



CBIZ, Inc. (CBZ)

Restarting the M&A Flywheel

Prepared For: CBIZ Management & Board

June 2026

Opportunity Overview



Reference Equity is seeking to partner with CBIZ to raise equity capital and reactivate CBIZ's M&A strategy

- Recommendation: raise \$175M of equity from active, long-term shareholders
- Treat capital as an “acquisition facility” to allow for both M&A and simultaneous deleveraging
- Capitalize on opportunity to renew CBIZ's strategy:
 - Return to double-digit EPS growth and continue track record of accretive M&A
 - Capture attractive M&A valuations given AI-related stress in marketplace
 - Leverage new, active shareholders to provide equity financing for future large-scale deals
- Deliver 20-90% share price upside over the next 18 months

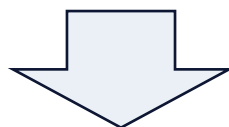
Proposed Transaction Summary

Term	Details
Transaction	Private placement of CBIZ common stock
Size	\$175 million gross proceeds
Shares Issued	Approximately 5 million shares; EPS dilution of ~5-6%
Use of Proceeds	▪ Immediate reduction of net debt to less than 3.0x EBITDA ▪ Acquisition facility to restart M&A and growth flywheel
Structure & Timing	▪ Confidential marketing and rapid execution ▪ Closing targeted within 1 month of engagement ▪ Resale registration Form S-3 filed post-closing
Investor Base	Targeted qualified institutional buyers (QIBs) from pre-identified list
Key Benefits to CBIZ and Shareholders	▪ Strengthens balance sheet and reduces interest rate dependency ▪ Unlocks 20%+ near-term share price upside and path to 90% upside within 18 months ▪ Reframes market narrative

Transaction Benefits Outweigh Costs

Benefits outweigh modest dilution associated with equity raise

Benefits	Costs
▪ 20-90% share price upside within 18 months ▪ Reactivate CBIZ's long-term strategy and business model ▪ Capitalize on attractive acquisition multiples due to AI-driven stress in markets ▪ Bring in long-term, active shareholders that believe in the CBIZ story ▪ Support retention of key employees by taking active approach to stock market	▪ ~5-6% EPS dilution ▪ Signaling risk from issuing equity at low multiple



Biggest risk is missed opportunity given asymmetry of costs/benefits

Agenda



Part I: M&A Is Essential to CBIZ's Business Model

- CBIZ's business model requires M&A to drive growth and margin expansion
- CBIZ has delivered attractive unlevered M&A returns; capital should continue to be deployed in this manner
- With track record of successful M&A, analysts priced in growth and P/E multiple expanded
- Share price decline driven by need to deleverage and de-prioritization of M&A

Part II: Equity Raise Will Create Value

- CBIZ must raise an acquisition facility to restart its growth flywheel
- Benefits far outweigh the modest dilution associated with equity raise
- 20%+ near-term share price upside by accepting capital to reactivate M&A pipeline
- Strategic equity raise unlocks path to 90%+ upside within 18 months (FY 2027)

Part III: Buybacks Are Not The Answer

- Buybacks, on average, have not created value for levered businesses
- Levered businesses are exposed to interest rate fluctuations; CBIZ trades as an interest rate proxy

