in senior secured credit facilities, consisting of a $1.4 billion term loan (the "Term Loan") and $600.0 million revolving credit facility (the "Revolving Credit Facility"). Our debt requires us to dedicate a portion of our cash flow from operations to pay interest on our indebtedness, thereby reducing the funds available to use for acquisitions, capital expenditures and general corporate purposes. Our ability to make interest payments on our debt, and to fund acquisitions, will depend upon our ability to generate cash in the future. Insufficient cash flow could place us at risk of default under our debt agreements or could prevent us from expanding our business as planned. Our ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Our business may not generate sufficient cash flow from operations and future borrowings may not be available to us under the 2024 Credit Facilities in an amount sufficient to enable us to fund our other liquidity needs. Volatility in interest rates from monetary policy or economic conditions could increase interest expense, cause uncertainty and impact our ability to pay interest on our indebtedness. Refer to Item 7A, Quantitative and Qualitative Disclosures about Market Risk, for further information regarding interest rate risk.

Terms of the 2024 Credit Facilities could adversely affect our ability to run our business and/or reduce stockholder returns. The terms of the 2024 Credit Facilities could impair our ability to operate our business effectively and may limit our ability to take advantage of business opportunities. For example, the 2024 Credit Facilities contain covenants that could (i) restrict our ability to repurchase or redeem our capital stock or debt, or merge or consolidate with another entity; (ii) limit our ability to borrow additional funds or to obtain other financing in the future for working capital, capital expenditures, acquisitions, investments and general corporate purposes; (iii) limit our ability to dispose of our assets, to create liens on our assets, to extend credit or to issue dividends to our stockholders; and (iv) make us more vulnerable to economic downturns and reduce our flexibility in responding to changing business and economic conditions.

Our failure to satisfy covenants in our debt instruments could cause a default under those instruments. Our debt instruments include a number of covenants relating to financial ratios and tests. Our ability to comply with these covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions. The breach of any of these covenants could result in a default under these instruments. An event of default would permit our lenders and other debt holders to declare all amounts borrowed from them to be due and payable, together with accrued and unpaid interest. If the lenders accelerate the repayment of borrowings, we may not have sufficient assets to repay our debt.

Our increased leverage following the Transaction may adversely impact our business. We incurred substantial indebtedness to fund the Transaction. As a result, our debt to EBITDA ratio has increased significantly following the closing of the Transaction. If we do not perform in accordance with our expectations following the Transaction, we could be unable to reduce our debt to EBITDA ratio to be consistent with our prior levels, whether in anticipated timeframes or at all. We could also face difficulties servicing and complying with the covenants and other terms of our debt instruments. The 2024 Credit Facilities provide for floating-rate indebtedness, so increases in interest rates could result in higher interest expense and/or additional hedging costs. In addition, if we are unable to reduce our levels of indebtedness following the Transaction, we may be unable to pursue business and growth opportunities and uses of capital that would be beneficial to us and our stockholders, such as additional acquisitions and share repurchases.

Risk Factors Related to Ownership of Our Common Stock

We may be more sensitive to revenue fluctuations than other companies, which could result in fluctuations in the market price of our common stock. A substantial majority of our operating expenses, such as personnel and related costs and occupancy costs, are relatively fixed in the short term. As a result, we may not be able to quickly reduce costs in response to any decrease in revenue. This factor could cause our quarterly results to be lower than expectations of securities analysts and stockholders, which could result in a decline in the price of our common stock.

The significant number of shares issuable as the stock consideration in the Transaction may adversely impact our stock price. There can be no assurance the Transaction will be accretive to earnings per share, at all or in expected timeframes. If we do not perform as expected following the Transaction or costs or assumed liabilities are greater than anticipated, our earnings per share could be adversely impacted by the significant increase in outstanding shares. In addition, although restrictions on resale under applicable securities laws prevent sales in at least the six months following closing, after that time, Marcum partners are not subject to contractual limitations on their ability to resell shares once they receive them. While the delivery of the stock consideration in installments over approximately four years may mitigate the potential for sales of a large volume at any particular time, persistent selling, or the perception of persistent selling, could adversely impact the market price of our common stock.

The future issuance of additional shares could adversely affect the price of our common stock. Future sales or issuances of common stock, including those related to the uses described below, or the perception that sales could occur, could adversely affect the market price of our common stock and dilute the percentage ownership held by our stockholders. We have authorized 250.0 million shares of common stock, and have approximately 53.3 million shares of common stock outstanding at January 31, 2025. A substantial number of these shares have been issued in connection with acquisitions, including the Transaction. As part of many acquisitions, shares are contractually restricted from sale for a one-year period, and as of January 31, 2025, approximately 3.3 million shares of our common stock were under lock-up contractual restrictions that expire by December 31, 2025. We cannot be sure when sales by holders of our stock will occur, how many shares will be sold or the effect that sales may have on the market price of our common stock.

