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How's Business

3RD QUARTER 2026







PMMI Business Intelligence

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3rd Quarter 2026
HOW'S BUSINESS



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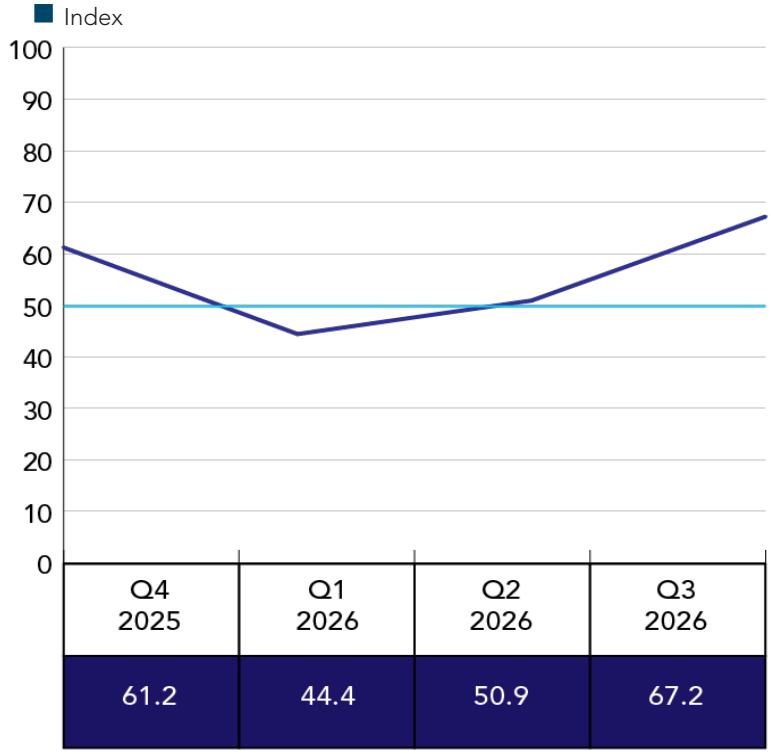
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WHAT MEMBERS ARE SAYING - HOW'S BUSINESS

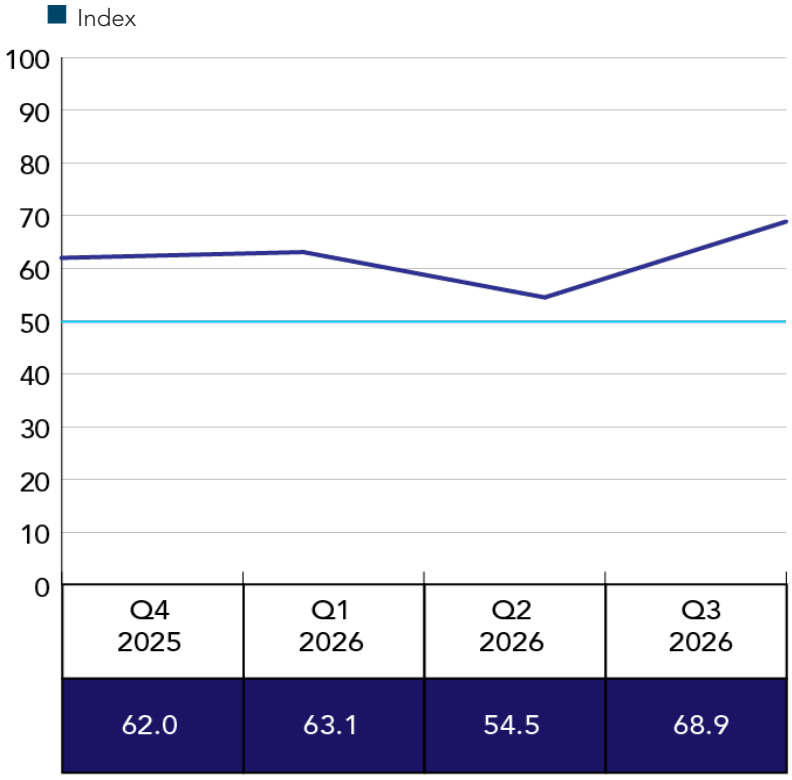
The following charts compare quarter-over-quarter activity in NEW ORDERS, QUOTATIONS/PROPOSAL ACTIVITY, LATE PAYMENTS, BACKLOG, and SUPPLY CHAIN DISRUPTIONS as reported by Members in PMMI's How's Business Survey.