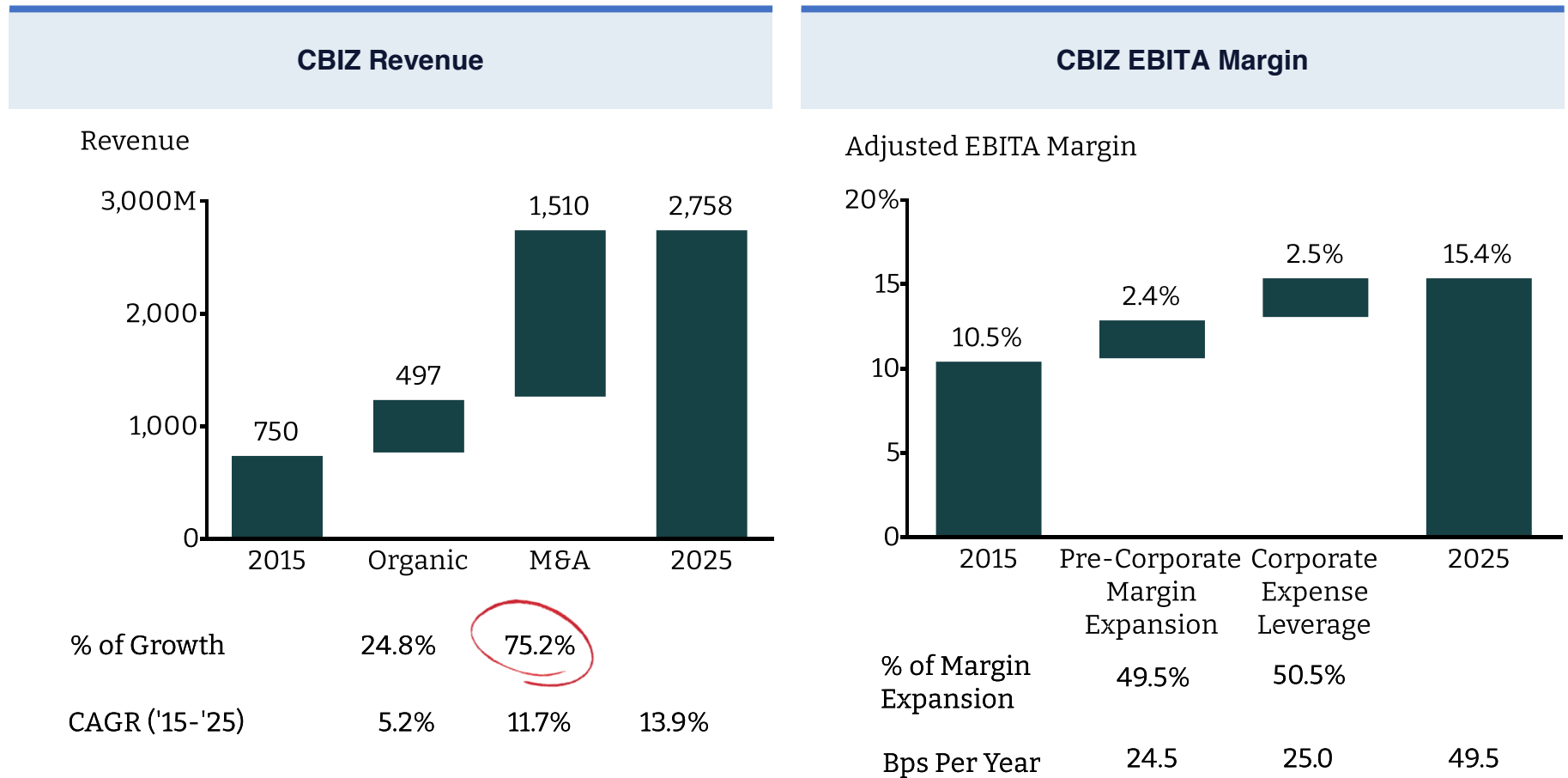
Part IV: Structuring & Execution

- Operationally, private placement with future share registration is quickest/easiest path
- Engage with all key stakeholders (lenders, sell-side, other investors, etc.) to propagate reframed narrative

Part V: Next Steps

CBIZ's Business Model Requires M&A

M&A has been the primary driver of CBIZ's revenue growth and EBITA margin expansion



- M&A has driven 75% of CBIZ's revenue growth over the past 10 years
- M&A growth has generated leverage on corporate expense to drive margin expansion

Attractive Unlevered M&A Returns

CBIZ has delivered attractive unlevered M&A returns; capital should continue to be deployed in this manner

CBIZ Unlevered M&A Returns (2015 – 2025)

- CBIZ has a 10-year track record of accretive M&A, when financed with cash flow

Unlevered M&A Returns (2015 - 2025)	
Acquired Revenue	\$1,510.2
<i>Adjusted EBITA Margin</i>	<u>15.4%</u>
Acquired EBITA	232.9
(-) Tax	<u>65.2</u>
Net Operating Profit After Tax	167.7
 M&A Spend	 1,798.5
(+) Contingent Consideration	<u>40.2</u>
Total Cash Outlay	1,838.7
 Pre-Tax Return	 12.7%
Post-Tax Return	9.1%