Furthermore, once fully issued, the stock consideration issuable in the Transaction is expected to constitute approximately 22% of our outstanding shares of common stock, without giving effect to any subsequent issuances, repurchases or other changes in the number of shares outstanding. As a result, our current stockholders will own a meaningfully smaller percentage of the Company than they currently own, and collectively will have less ability to influence the Company’s management and policies. In addition, to the extent that Marcum partners retain a significant portion of the shares that are issued to them, they will collectively have significant influence on any matters requiring a vote of stockholders.

There is volatility in our stock price. The market for our common stock has, from time to time, experienced price and volume fluctuations. Factors such as announcements of variations in our quarterly financial results and fluctuations in revenue, as well as the expectations of stockholders and securities analysts regarding the ability of our business to grow and achieve certain revenue or profitability targets, could cause the market price of our common stock to fluctuate significantly. In addition, the stock market in general has experienced volatility that often has been unrelated to the operating performance of companies such as ours. These broad market and industry fluctuations may adversely affect the price of our stock, regardless of our operating performance.

The price of our common stock could be adversely impacted if we do not perform to expectations following the Transaction. The market price of our common stock could be adversely affected if we do not perform to our own and investor expectations. We are a larger and more complex organization following the closing of the Transaction, and in order to maintain and earn the trust of our investors, we will have to effectively execute on our strategy to integrate Marcum and achieve the anticipated benefits and synergies of the Transaction. This process will take time, and it will be necessary to effectively communicate our progress and strategy to investors over the short and long term. If we experience challenges or delays in this process, it could adversely impact, or cause volatility in, our operating results. It could also result in a decrease in investor confidence and have an adverse impact to the market price of our common stock or cause increased volatility in trading prices.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) Recent sales of unregistered securities

During the three months ended March 31, 2025, approximately 33 thousand shares of our common stock were issued as payment for contingent consideration for previous acquisitions. In addition, the Company delivered 3.7 million shares to the selling shareholders pursuant to the terms of the Transaction. The foregoing shares were issued in transactions not involving a public offering in reliance on the exemption from registration afforded by Section 4(a)(2) of the Securities Act. The persons to whom the shares were issued had access to full information about the Company and represented that they acquired the shares for their own account and not for the purpose of distribution. The certificates for the shares contain a restrictive legend advising that the shares may not be offered for sale, sold, or otherwise transferred without having first been registered under the Securities Act or pursuant to an exemption from the Securities Act.

(b) Issuer purchases of equity securities

On February 11, 2025, our Board of Directors authorized the continuation of the Share Repurchase Program, which has been renewed annually for the past twenty years. It was effective beginning March 31, 2025, from which the amount of shares of common stock available to be purchased by the Company was reset to five million shares, and the Share Repurchase Program expires on March 31, 2026. This authorization allows us to purchase shares of our common stock (i) in the open market, (ii) in privately negotiated transactions, or (iii) under Rule 10b5-1 trading plans.

Privately negotiated transactions may include purchases from our employees, officers and directors, in accordance with SEC rules. Privately negotiated transactions may also include purchases from former partners of Marcum pursuant to the Company's right, but not obligation, to repurchase any shares issued to such former partners as consideration for the Transaction, in the event that the former partner intends to sell the shares in a market transaction in the four years following closing. Rule 10b5-1 trading plans allow for repurchases during periods when we would not normally be active in the trading market due to regulatory restrictions. The Share Repurchase Program does not obligate us to acquire any specific number of shares and may be suspended at any time.

Shares repurchased under the Share Repurchase Program during the three months ended March 31, 2025 (reported on a trade-date basis) are summarized in the table below (amounts in thousands, except per share data). Average price paid per share includes fees and commissions.

	Issuer Purchases of Equity Securities			
First Quarter Purchases	**Total Number of Shares Purchased**	**Average Price Paid Per Share**	**Total Number of Shares Purchased as Part of Publicly Announced Plan**	**Maximum Number of Shares That May Yet Be Purchased Under the Plan**
January 1 – January 31, 2025	—	$ —	—	4,996
February 1 – February 28, 2025	88	$ 87.54	88	4,908
March 1 - March 31, 2025	—	$ —	—	4,908
First Quarter Purchases	88	$ —	88	

According to the terms of our 2024 Credit Facilities, our ability to declare or make any dividend payments is limited. Refer to Note 5, Debt and Financing Arrangements, to the condensed consolidated financial statements for a description of working capital restrictions and limitations on the payment of dividends.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the quarter period ended March 31, 2025, no director or officer of the Company adopted or terminated any contract, instruction or written plan for the purchase or sale of securities of the Company intended to satisfy the affirmative defense condition of Rule 10b5-1(c) of the Exchange Act or any "non-Rule 10b5-1 trading arrangement" (as defined in the Exchange Act).

