

Q1 2026 CBIZ, Inc Earnings Conference Call
April 29, 2026

Corporate Speakers

- Chris Sikora; Vice President, Investor Relations, Corporate Finance; CBIZ
- Jerry Grisko; President, Chief Executive Officer; CBIZ
- Peter Scavuzzo; Chief Strategy Officer, National Leader of Technology; CBIZ
- Brad Lakhia; Senior Vice President, Chief Financial Officer; CBIZ

Participants

- Jeffrey Silber; BMO Capital Markets; Analyst
- Tom Wendler; Stephens Inc; Analyst
- Andrew Nicholas; William Blair;
- Faiza Alwy; Deutsche Bank; Analyst Analyst
- Christopher Moore; CJS Securities; Analyst

PRESENTATION

Operator: Good afternoon, everyone. And welcome to the CBIZ First Quarter 2026 Results Conference Call. (Operator Instructions) Please also note, today's event is being recorded. At this time I'd like to turn the floor over to Chris Sikora, VP of IR and Corporate Finance. Please go ahead.

Chris Sikora: Good afternoon. And thank you for joining us on today's call to discuss CBIZ' first quarter 2026 results. We posted an investor presentation that tracks to our prepared remarks, and it is available on our Investor Relations website. Before we start, I'll remind all participants that you will hear forward-looking statements during this call.

These statements reflect the expectations and beliefs of our management team at the time of the call but are subject to risks that could cause actual results to differ materially from these statements. You can find additional information on these factors in the company's filings with the SEC. Participants should be mindful that subsequent events may render this information to be out of date.

We will also discuss certain non-GAAP financial measures on today's call. As noted on Slide three, a reconciliation between GAAP and non-GAAP financial measures can be found in the supplemental schedules of the presentation. Joining us for today's call are Jerry Grisko, President and Chief Executive Officer; Brad Lakhia, Chief Financial Officer; and Peter Scavuzzo, Chief Information and Technology Officer. I will now turn the call over to Jerry, who will start on Slide five.

Jerry Grisko: Thanks, Chris. Good afternoon, everyone. And thank you for joining us. We entered 2026 with a clear plan, and our overall first quarter performance was in line with our expectations. We delivered year-over-year growth in revenue, profitability and free cash flow while returning value to shareholders through highly accretive share repurchases. Our organic growth improved throughout the quarter and is up sequentially compared to the fourth quarter.

We remain confident that we will exit the year growing at our mid-single-digit organic growth target rate and be in a position to return to our long-term growth algorithm. As we will discuss on the call we also advanced our strategic growth priorities and made meaningful progress on our efficiency initiatives while continuing to invest in our AI capabilities, and we believe that we're positioned to be the clear leader in the middle market.

I want to thank our CBIZ team members for their exceptional performance as we completed our first busy season as an integrated company, a significant milestone for our organization. Our teams delivered strong results for clients, coordinated effectively across the platform and maintained solid utilization during our most critical period. We are operating fully as one company with unified teams, aligned culture and vision, common systems and a strengthened go-to-market approach, and our scaled operating model is beginning to work as intended.

In the fourth quarter of 2025, organic revenue growth was flat as we completed a year of significant transformation and integration. As we moved into 2026, we are beginning to realize the benefits of the foundation we put in place. Combined with a more favorable market backdrop, organic revenue growth improved as we progressed through the first quarter.

Our Q1 growth in Financial Services was still impacted by headwinds related to prior client exits tied to our risk and profitability standards and residual integration-related productivity impacts that shifted some tax revenue into the back half of the year, as previously discussed and contemplated in our full year guidance.

We estimate that these temporary factors reduced reported organic revenue growth by approximately 200 basis points in the first quarter. We continue to expect these impacts to abate by the second half. With our solid start to the year, we are reaffirming our revenue, adjusted EBITDA and free cash flow targets while increasing our adjusted EPS outlook, reflecting confidence in our underlying earnings power and the impact of our accretive share repurchase activity.

Now moving to Slide six. We are advancing our four strategic priorities to drive growth. These priorities will strengthen our ability to win new business, retain and expand client relationships and enhance pricing. First, CBIZ continues to attract, retain and elevate top talent. We are proud to have been recently named a top workplace in the nation by USA TODAY for the sixth consecutive year and see that reflected in our strong employee retention performance across the company.