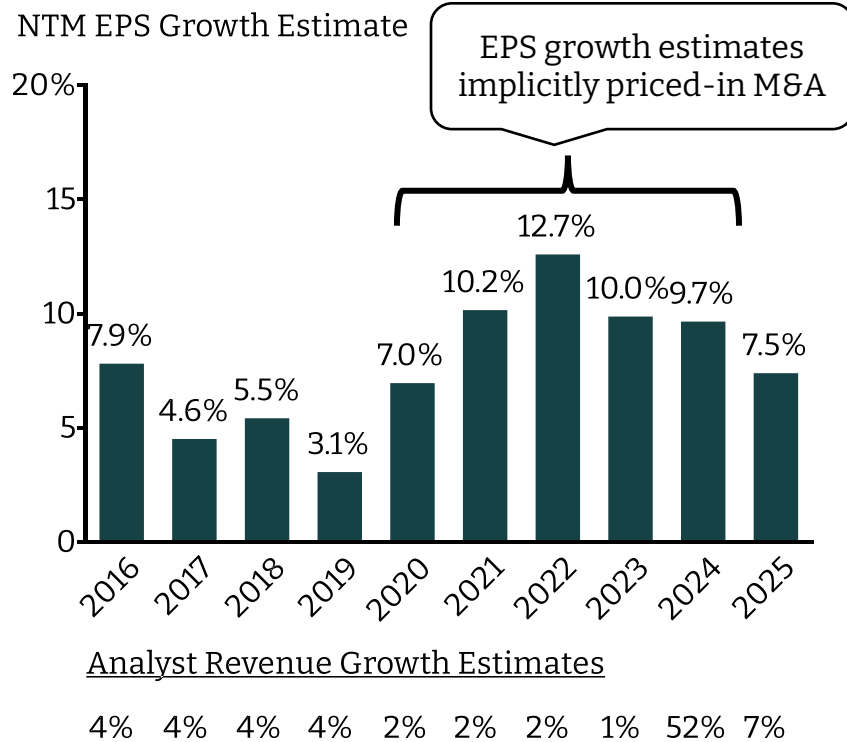
Return to M&A to Create Value

- CBIZ has deployed \$1.8 billion into M&A since 2015; a similar opportunity exists over the next decade
- Double-digit returns can be achieved with only modest use of leverage
- Maximum value created by investing significant capital at reasonable returns
- Raising equity will be the catalyst to capturing this enormous value creation opportunity

M&A Growth & Multiple Expansion

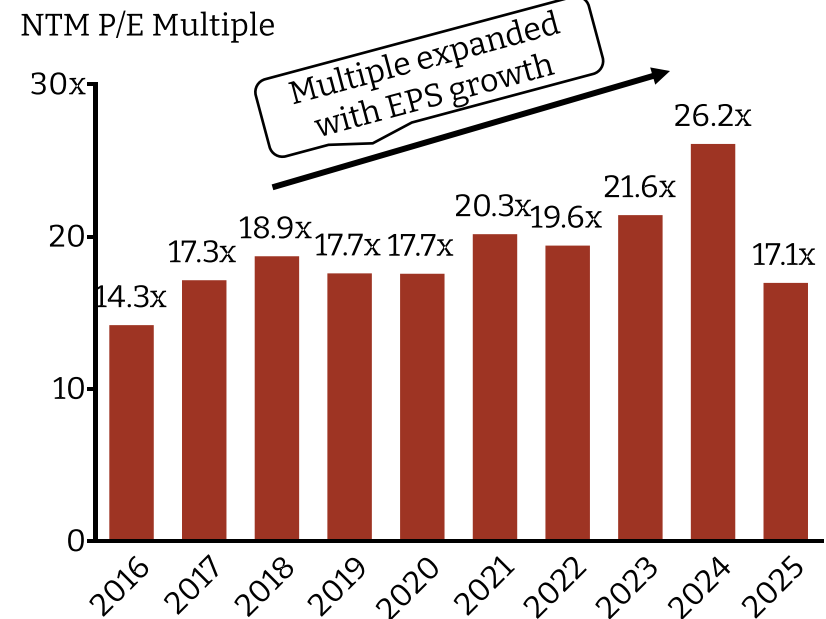
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Sell-Side Analyst EPS Growth Forecasts