Item 6. Exhibits

10.1 *	First Amendment to Amended and Restated Credit Agreement, dated March 7, 2025, by and among CBIZ Operations Inc., CBIZ, Inc., Bank of America, N.A., as Agent, and other financial institutions party hereto.
31.1 *	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
31.2 *	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1 **	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2 **	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document*
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in the Exhibit 101 attachments)

* Indicates documents filed herewith.

** Indicates document furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CBIZ, Inc.
(Registrant)

Date: April 25, 2025

By: /s/ BRAD LAKHIA
Brad Lakhia
Chief Financial Officer
Duly Authorized Officer and Principal Financial Officer

FIRST AMENDMENT

THIS FIRST AMENDMENT, dated as of March 7, 2025 (this "Amendment"), is entered into by and CBIZ OPERATIONS, INC., an Ohio corporation (the "Borrower"), CBIZ, INC., a Delaware corporation (the "Company"), the other Guarantors identified on the signature pages hereto, the Lenders identified on the signature pages hereto and Bank of America, N.A., as Agent (in such capacity, the "Agent").

RECITALS

WHEREAS, revolving credit and term loan facilities have been extended to the Borrower pursuant to the Amended and Restated Credit Agreement, dated as of November 1, 2024 (as amended, modified, supplemented, increased and extended from time to time, the "Credit Agreement"), among the Borrower, the Company, the Lenders identified therein and the Agent; and

WHEREAS, the Borrower has requested certain amendments to the Credit Agreement and the Majority Lenders have agreed to the requested amendments on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein but not defined herein shall have the meanings given to such terms in the Credit Agreement.

2. Amendments. Section 8.10(c) of the Credit Agreement is amended and restated in its entirety to read as follows:

> (c) the Company and its Subsidiaries may make any other Restricted Payments; provided that (i) (A) the Total Leverage Ratio as of the date of any such Restricted Payment (calculated on a Pro Forma Basis giving effect to such Restricted Payment) would not exceed 3.00:1.00 or (B) (1) the Total Leverage Ratio as of the date of any such Restricted Payment (calculated on a Pro Forma Basis giving effect to such Restricted Payment) is greater than 3.00:1.00 but less than the applicable Adjusted Total Leverage Threshold and (2) the aggregate consideration paid and other payments made by the Company and its Subsidiaries during the preceding twelve (12) months in connection with all such Restricted Payments, including such proposed Restricted Payments but excluding Restricted Payments during such period permitted under clause (i)(A) above, does not exceed the greater of (x) $100,000,000 and (y) 20.00% of Pro Forma EBITDA at the time of incurrence and (ii) no Default or Event of Default has occurred and is continuing at the time of the consummation of any such Restricted Payment and no Default or Event of Default would occur after giving effect to such Restricted Payment; and

3. Conditions Precedent. This Amendment shall become effective as of the date hereof upon receipt by the Agent of an executed counterpart of this Amendment from each of the Borrower, the Company, the other Guarantors, the Majority Lenders and the Agent.

4. Amendment is a "Loan Document". This Amendment is a Loan Document and all references to a "Loan Document" in the Credit Agreement and the other Loan Documents (including,

without limitation, all such references in the representations and warranties in the Credit Agreement and the other Loan Documents) shall be deemed to include this Amendment.

5. Reaffirmation of Obligations and Liens. Each Loan Party (a) acknowledges and consents to all of the terms and conditions of this Amendment, (b) affirms all of its obligations under the Credit Agreement and the other Loan Documents to which it is a party and agrees that this Amendment does not operate to reduce or discharge, or constitute or establish a novation of, any of such obligations and (c) affirms that each of the Liens granted by such Loan Party in or pursuant to the Loan Documents are valid and subsisting and agrees that this Amendment shall in no manner impair or otherwise adversely affect, or constitute or establish a novation of, any of such Liens.

6. No Other Changes. Except as modified hereby, all of the terms and conditions of the Loan Documents shall remain in full force and effect.