Also we are capitalizing on the greater scale and investment opportunity of our new platform by bringing in high-caliber talent to CBIZ. Within Financial Services, our lateral hiring initiative is identifying and advancing high-impact, high-producing MDs with several new hires recently completed and a robust pipeline of senior candidates who are drawn to CBIZ.

Within Benefits and Insurance, we have added a variety of net new quality producers in the quarter and expect high momentum to carry into the second quarter as we work towards our full year target of approximately 15% increase in producers. I'm also pleased to have Peter on the call today. With Peter's appointment as Chief Information and Technology Officer and President of CBIZ Technology, we're making a deliberate convergence, one leader, one platform, one roadmap. Peter brings close to 20 years of industry experience and is widely regarded as one of the leading voices in technology and AI in our profession.

Second, we recently launched our spring national brand campaign, featuring targeted national televised ads across our key markets. This year, our focus remains on translating increased visibility into stronger engagement for our services and reinforcing our position as a trusted partner during transformational events.

Our brand and marketing investments are a key complement to both our go-to-market and talent recruitment strategies. We have already seen these investments paying dividends with early traction reinforcing brand awareness and strengthening our connection with clients and talent.

Our 12 industry verticals are an increasingly important driver to how we go to market and serve our clients. This structure was designed to lead with insights, anticipate client needs and deliver coordinated tailored solutions that drive stronger retention, accelerated growth and reinforce our value-based pricing.

We are making meaningful progress implementing this strategy including the development of new industry-focused managed services that bring together capabilities across tax, advisory and benefits to address specific client needs. We are seeing positive results from the greater connectivity these industry verticals provide for our national experts.

In alternative investments and real estate, collaboration between our national experts is enabling us to secure a variety of new engagements in areas where clients were unaware of our capabilities. As we continue to strengthen our industry practices, we are seeing increased new client pipeline activity across several key verticals including consumer and industrial products, capital markets, alternative investments and construction.

Finally, we are delivering a more coordinated client experience across our service offerings. With our highly recurring revenue base and strong client retention, our most immediate growth opportunity is expanding relationships with existing clients. We are already seeing good progress as we take a more systemic approach to cross-selling across services and geographies.

We are systematically increasing the number of clients using multiple services, and we expect these efforts to contribute to organic growth over time. Taken together, we believe strong execution against these four priorities positions us to drive attractive levels of growth in 2026 and beyond.

Now moving to Slide seven. I've asked Peter to join us today to provide you with a more detailed walk-through of how we're advancing our AI roadmap. But first, let me briefly reiterate how we're thinking about AI and why we believe our strategic approach to AI will be a catalyst for CBIZ breaking away from many of our competitors.

Our business is built on long-standing client relationships and services, often delivered in regulated environments that require licensed professionals to take accountability for outcomes. These engagements serve as a critical third-party validation for lenders, investors and regulators which creates a high bar for substitution and reinforces client stickiness.

Further, our middle market clients rely on us for judgment, context, expertise, intuition and ethics and typically do not have the scale or capital to build and govern AI-driven solutions

themselves. The combination of our trusted relationship with our clients and our continuing investment in improved tools, processes and systems including AI, create a defensible moat around our position with our middle market clients. We have also largely transitioned to a value-based pricing model which positions us to benefit from the AI-driven efficiencies.

As we adopt AI, we expect it to enhance our ability to deliver insights, expand wallet share and improve margins while reinforcing, not replacing the valued role we play for our clients. With that, I will turn it over to Peter to share more detail on what we're delivering.

Peter Scavuzzo: Thanks, Jerry. We spent the last several quarters building the foundation for how we deploy AI across the organization, and we're now entering the next phase of that work. Let me share what that will look like internally and externally and how we see it creating shareholder value. Just last week, we began the full rollout of our latest internal capabilities company-wide, moving from primarily AI-assisted workflows to more advanced agentic-based AI solutions.

We intentionally timed this rollout following busy season to ensure our teams could remain fully focused on client delivery during our most critical period. The maturity of large language models, combined with the accessibility of advanced features within AI platforms and our own internal talent and execution has brought us to an inflection point where deployment risk is manageable and the productivity and efficiency payoff is measurable.

Building on our commitment for ongoing AI-driven talent development, our latest platform release further strengthens professional growth and retention. Professionals join and stay where they're empowered to do meaningful work. By significantly reducing manual repetitive tasks, our AI initiatives are improving retention and making us a more attractive destination for the next generation of talent. We are already seeing this in our recent lateral hiring discussions.