Revenue estimates reflected only organic growth and announced deals

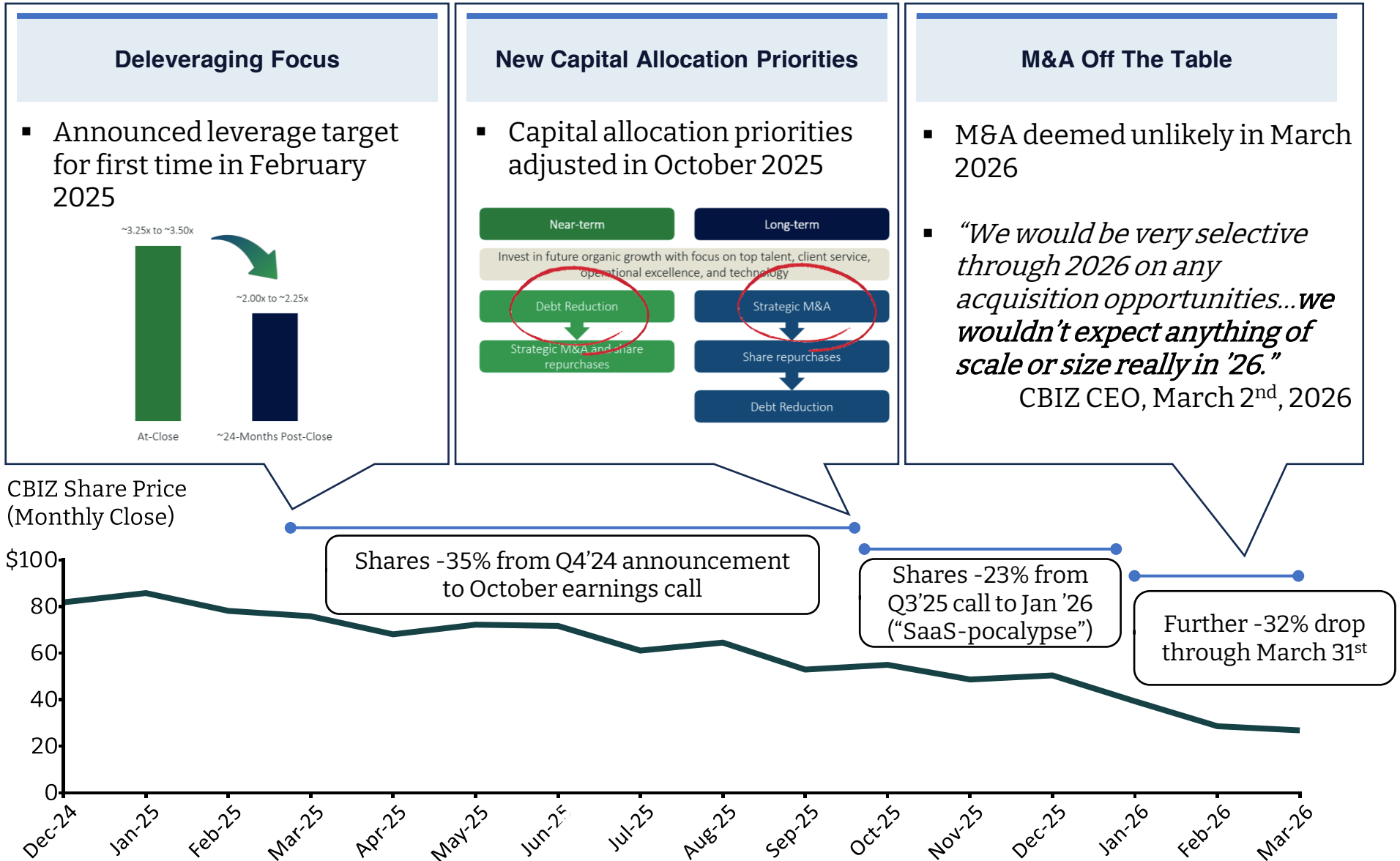
Trading Multiple Followed Growth Estimates