NEW ORDERS Q4 2025 TO Q3 2026



- The New Orders Index came in at 67.2 for Q3 2026, rising 16.3 points from 50.9 in Q2 2026.
- This marks a second consecutive quarter of expansion and the strongest reading in the past year, moving well clear of the 50 midpoint rather than hovering just above it.
- Members should note the volatility in this index over the past year and continue to monitor broader economic uncertainty, tariff and trade developments, and material price fluctuations that could influence new order activity heading into 2027.

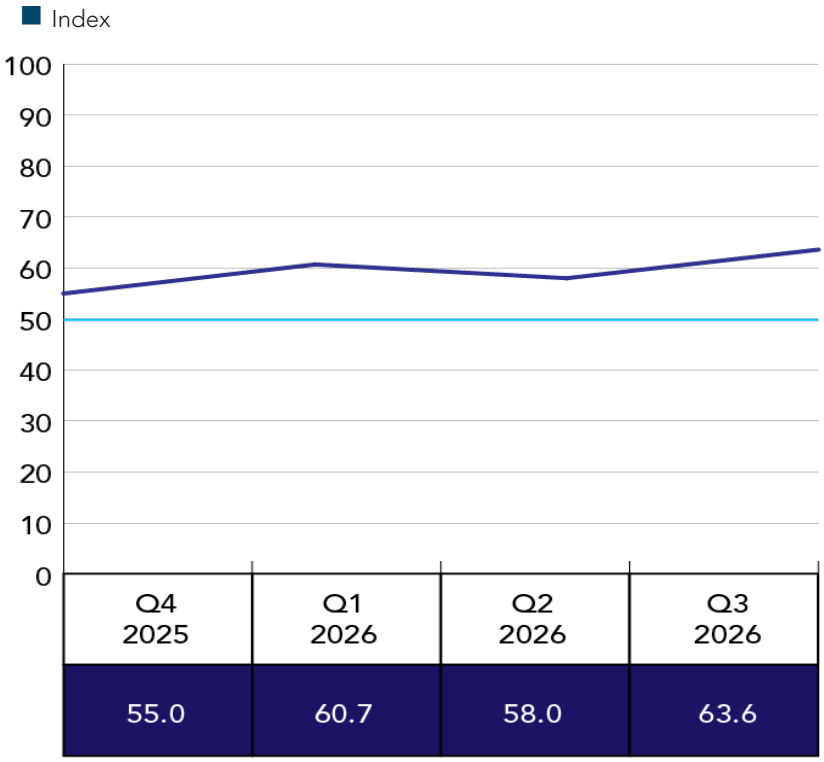
QUOTATIONS/PROPOSAL ACTIVITY Q4 2025 TO Q3 2026



- The Quotations/Proposal Activity Index rose to 68.9 in Q3 2026, up 14.4 points from 54.5 in Q2 2026.
- Both the Quotations/Proposal Activity and New Orders indexes reached their highest levels since 2021.
- Members should note the volatility in this index over the past year and continue to monitor broader economic uncertainty, tariff and trade developments, and material price fluctuations that could influence new order activity heading into 2027.
- The strength of PACK EXPO International 2026 in October may extend this momentum, and members should watch whether show floor conversations translate into additional quoting and proposal activity in Q4.