As it relates to the technology itself, our recent advances in AI-based data extraction and structuring capabilities position us to deliver faster, more insight-driven solutions for clients across a wider range of services. For example, on the work we are performing in one of our test services, for year one, our AI-based data extraction workflow is producing 20% efficiency with our anticipation in subsequent years that this efficiency will grow to 40%.

At the same time we are also using agentic AI to support revenue growth by enhancing how we generate and pursue revenue opportunities. We are developing AI-driven workflows to improve the speed, quality and consistency of RFP responses and enabling us to pursue opportunities we previously could not due to resource constraints. Beyond new client wins, AI-driven insights create natural conversation starters with existing clients.

For example, enabling us to benchmark client performance and flag opportunities that our professionals can then act on. This is one way in which we will expand our relationship and wallet share. As these capabilities scale, we expect improved win rates, faster time to market and more differentiated offerings that support sustained growth and long-term value creation.

Lastly, a critical part of our AI strategy also includes our partner ecosystem which is the foundation for the tools we are putting in place. We are leveraging leading technology partners with deep expertise in our industries and combining those capabilities with our new AI platform, proprietary workflows and our domain knowledge. All of this is packaged

together to drive productivity and efficiency and provide innovative solutions to our middle market clients, which are historically underserved from a market perspective.

Our approach allows us to move faster, reduce execution risk and build a secure enterprise-grade foundation while remaining focused on what we do best, serving clients and delivering high-quality outcomes. Over time this model gives us a scalable and flexible platform that can continuously evolve as AI capabilities advance. While still early on, we are making strong progress, and we'll continue to update you as our capabilities develop and we drive results. Jerry, back to you.

Jerry Grisko: Thanks, Peter and congratulations on your new role. We believe that companies that successfully implement AI and automation will reap the benefit of significant efficiency gains with the savings falling through to the bottom line, resulting in margin expansion. We expect that industry leaders will then take a portion of these savings and redeploy them to capture new revenue opportunities and accelerate organic revenue growth.

By freeing our professionals from manual, time-intensive work, we expect a favorable mix shift towards higher-value, higher-margin advisory project-based services, the deployment of a new AI-enabled offerings where compliance and professional judgment matter most and improved win rates as our scale and technology investments differentiate CBIZ from smaller competitors.

We believe that AI will be a turning point for our industry with several breakout firms that have the scale and ability to invest in and train professionals to use technology to better serve our clients. At the moment, we believe that we are at the forefront of investing in and using these new technologies.

Overall, we believe we are building the right foundation to leverage AI in a disciplined and scalable way, and we're excited about the role we will play in creating long-term value for our clients and our business.

Slide eight details how offshoring continues to be a meaningful opportunity for CBIZ. We are on track to achieve our target of increasing offshore hours from approximately 6% in 2025 to 10% in 2026. Our partners in the Philippines and in India are delivering high-quality work, and our U.S. teams are better engaging our global teams which gives us confidence that we can accelerate our initial investment timeline to further expand our global capabilities.

Over the next several years, with the benefit of our existing offshore delivery centers, we plan to expand hours completed outside the U.S. to more than 20%. We believe achieving these levels, which are consistent with comparable companies, will drive significant growth and margin opportunities over time. To wrap up my remarks, I want to comment on the current business climate and our outlook. As I shared last quarter, our assumptions regarding the level of project-based activity largely drive the range of our 2% to 5% organic revenue growth outlook. With that in mind, I'd like to highlight a few encouraging trends we've seen since our last call.

First, the market environment for advisory work has continued to be favorable with notable wins across risk advisory, credit risk, valuation and private equity driving strong pipeline momentum. Second, we are seeing increased activity in our Capital Markets group with more clients evaluating transactions as market conditions improved. Third, we are very pleased to

have a favorable pipeline of new prospects across both financial services and B&I, and we expect our pipeline to continue to grow. It is our expectation that revenue growth should continue to improve each quarter as we move through the year.

Finally, as Brad will discuss in more detail, we are pleased with the strong free cash flow we are generating, and we'll continue to redeploy that into debt repayment and opportunistically repurchasing stock at highly accretive valuations to create value for our shareholders. Now I'd like to turn the call over to Brad for our financial review.