- Multiple grew from ~14x in 2016 to >26x in 2024

Share Selloff Drivers

Share price decline driven by need to deleverage and de-prioritization of M&A



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- Benefits far outweigh the modest dilution associated with equity raise
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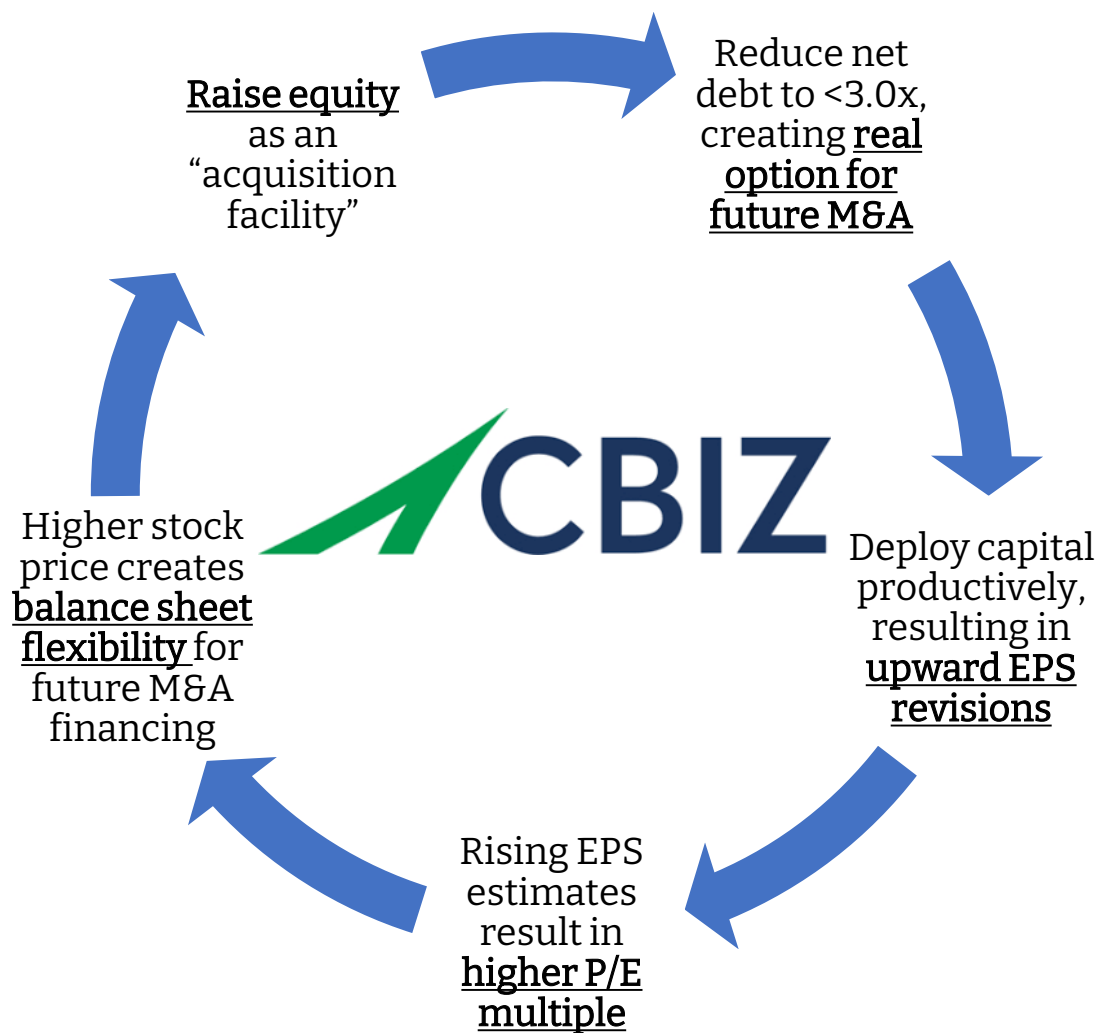
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Part V: Next Steps