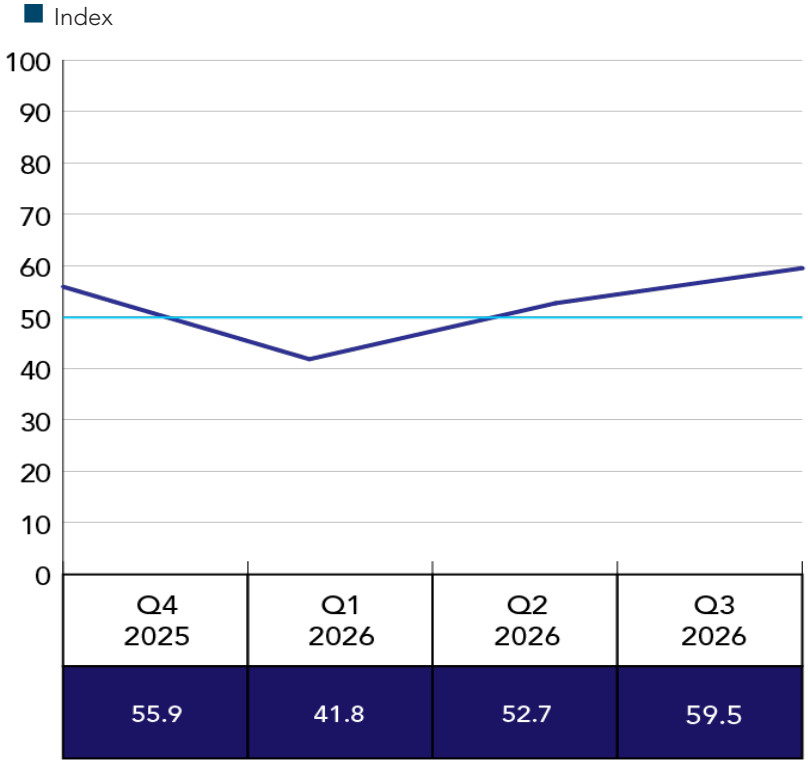
An index of 50 represents the midpoint, no change. A reading above 50 indicates that activity is generally expanding. Below 50 indicates that it is generally contracting.

LATE PAYMENTS Q4 2025 TO Q3 2026



- The Late Payments Index increased to 63.6 in Q3 2026, up 5.6 points from 58.0 in Q2 2026.
- Even as new orders and backlog strengthen, members should stay attentive to customer payment behavior.

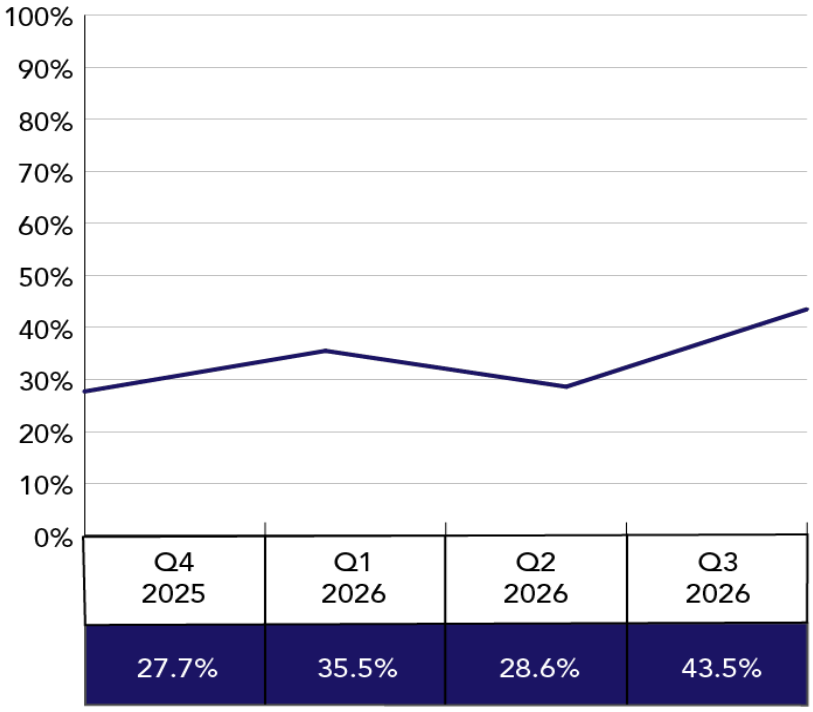
BACKLOG Q4 2025 TO Q3 2026



- The Backlog Index increased to 59.5 in Q3 2026, up 6.8 points from 52.7 in Q2 2026.
- This is a second consecutive quarter in expansion territory and the strongest reading of the past four quarters.
- With new orders, quoting activity, and backlog all moving higher together, conditions point to building demand. Members should monitor whether capacity and lead times can keep pace.

An index of 50 represents the midpoint, no change. A reading above 50 indicates that activity is generally expanding. Below 50 indicates that it is generally contracting.