Brad Lakhia: Thank you, Jerry, and hello everyone. My comments begin on Slide 10. Our first quarter results represented a solid start to the year and were in line with our overall expectations. Consolidated revenue increased 1.3% year-over-year to \$849 million, with organic revenue growth of 1%. Adjusted EBITDA increased \$3 million year-over-year to \$244 million, and adjusted EBITDA margin increased slightly by 10 basis points.

Adjusted diluted earnings per share was \$2.50 compared to \$2.33 in the first quarter of last year, a 7% increase, reflecting the strength of our business model, synergies we are capturing through enhanced size and scale and a lower share count.

Turning to Slide 11. We remain very pleased with our free cash flow performance which drives and supports our capital allocation priorities. Free cash flow improved \$64 million year-over-year, primarily due to \$53 million of proceeds received from the final purchase price adjustment. This improvement balanced our typical peak seasonal working capital use and enabled us to fund approximately \$63 million in share repurchases through the end of April.

Net leverage decreased to approximately 3.4 times compared to approximately 3.9 times at the end of the first quarter of 2025. The improvement was primarily driven by growth in pro forma adjusted EBITDA, along with modestly lower debt levels.

Our weighted average fully diluted share count, which includes all future shares to be issued as part of the acquisition, declined by 2.6 million shares year-over-year. April year-to-date, we have repurchased approximately two million shares through open market transactions and under our right of first refusal program.

Moving to Slide 12. Please note a presentation update for this quarter. Our Financial Services segment now includes our former National Practices segment which is now part of our Technology Services business. All figures presented today reflect this change and are on a comparable year-over-year basis.

Turning to performance. Financial Services had a solid start to the year with results in line with our expectations. Revenue increased 2.1%, driven by strength across core accounting, tax and advisory and resulted in reported organic growth of 1.8%. As Jerry noted, results continue to reflect elevated but transitory client attrition related to the integration.

We estimate this reduced first quarter Financial Services revenue by approximately 200 basis points versus last year. Excluding this impact, first quarter organic growth would have been approximately 4%.

Looking ahead, we expect organic growth to accelerate as we lap these attrition and integration-related productivity impacts in the first half and benefit from our growth initiatives in the second half. We remain encouraged by year-to-date new wins and a strong pipeline. And in addition, favorable market demand for our advisory businesses continues with clear visibility 60 to 90 days out.

On pricing, we continue to expect mid-single-digit rate increases which are embedded in our planning assumptions. Our long-term financial services growth algorithm is unchanged, targeting mid-single-digit organic revenue growth and continued adjusted EBITDA margin expansion driven by top line growth and operating efficiencies.

Turning to our Benefits and Insurance results on Slide 13. First quarter revenue was \$108 million, representing a 4% decrease year-over-year. Coming into the quarter, we expected revenue to be down in the first quarter due to tough comps on project-related work and contingent commissions. Contingent commission declines are primarily driven by client attrition that occurred in 2025.

The remaining portion of the decline was primarily driven by the unexpected departure of a single producer and his team in February. This was an isolated departure, and we do not anticipate any similar departures. On the contrary, we expect our net number of producers to continue to increase. As a reminder, our producers are subject to certain restrictive covenants which we have successfully enforced in the past and intend to do so with this departure.

Within the recurring portion of the B&I business, which is consistent with the overall CBIZ split of recurring versus nonrecurring revenue, demand fundamentals were strong and our pipeline remains healthy. In addition, we continue to attract and develop new validated producers, and our industry-focused growth initiatives are gaining traction.

The recurring portion of our business, when normalized for the producer departure was up approximately 4% in the quarter. B&I adjusted EBITDA in the quarter was primarily impacted by the flow-through impact from the nonrecurring revenue items as well as planned incremental marketing investments to support our growth initiatives. We're confident in our ability to grow at historical growth rates for the remainder of the year with B&I supporting our full year overall growth expectations.

Turning to our 2026 outlook on Slide 14. We continue to expect revenue to be between \$2.8 to \$2.9 billion, representing 2% to 5% year-over-year growth. Our adjusted EBITDA is effectively unchanged, but is updated to a range of \$465 to \$475 million to incorporate the comparative stock-based compensation adjustment. We've increased our adjusted EPS to reflect a lower share count driven by our share repurchases through April and our stock-based compensation adjustment.