7. Counterparts; Delivery. This Amendment may, if agreed by the Agent, be in the form of an Electronic Record and may be executed using Electronic Signatures (including, without limitation, facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. This Amendment may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Amendment. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Agent of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Agent pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Agent has agreed to accept such Electronic Signature, the Agent shall be entitled to rely on any such Electronic Signature without further verification and (b) upon the request of the Agent, any Electronic Signature shall be promptly followed by a manually executed, original counterpart.

8. Governing Law. This Amendment shall be deemed to be a contract made under, and for all purposes shall be construed in accordance with, the laws of the State of New York.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this First Amendment to be duly executed and delivered by a duly authorized officer as of the date first above written.

BORROWER: CBIZ OPERATIONS, INC., an Ohio corporation

By: Cynthia L. Sobe
Name: Cynthia L. Sobe
Title: Treasurer

COMPANY: CBIZ, INC., a Delaware corporation

By: Cynthia L. Sobe
Name: Cynthia L. Sobe
Title: Treasurer

[SIGNATURE PAGES CONTINUE]

GUARANTORS:

CBIZ ACCOUNTING, TAX & ADVISORY OF ATLANTA, LLC
CBIZ ACCOUNTING, TAX & ADVISORY OF CHICAGO, LLC
CBIZ ACCOUNTING, TAX & ADVISORY OF COLORADO, LLC
CBIZ ACCOUNTING, TAX & ADVISORY OF KANSAS CITY, LLC
CBIZ ACCOUNTING, TAX & ADVISORY OF MARYLAND, LLC
CBIZ ACCOUNTING, TAX & ADVISORY OF MEMPHIS, LLC
CBIZ ACCOUNTING, TAX & ADVISORY OF MINNESOTA, LLC
CBIZ ACCOUNTING, TAX & ADVISORY OF NEW ENGLAND, LLC
CBIZ ACCOUNTING, TAX & ADVISORY OF NEW YORK, LLC
CBIZ ACCOUNTING, TAX & ADVISORY OF NORTHERN CALIFORNIA, LLC
CBIZ ACCOUNTING, TAX & ADVISORY OF OHIO, LLC
CBIZ ACCOUNTING, TAX & ADVISORY OF PHOENIX, LLC
CBIZ ACCOUNTING, TAX & ADVISORY OF ST. LOUIS, LLC
CBIZ ACCOUNTING, TAX & ADVISORY OF SOUTHWEST FLORIDA, LLC
CBIZ ACCOUNTING, TAX & ADVISORY OF UTAH, LLC
CBIZ ACCOUNTING, TAX & ADVISORY OF WASHINGTON, LLC
CBIZ ACCOUNTING, TAX & ADVISORY, LLC
CBIZ APG, LLC
CBIZ ARC CONSULTING, LLC
CBIZ BENEFITS & INSURANCE SERVICES, INC.
CBIZ CORPORATE RECOVERY & LITIGATION SERVICES, LLC
CBIZ CREDIT RISK ADVISORY SERVICES, LLC
CBIZ EAST, INC.
CBIZ FORENSIC CONSULTING GROUP, LLC
CBIZ GIBRALTAR REAL ESTATE SERVICES, LLC
CBIZ INSURANCE SERVICES, INC.
CBIZ INVESTMENT ADVISORY SERVICES, LLC
CBIZ LIFE INSURANCE SOLUTIONS, INC.
CBIZ MARKS PANETH, LLC
CBIZ ADVISORS GOLDEN STATE, LLC
CBIZ ADVISORS INDIANA, LLC
CBIZ ADVISORS OF FLORIDA, LLC
CBIZ ADVISORS NORTHERN CALIFORNIA, LLC
CBIZ M&S CONSULTING SERVICES, LLC
CBIZ NATIONAL TAX OFFICE, LLC
CBIZ NETWORK SOLUTIONS, LLC
CBIZ OPTUMAS, LLC
CBIZ PRIVATE EQUITY ADVISORY, LLC
CBIZ RISK & ADVISORY SERVICES, LLC
CBIZ SECURITY & ADVISORY SERVICES, LLC
CBIZ SOMERSET RES, LLC

By: Cynthia L. Sobe
Name: Cynthia L. Sobe
Title: Treasurer

[SIGNATURE PAGES CONTINUE]

CBIZ TECHNOLOGY ADVISORY, LLC
CBIZ VALUATION GROUP, LLC
CBIZ WEST, INC.
MHM RETIREMENT PLAN SOLUTIONS, LLC
ONECBIZ, INC.
1099-PREP LLC
ASKMARCUM.AI LLC
INTELLIGENT PRISM LLC
CBIZ MAG LLC
MARCUM JV PARTNER LLC
MARCUM LABS LLC
MARCUM SEARCH LLC
MARCUM STAFFING LLC
MARCUM TAXEDGE LLC
MARCUM TECHNOLOGY LLC