CBIZ Must Restart Its Growth Algorithm

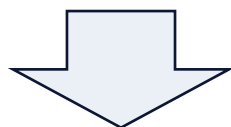
Equity raise is a catalyst to restarting CBIZ's growth algorithm



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Equity Raise Will Create Value

Opportunity to raise equity capital and immediately realize 20%+ upside

Value-Creating Equity Raise

CBIZ	Pre-M&A		Value-Creating Post-Capital		Notes
	2023	Today	Equity Raise	Raise	
Net Debt	417.7	1,477.9	(175.0)	1,302.9	<i>Raise equity capital</i>
Adjusted EBITDA	224.0	453.0		453.0	
Leverage Multiple	19x	3.3x		2.9x	<i>Reduce leverage to <3.0x</i>
Interest Expense	20.1	107.2		101.2	
Cash Net Income	134.2	230.7		235.0	
Shares Outstanding	50.6	62.0	5.1	67.1	
Adjusted Earnings Per Share	\$2.65	\$3.72		\$3.50	<i>~6% dilution</i>
P/E Multiple	23.6x	9.1x		12.0x	
Price Per Share	\$62.59	\$34.00	\$34.00	\$42.00	
Upside to Today's Price				23.5%	

Benefits Offset Dilution

- Benefits include:
 - Reduced credit risk
 - Real option value from M&A
 - Increased shareholder confidence
- Immediate path to over 20% upside from today's price

Value Unlocked By Reframing Market Narrative

Equity raise is a bold move to reactivate M&A-driven growth strategy

Current Narrative

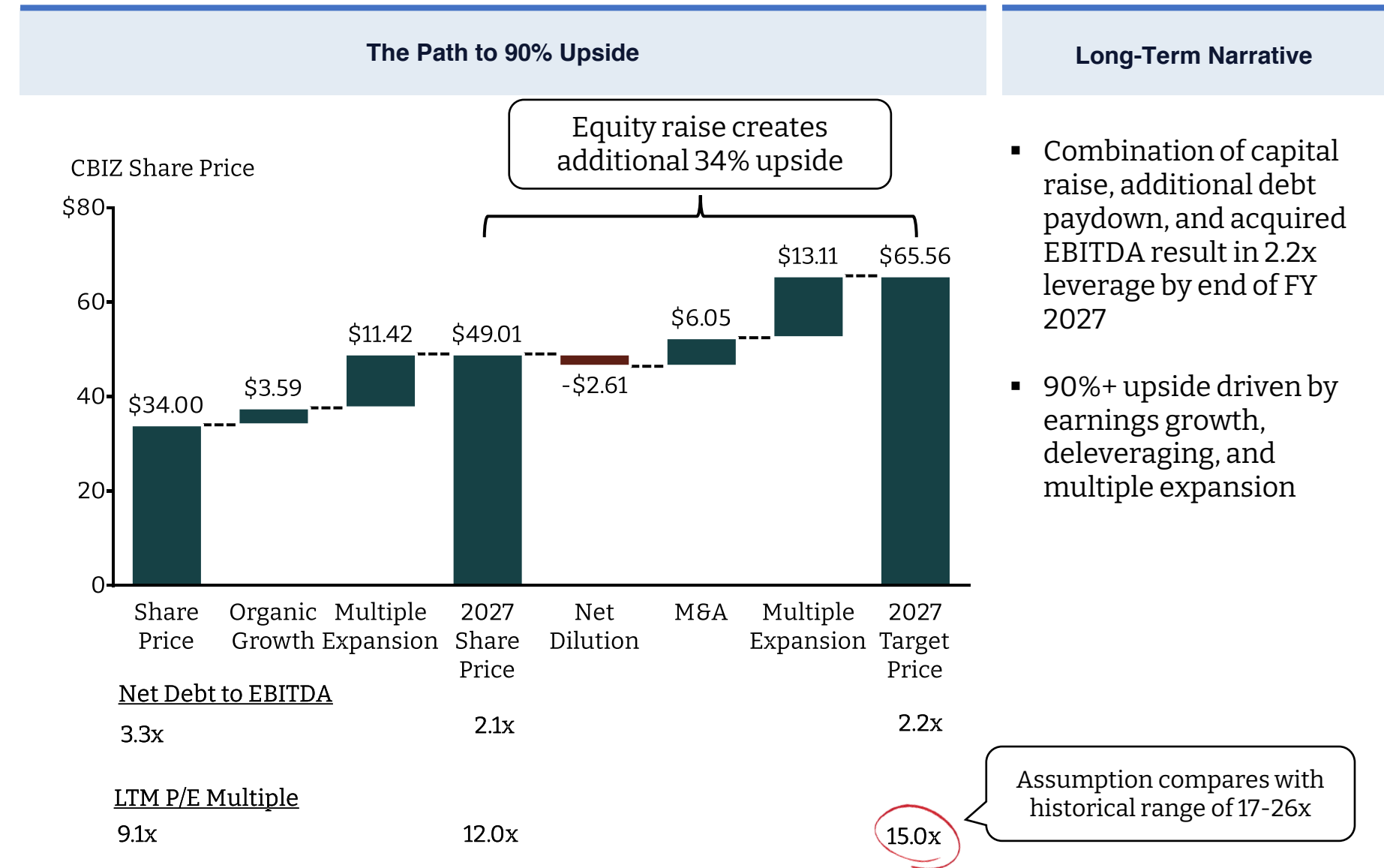
- CBIZ plays in a low growth, mature market
- M&A is required to achieve double-digit EPS growth
- CBIZ has demonstrated the ability to deploy capital effectively:
 - Developed M&A pipeline
 - Proven integration playbook
- Debt burden prevents further M&A, eliminating positive catalysts and earnings upside