Adjusted EPS is now expected to be in the range of \$4 to \$4.10 per share which assumes a weighted average fully diluted share count of approximately 60.5 million. Free cash flow guidance is unchanged and expected to be in the range of \$270 to \$290 million, representing a 60% conversion at the midpoint of our adjusted EBITDA outlook.

While our improvement in the first quarter was largely driven by a onetime benefit, we see ample runway in the near term to drive a higher conversion through lower integration-related spend, lower interest and improved DSO.

On Slide 15, our capital allocation priorities are unchanged and are supported by strong free cash flow generation. Our first priority remains funding organic growth and maintenance capital.

Second, we remain committed to delevering, targeting a net leverage ratio of less than 2.5x in 2027. And at our current valuation, we view share repurchases as highly accretive and a compelling use of capital and therefore intend to remain active and opportunistic. The strength and scale of our business model, combined with our meaningful free cash flow gives us confidence in our ability to invest in growth, return capital through repurchases and achieve our leverage targets over time. With that, I'll turn the call back to Jerry.

Jerry Grisko: Thanks, Brad. Our top priority in 2026 remains reigniting our growth engine and leveraging our scale. We have clear strategic growth priorities and efficiency initiatives that we are confident will drive value creation for all of our clients and our shareholders. We believe we have the building blocks in place to deliver on our long-term growth algorithm. Now looking forward, we're focused on compounding value through multiple growth engines.

We see tremendous opportunity to not only retain business and expand within existing clients but also to land new clients who seek the multiservice capabilities we now offer. The work completed in 2025 has built a strong foundation for operating margin expansion as we increasingly deploy technology and leverage global resources. And importantly, we remain committed to our high-return capital allocation priorities that are supported by strong and consistent cash flow.

Finally, I want to thank our CBIZ team for your continued hard work and our shareholders for your ongoing support. We look forward to further engagement with you all in the months ahead. And with that, Operator, please let's open the call for Q&A.

QUESTIONS AND ANSWERS

Operator: (Operator Instructions) Our first question today comes from Jeff Silber from BMO Capital Markets. Please go ahead with your question.

Jeffrey Silber: Thank you so much. Peter, let me start with you. I really appreciate you being on the call. Given the tools that are out there, do you think it's possible that some of your clients might be able to do some of the work that you're doing from an AI perspective on their own, perhaps unbundling some of the services and perhaps putting some pricing pressure on some of the services you're providing?

Peter Scavuzzo: Thanks for the question. I don't think the tools are able to provide the expertise and knowledge we can offer in the profession. That's a requirement in the regulated environment that we operate in. They could certainly produce some anecdotal information, but the profession requires, especially in the regulated industry for us to provide all that expertise and know that we've created or built over the last several decades which are critical for delivery. So I don't see that as being a pressing concern.

Jeffrey Silber: Okay. That's great. And you gave some examples, one in terms of using AI a bit more efficiently in terms of answering RFPs. Are there other examples maybe from an expense perspective that you might be able to use some of the tools to help improve margins?

Peter Scavuzzo: I think it's too early for us to speak on all of the things we're working on right now. We just took this next phase moving from an assistive to an agentic AI strategy. I would expect as the quarters unfold in the future, we'll have more examples that we can provide similar to ones that you just brought up.

Jeffrey Silber: Okay I appreciate the color. I'll get back in the queue.

Operator: Our next question comes from Thomas Wendler from Stephens Inc. Please go ahead with your question.

Tom Wendler: Hey good afternoon everyone. Happy to be up to speed on the company finally and thanks for taking my question. I'm going to start off with the benefits and insurance. You had a departure there this quarter. Can you maybe remind us of the pace of increase to the producer count there in 2026?

Jerry Grisko: Yes. Tom, this is Jerry. We are planning on having about 15% increase year-over-year. It's a little lumpy from quarter-to-quarter, but we're off to a good start, and we have a very strong pipeline. So we're confident that we'll be able to achieve that 15% target for the full year.

Tom Wendler: Perfect. And can you maybe speak to the cross-servicing opportunity there as you get some of those benefits and insurance hires fully up to speed?

Jerry Grisko: Yes. It's a great question, Tom. It's actually often why producers join us, right? So when you think about our go-to-market through industry, and let's just say you're a construction client, that construction client not only needs the tax work that we do and the attest work that we provide and the valuation work, but they also need surety bonds. And they also need -- they have a workforce and they need payroll and they have to provide them with health insurance.