By: Cynthia L. Sobe
Name: Cynthia L. Sobe
Title: Treasurer

[SIGNATURE PAGES CONTINUE]

AGENT: BANK OF AMERICA, N.A., as Agent

By: Rose Thomas

Name: Rose Thomas

Title: Assistant Vice President

LENDERS: BANK OF AMERICA, N.A., as Issuing Bank, Swing Line Bank and a Lender

By: Gregg Bush

Name: Gregg Bush

Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION

By: Martin Hale

Name: Martin Hale

Title: Vice President

JPMORGAN CHASE BANK, N.A.

By: ______________________________

Name: Kristin Jang

Title: Vice President

U.S. BANK NATIONAL ASSOCIATION

By: ______________________

Name: James Theiling

Title: Senior Vice President

BMO BANK N.A.

By:____________________________
Name: David O'Neal
Title: Director

KEYBANK NATIONAL ASSOCIATION

By:______________________________
Name: Amra Rausche
Title: Senior Vice President

CAPITAL ONE, NATIONAL ASSOCIATION

By:______________________________

Name: Jesse Lawrence

Title: Duly Authorized Signatory

CITIZENS BANK, N.A.

By: Carl S. Tabacjar Jr

Name: Carl S Tabacjar Jr

Title: Senior Vice President

FIFTH THIRD BANK, NATIONAL ASSOCIATION

By: Michael S. Barnett

Name: Michael S. Barnett

Title: Senior Vice President

TD BANK, N.A.

By:______________________________
Name: Richard A. Zimmerman
Title: Managing Director

WELLS FARGO BANK, N.A.

By: Michelle Kuhn

Name: Michelle Kuhn
Title: Executive Director

BANK OF CHINA LIMITED, CHICAGO BRANCH

By: 孙立波

Name: Libo Sun

Title: SVP & Branch Manager

CITY NATIONAL BANK

By: *[signature]*
Name: John Di Legge
Title: Senior Vice President

FIRST NATIONAL BANK OF PENNSYLVANIA

By: Lisa M Shutack

Name: Lisa M. Shutack
Title: Senior Vice President

THE BANK OF EAST ASIA, LIMITED, NEW YORK BRANCH

By:______________________________
Name: James Hua
Title: DGM & Head of Corporate Banking

By:______________________________
Name: Chong Tan
Title: DGM & Head of Risk Management

CITIBANK, N.A.

By: ______________________

Name: Thomas Scimonelli

Title: Authorized Signatory

UNITED BANK

By:______________________________

Name: Edward J. Goedecke

Title: Senior Vice President

DIME COMMUNITY BANK

By:______________________________
Name: Jason Quinn
Title: Senior Vice President

OLD NATIONAL BANK

By: ______________________
Name: Justin Perdue
Title: Vice President

TRUSTMARK NATIONAL BANK

By:______________________________
Name: Mark Stubblefield
Title: Senior Vice President

HERITAGE BANK

By:______________________________
Name: Jeffrey T. Sterken
Title: Senior Vice President

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER OF CBIZ, INC.

I, Jerome P. Grisko, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CBIZ, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's first fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2025

/s/ JEROME P. GRISKO, JR.
Jerome P. Grisko, Jr.
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER OF CBIZ, INC.

I, Brad Lakhia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CBIZ, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's first fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2025

/s/ BRAD LAKHIA
Brad Lakhia
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER OF CBIZ, INC.

This certification is provided pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, and accompanies the Quarterly Report on Form 10-Q for the period ended March 31, 2025 (the "Form 10-Q") of CBIZ, Inc. (the "Issuer") filed with the Securities and Exchange Commission on the date hereof.

I, Jerome P. Grisko, Jr., the President and Chief Executive Officer of the Issuer, certify that to the best of my knowledge:

(i) the Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Date: April 25, 2025

/s/ JEROME P. GRISKO
Jerome P. Grisko, Jr.
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER OF CBIZ, INC.

This certification is provided pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, and accompanies the Quarterly Report on Form 10-Q for the period ended March 31, 2025 (the "Form 10-Q") of CBIZ, Inc. (the "Issuer") filed with the Securities and Exchange Commission on the date hereof.

I, Brad Lakhia, the Chief Financial Officer of the Issuer, certify that to the best of my knowledge:

(i) the Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Issuer.

Date: April 25, 2025

/s/ BRAD LAKHIA
Brad Lakhia
Chief Financial Officer