New Market Narrative

- **Strategy validated:** long-term shareholders provide equity capital
- **Credit risk reduced:** leverage immediately reduced to <3.0x EBITDA
- **M&A reactivated:** new capital is an “acquisition facility” to fund near-term M&A
- **Impeccable timing:** capital to pursue accretive deals at low multiples given market turmoil
- **Unconstrained future:** no limit to the size of future deals as both debt and equity capital is available

90%+ Upside by FY2027

Equity raise, additional debt paydown, and future M&A can drive >90% return within 18 months



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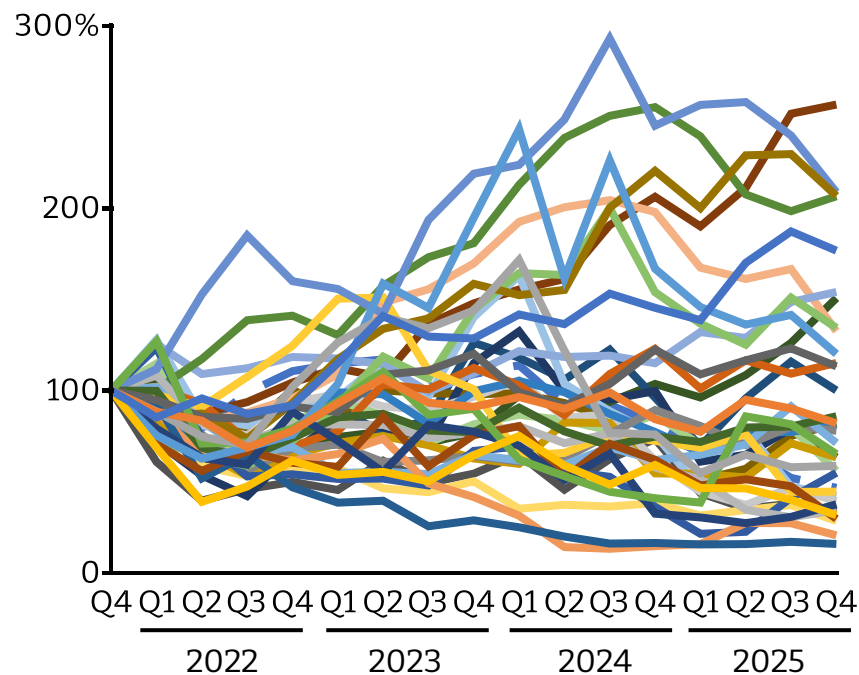
Buybacks Destroy Value for Levered Businesses

Businesses that have reduced their share count by >20% since 2021, but have >2.5x leverage, have destroyed value