SUPPLY CHAIN DISRUPTION Q4 2025 TO Q3 2026

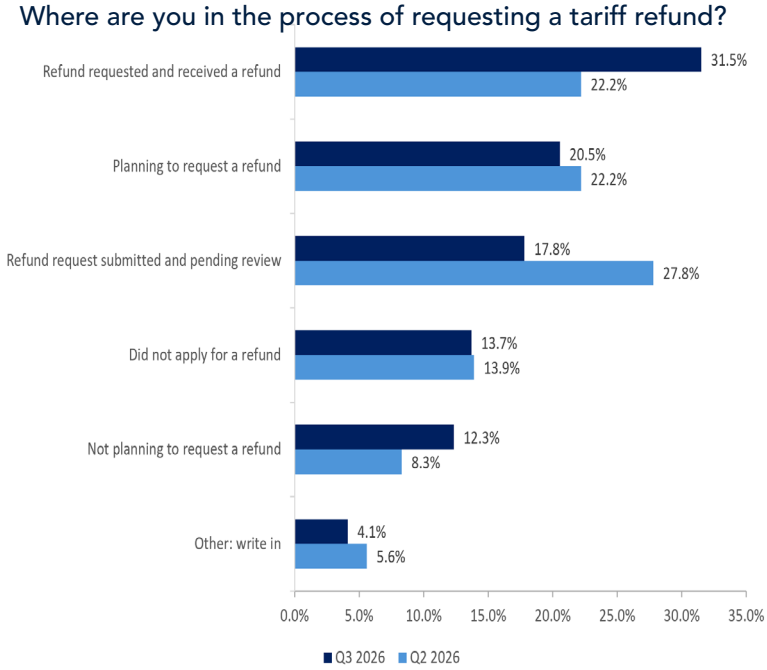


- 43.5% of members reported experiencing supply chain disruptions in Q3 2026, up 14.9 percentage points from 28.6% in Q2 2026.
- This reverses last quarter's improvement and is the highest share reported in the past four quarters.
- Disruption levels remain well above the 17.0% low recorded in Q4 2024, and members should continue to monitor evolving global trade conditions that could impact the supply chain.

TARIFF IMPACTS - SELECT INSIGHTS FROM PMMI'S QUICKIE SURVEY

Given the current economic climate, a few tariff-related questions were included in PMMI's How's Business Survey. Below are select findings. For more detailed insights, PMMI members can access the full "2026 Q3 QS Tariffs Report" at pmmi.org.

Where are you in the process of requesting a tariff refund?