So what's a very attractive kind of draw to outside producers into CBIZ is that they have all of those arrows in the quiver now and they could bring it to life through those industry groups. So it might be a combination of, like I said, P&C, might be a combination of payroll, benefits provider or an employee benefits plan, a 401(k) tax, audit, a whole host of services.

Brad Lakhia: Yes. Tom, this is Brad. Thanks, first of all, for initiating coverage. We're certainly glad to have you on board. I appreciate you and the Stephens team. I would just add to what Jerry said, if you look back about a year ago, we formally stood up the 12 industry groups.

And so as we think about the last 12 months and not only the work around integration but bringing these industry teams together, forming them, we are seeing a lot of really, really positive traction across the two segments, across all the service lines within the segments. And so we're really encouraged about the pipeline of opportunities that those industry groups are starting to pull together and seeing some early wins as a result of that collaboration.

Tom Wendler: Perfect thank you. And maybe I'll sneak one more in here quick. You guys are pretty active in the repurchase this quarter. Can you maybe give us some color on how we should be thinking about the pace of repurchases moving forward?

Brad Lakhia: Yes, Tom, thanks. Appreciate the question. First and foremost, I'll restate the priority capital allocation priorities that I highlighted earlier. I won't restate them because I think you heard them loud and clear. But we feel right now our valuation is it's candidly what we feel is quite undervalued. So as we think about current valuation levels, the level of accretiveness of share repurchases is quite compelling, as I commented on.

So we're going to remain active. We still have a lot of flexibility to do that, driven by our strong cash flow supported foundationally by the recurring nature of our business model, the stickiness that comes with our client relationships and the strong retention we have. So we just feel like fundamentally, our business can support being more opportunistic there.

But I'd also just say, Tom, we're going to continue to be focused on those opportunities to strengthen free cash flow, the things I mentioned, DSOs. You'll see lower integration spend as we move into 2027 next year. That will help our conversion and also help us accelerate our delevering strategy as well.

Tom Wendler: Perfect that's a great color. I'll head back in the queue thank you for answering my questions.

Operator: Our next question comes from Andrew Nicholas from William Blair. Please go ahead with your question.

Andrew Nicholas: Hi good afternoon I appreciate you taking my questions. I want to start off on price. I think you mentioned in your prepared remarks that you continue to expect price increases in the mid-single-digit range. Any color you can add to kind of recent pricing conversations, whether you're supported by kind of the macro backdrop where there's any pushback from a technology perspective? I know last year, amidst a choppy macro, there's a little bit more pushback. So just kind of curious for color on how those pricing conversations have gone over the past couple of months.

Jerry Grisko: Yes, Andrew. First of all, we're just coming out of busy season. So we're not having a lot of pricing conversations now. We would have had those kind of at the -- entering into the season and as we firm up our engagement letters. But I will tell you, we're highly confident in our mid-single-digit pricing that we've put into the plan for the year. That is consistent with the pricing that we've achieved kind of historically through CBIZ.

It was a little higher maybe in '23, '24 which is part of the conversation in '25. But in '26, at the mid-single-digit level, quite comfortable there and are not hearing really pushback on that pricing. I will also say around technology and AI and those things, we really value-based price. Our clients expect that we're going to get efficiencies from a number of sources like offshoring, AI, automation, et cetera. So we're really not seeing pricing pressure there either really in a big way.

Brad Lakhia: Yes. And the favorable market conditions within the more nonrecurring advisory pieces of our business, Andrew, have continued, and we have line of sight to that, as

I commented here over the next couple of months at least. So we see that as fundamentally pretty strong in terms of pricing within those parts of our business.

Andrew Nicholas: Great thank you. And maybe just to kind of follow up on the macro piece. It sounds like the backdrop has continued to improve, understanding that, that's one of the major kind of deltas or factors driving you between the top and bottom end of your top line guide. Just kind of curious as where we sit today, are you a little bit more constructive on those things outside of your control than you were when you gave the initial guide?

And just kind of broadly, if you could expand a bit on the comment that organic growth improved as you move through the quarter. Is that predominantly a macro comment? Or are you getting some integration improvements that's helping you on a month-to-month basis as well?