Total Shareholder Return Analysis: High Leverage Repurchasers

Key Considerations

Total Shareholder Return (Indexed; Q4 2021 - Q4 2025)



- Interest rates rose over this period, pressuring earnings for levered businesses
- Median valuation increased
 - EV/EBITDA rose from 8.1x in Q4 2021 to 10.8x in Q4 2025
- Median EBITDA declined
 - ~20% median EBITDA decline as Covid-recovery faded
 - Russell 2000 EBITDA down ~8-12%

- Screening Analysis:
 - US businesses, \$500M to \$15B market cap; excludes financials
 - Diluted shares outstanding >20% lower than Q4 2021
 - Ending leverage of 2.5x EBITDA or above
 - N = 37

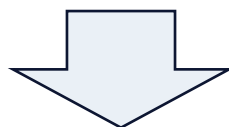
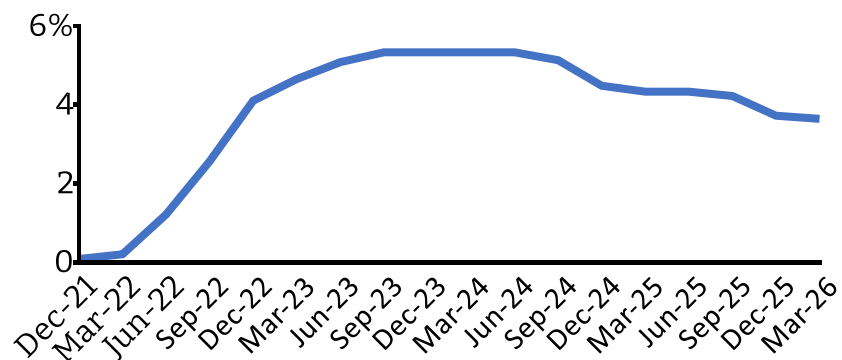
Rising Interest Rates Destroy Earnings Power

Levered businesses are exposed to interest rate fluctuations; buybacks introduce macroeconomic risk

Interest Rates are Volatile

- Over a 3-year rolling period there is a ~20% probability of a 300-bps rise in yields
- We have witnessed one of these periods recently

Federal Funds Effective Rate



CBIZ's earnings results are outside of management's control due to interest rate dependency

Rising Interest Rates Erode Earnings Power

- Refinancing at a 300-bps higher rate would create a ~14% headwind to CBIZ's EPS

	Interest Rate Change (bps)			
	0	100	200	300
Interest Expense Change	0.0	14.7	29.4	44.2
Interest Expense (Tax Adjusted)	0.0	10.6	21.2	31.8
EPS Impact	\$0.00	\$0.17	\$0.34	\$0.50
% EPS Decline (vs. 2025 Adj. EPS)	0.0%	(4.6%)	(9.3%)	(13.9%)

- This issue compounds:
 - Rising interest expense reduces ability to deleverage (>\$30M FCF impact)
 - Spreads may increase above Fed Funds

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Operational Considerations



- Raise via a private placement
 - Best option given speed, timing flexibility, and confidentiality
 - Close date can be flexible; possible to coordinate with M&A pipeline
 - Resale S-3 filed after closing to register shares

- Work with investment banker, but limit fees
 - Investor base identified in advance
 - Limited discount to place shares
 - Fees available for future equity raises (to finance large M&A in the future)

- Proactively engage other stakeholders
 - Lenders likely supportive of equity raise; should not impact existing credit agreements
 - Post-close, provide feedback to sell-side on logic behind raise
 - Additional active investor outreach once business has less than 3x leverage

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Next Steps



- Discuss size, structuring, and M&A pipeline
- Fireside chat with investor shortlist led by CBIZ's banker
- Receive indications of interest from potential long-term investors
- Final decision and deal execution

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About *Us*



Ryan Bunn

Ryan is the lead portfolio manager for the Reference Equity Global & International Small Cap strategies. He has over fifteen years of equity investment experience across both the public and private markets. Ryan earned his bachelor's degree in computer engineering from Northwestern University and his MBA from the Kellogg School of Management. He currently resides in Denver, Colorado.

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