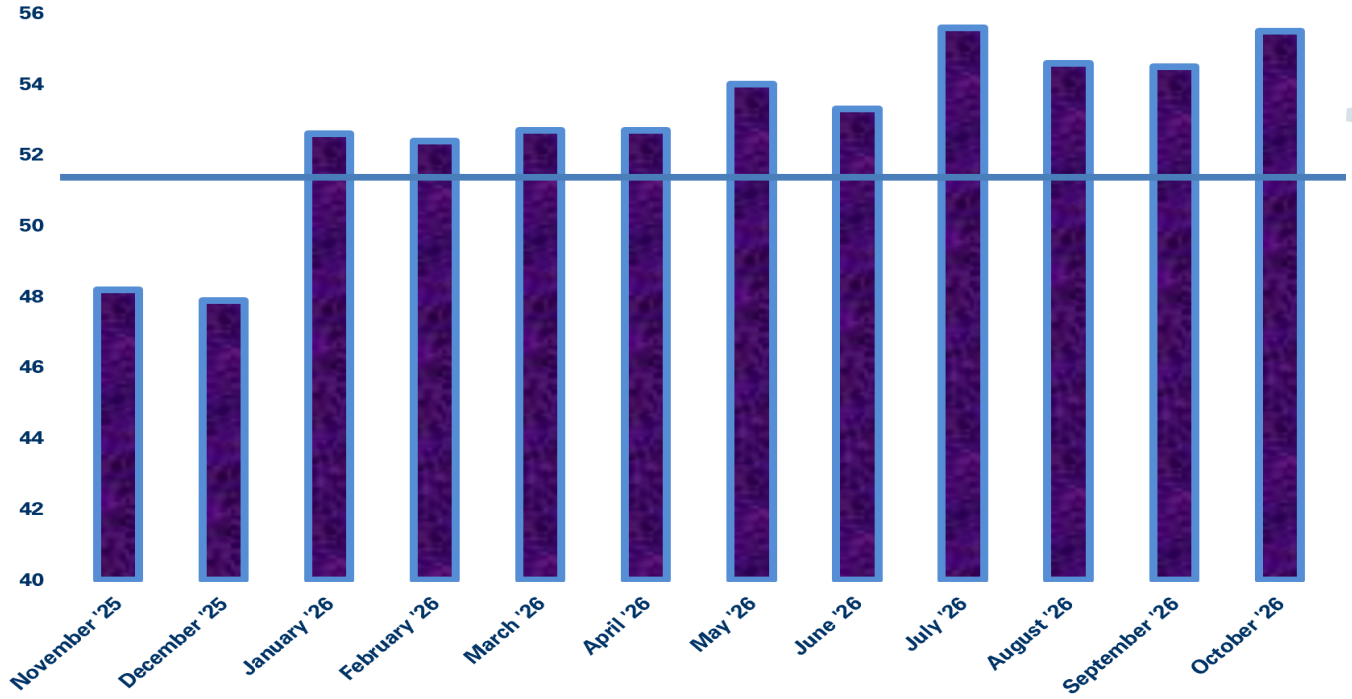


- Among members who have pursued a tariff refund, 31.5% reported in Q3 2026 that they had requested and received a refund, up from 22.2% in Q2 2026, while the share still waiting on a submitted request fell to 17.8% from 27.8%.
- 20.5% are planning to request a refund and 12.3% are not planning to, the latter up from 8.3% in Q2 2026. 13.7% did not apply for a refund, almost unchanged from 13.9%.
- For more insights —including what actions member companies are taking and current member outlook — refer to the full "2026 Q3 QS Tariffs Report."

THE STATE OF MANUFACTURING

ISM Report on Business (PMI) - Purchasing Managers Index

October 2026 PMI 55.5



- The Purchasing Managers' Index (PMI) is an index of the prevailing direction of economic trends in the manufacturing and service sectors. It consists of a diffusion index that summarizes whether market conditions, as viewed by purchasing managers, are expanding, staying the same, or contracting. The headline PMI is a number from 0 to 100. A PMI above 50 represents an expansion when compared with the previous month. A PMI reading under 50 represents a contraction, and a reading at 50 indicates no change. The further away from 50 the greater the level of change.
- The Manufacturing PMI® registered 55.5 percent in October, 1 percentage point above the September figure of 54.5 percent. The overall economy expanded for the 24th month in a row.

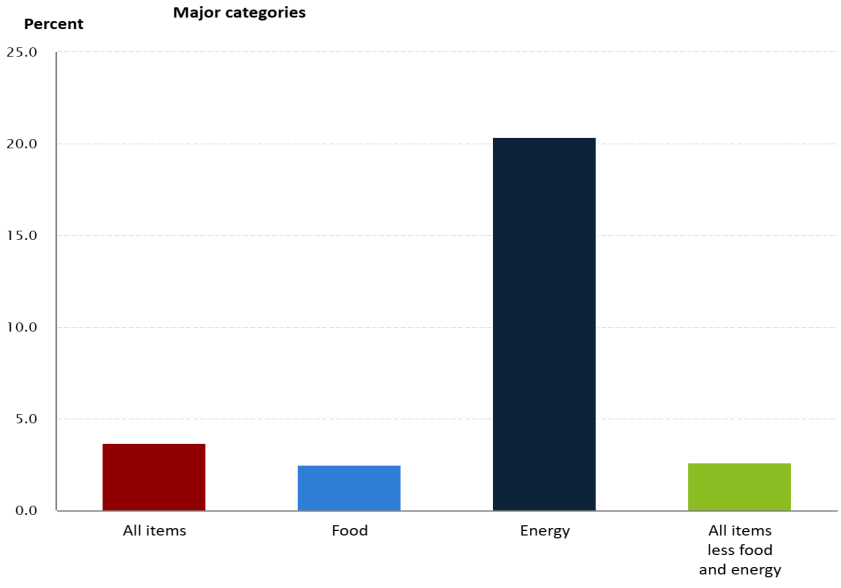
www.ismworld.org

Consumer Price Index

- CPI for all items increases 0.4% in October; shelter rises
- In October, the Consumer Price Index for All Urban Consumers rose 0.4 percent, seasonally adjusted (SA). The index for all items less food and energy rose 0.3 percent in October (SA).

www.bls.gov/cpi

12-month percentage change, CPI, selected categories, September 2026, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

3-Year U.S. Outlook

	Historical 3/12	Historical 3MMA	Current 3/12	2026	2027	2028	Highlights
US Real Gross Domestic Product			2.1	2.1	2.1	2.5	GDP rose in the second quarter, driven in part by a resilient consumer and AI-related investment.