Brad Lakhia: Yes, Jerry and I'll probably team up on this one, Andrew. There's several things maybe to unpack there. I would say in terms of the guide, just like we said a couple of months ago when we put it out, the top end was predicated more on continued favorable market conditions, those conditions that we saw in the second half of last year.

We're encouraged by the fact that we see that -- we've seen those continue in the first quarter. We have line of sight here for at least the next few months. So I would say a quarter doesn't make a year. And certainly, as we get here to the second quarter, if the conditions remain the way they are as we look to the second half of the year, that would give us encouragement to the top side.

Also just as a reminder, we're -- the back half of the year, we'll be lapping some of the integration related -- start lapping some of the integration-related productivity impacts and some client impacts as well. So as you think about the back half growth rates relative to last year and some of the comparability there, I'd ask you to keep that in mind. And then there was a third part, I think, to your question, Andrew, I'm sorry.

Andrew Nicholas: Yes. I talked about kind of the month-to-month, you said organic growth month-to-month.

Brad Lakhia: Yes. So I think a few things there. One is January started off a little bit more challenging for us than maybe we expected, largely just because of the fact our teams were really working together for the first time in busy season. That includes them using technology during busy season for the first time that for many of them was either new or updated across the entire service line in some cases.

So we had some just bumpiness in January. We feel like we fully overcame that and then potentially some as we progress through the quarter. But then if we just strip that aside and look at some of the real growth as we looked at February of this year versus last year, March of this year versus last year, we're starting to see the improvement, the real more core organic improvement as well. So encouraged by that and gives us some encouragement -- further encouragement around just meeting our overall guidance as well.

Andrew Nicholas: Perfect thank you. And if I could just squeeze in a quick modeling question. I think last quarter, you outlined kind of a rough mix between first half and second half on both revenue and EBITDA. I think it was 5545 on revenue and 70-30 on EBITDA. Is

that still a good way to think about how the year plays out or any kind of puts and takes a quarter later?

Brad Lakhia: Yes. No. I still say that applies. There might be some very, very minor tweaks. But overall, that's still what we're expecting.

Andrew Nicholas: Great thank you Brad.

Operator: Our next question comes from Faiza Alwy from Deutsche Bank. Please go ahead with your question.

Faiza Alwy: Yes hi thank you. And I wanted to follow up on the macro question. So I know this is obviously the busy season for you. 1Q is your highest revenue quarter. And so I'm curious, as we think about the improvement in organic growth from flat to up 2% this quarter, like how much of that is driven by sort of improving market conditions versus maybe better execution on your end in part because it is a busy season. So I just wanted to get a bit more color around that, just given the different mix of business through the course of the year.

Jerry Grisko: Yes. Faiza, it's Jerry. I would say not improved macro conditions, I would say continued favorable macro conditions, right? So as you indicated, this is really kind of a heavy -- we just -- we're exiting a heavy compliance portion of our seasonality of our business. We'll have another one kind of in the third quarter.

But in between there, it's a lot of more project-based discretionary advisory type work which takes the type of climate that we're in to support that work. We're very comfortable, very pleased actually with the demand that we saw for that type of work in Q1. We're very pleased with the pipeline. We have about a 60- 90-day visibility into that pipeline. Very pleased with that pipeline that we're seeing now. And so long as those conditions hold kind of constant through the year, we're quite bullish on our ability to hit the guidance that we had laid out earlier.

Brad Lakhia: Yes. And then I'd just add, Faiza, you weren't covering us this time last year, but the front half of last year had some, I'd say, comparability things I'd just like to highlight. One is market conditions in the front half of last year were more challenging and uncertain, although we came into the year thinking they were going to be better. So there's a year-over-year comparability in that nonrecurring advisory part of our business is very, very strong.

So we're encouraged by that. And then just sequentially, because I think you may have been referring to like Q4 versus Q1 growth rates. It does -- we are seeing improved productivity from the integration itself which is very, very encouraging. We expect that to only get better as the year progresses.

Faiza Alwy: Okay. Great. That all makes sense. And actually, I wanted to follow up on that sort of productivity question. Maybe you can just give us an update on the integration progress. I believe for 2026, you had a couple of remaining items like just the common practice management system and the real estate footprint. And I guess where I'm getting at is you talked about sort of some of the -- lapping some of the churn in the business in part due to the acquisition. And so I guess just asking for the level of confidence that you really are lapping that and that there aren't any incremental things to consider there?

Jerry Grisko: Yes, Faiza, what gives us comfort on the churn and the client churn is that we're not seeing the same conditions that we saw last year. So obviously that churn related to predominantly two things. One was some conflicted clients. Of course, those are -- that was transitory, that's out of the system. And the second one was really kind of the profile of the client, the risk profile, profitability profile. We're not seeing those same kind of conditions exist now because we've already kind of addressed that in 2025.

The other thing that gives us confidence is as we look at the strength of our pipeline kind of across the board, just the new clients that we've won, the size, the profile of those clients and the pipeline of new clients on both sides of the business, both financial services and benefits and insurance, all point very favorable for us. So really encouraged there.

Brad Lakhia: Yes. Let me add. Last year, as we were coming out of busy season and we were looking to obviously kind of go out win clients, address the pipeline that we had. We made some things difficult on our team as we came together, particularly around the attest side of our business, just around our client onboarding processes. So we've addressed that. We addressed that mid- start of last year. That's going very, very well. Our onboarding process for our clients has notably improved.

Our teams are giving us that feedback. And as Jerry emphasized, the win rates that we're seeing and the quality of the wins is really strong, backed by a really, really, really strong pipeline. So I just want to reemphasize what he just said.

Faiza Alwy: Excellent thank you so much.

Jerry Grisko: Thank you Faiza.

Operator: (Operator Instructions) Our next question comes from Chris Moore from CJS Securities. Please go ahead with your question.

Christopher Moore: Hey good afternoon guys. Yes. Maybe another one on AI and efficiencies and just perhaps looking at it a little bit differently. So rather than looking at it from can your clients duplicate what you're doing on the AI side, a lot of the conversations that I've been having with investors is just the fear from a competitive standpoint that your clients will be looking for price reductions because there will be alternatives out there driven by AI.

So I guess really the question is, from a competitive standpoint within the middle market, generally, you're competing with other firms that don't have the capability to invest what you're investing in AI? Is that the thesis? Or I was just trying to understand a little bit better how you're thinking about that.

Jerry Grisko: Yes, Chris, exactly as you just described it. When we think about how well we're positioned today with our size, our scale, the investments that we're making in this area, the number of resources that we put against it, the tools that we now have, we could never have made those investments 18 months ago.

And so when I think about competing in the market against firms that are substantially smaller than us, I believe that there's a great opportunity to take market share for no reason other than, again, they will not be able to make those investments. They will not be able to

upskill their workforce in the same way and really kind of create new products and solutions to bring to the market.

We wouldn't have been able to do it without the size and scale, and I'm sure they won't either. That creates a great opportunity for us in two ways - to take market share kind of from that next level of competitor in the market. And also, we've had a little bit of kind of comments around others coming down market. It also allows us to go upmarket. So we see great opportunity from a market share perspective, both upmarket and downmarket as a result of the investment we're making in our size and scale in this area. Peter?

Peter Scavuzzo: Yes. Just one added comment. I feel that AI and automation is strengthening our position and not weakening, and it's going to increase our ability to be more competitive.

Christopher Moore: I appreciate that. And maybe just on the project work. So Jerry, you went into that a little bit. But specifically with respect to margins, are there certain buckets that are meaningfully kind of higher margin contribution than others?

Jerry Grisko: I would say, Chris, overall, our advisory work is, in fact, higher margin than the more compliance work. Now it's -- let me remind you of the attributes of the business, 72% recurring, right, essential services. So we like that feature, right? That's a feature that's very stable, allows us to perform kind of regardless of the business climate, et cetera.

But we also like the other kind of 28% that tends to be more project for all the reasons we talk about in the environments like we're facing now like we're having now favorable environment, it allows us to bring greater value to the client relationship. It is, in fact, higher margin. At times, it can be higher growth. So very favorable there, too. And again, overall higher margins, the mix of those margins vary by service.

Christopher Moore: I will leave it there. Appreciate it guys.

Brad Lakhia: Thanks Chris.

Operator: And with that, ladies and gentlemen, we'll be concluding today's question and answer session. I'd like to turn the floor back over to Chris Sikora for any closing comments.

Chris Sikora: Thank you for joining the call today. If you have any questions, please feel free to reach out to the CBIZ Investor Relations team. Thanks. And have a great rest of your day.

Operator: The conference has now concluded. We do thank you for attending today's presentation. You may now disconnect your lines.