	Historical 12/12	Historical 12MMA	Current 12/12	2026	2027	2028	Highlights
US Industrial Production Index			1.3	1.5	-0.3	1.7	The 12MMA will generally rise through at least 2028, with a plateau in 2027.
US Private Sector Employment			0.4	0.5	1.4	1.6	Employment is nearing Phase B, Accelerating Growth. The 12MMA will rise through at least 2028.

	Historical 12/12	Historical 12MMT	Current 12/12	2026	2027	2028	Highlights
US Nondefense Capital Goods New Orders (excluding aircraft)			9.0	10.6	1.3	0.3	The 12MMT will rise into mid-2027 before declining as momentum wanes. Rise will return in the second half of 2028.
US Total Retail Sales			4.1	4.9	3.5	5.3	The forecast was adjusted following a data revision. We now expect Phase B into early 2027 due largely to inflationary pressures.
US Wholesale Trade of Durable Goods			11.1	15.8	1.7	1.7	Forecast lifted on stronger pricing and select tech-related capex. Consumer durables remain lackluster. Growth will give way to a plateau around mid-2027.
US Wholesale Trade of Nondurable Goods			8.0	11.9	2.7	1.6	The 12MMT outlook was lifted amid ongoing pricing pressures, particularly those on oil. Expect rise into mid-2027 followed by mild decline into mid-2028.

Note: Forecast color represents what Phase the market will be in at the end of the year.

Phase Key

Phase A: Recovery

Phase B: Accelerating Growth

Phase C: Slowing Growth

Phase D: Recession

- The US economy remains in a cyclical expansion; however, volume growth is modest while dollar-based growth is strengthened by inflation. Uneven performance continues for consumers and industrial markets, with technology-related sectors outperforming. Inflation is squeezing lower- and middle-income consumers, while higher-income households remain relatively resilient. Overall Retail Sales are steadily rising. Growth should continue through the rest of this year before moderating in 2027. Volumes could be weaker in 2027. Businesses should prioritize efficiency and align inventory, hiring, and investment decisions with their specific end-market outlook.

www.itrondemand.com/insider/3-year-us-outlook

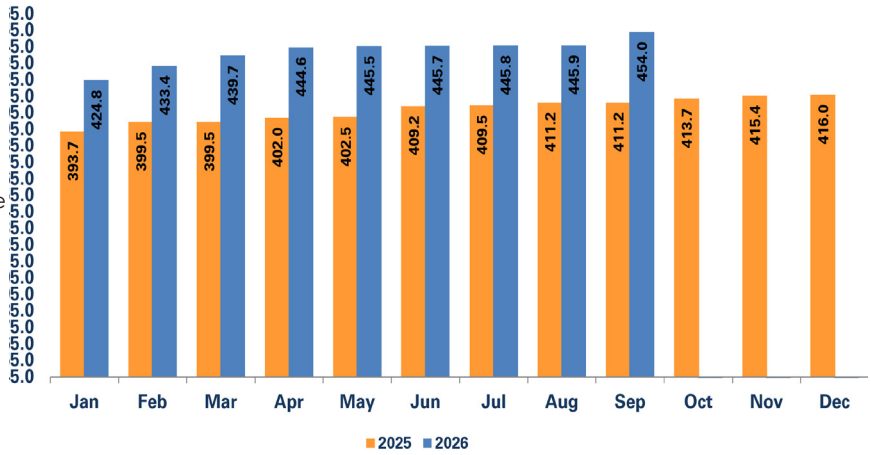
Producer Price Index

September 2026 PPI 454.0

- The Producer Price Index for final demand increased 1.3 percent in September, seasonally adjusted, the U.S. Bureau of Labor Statistics reported. Final demand prices moved up 0.5 percent in August and 0.2 percent in July. The September increase is the largest advance since rising 1.7 percent in March 2022.
- On an unadjusted basis, the index for final demand climbed 6.3 percent for the 12 months ended in September, the largest 12-month increase since moving up 6.4 percent in December 2022.

www.bls.gov

Producer Price Index Commodity Code 11-67 Packaging Machinery



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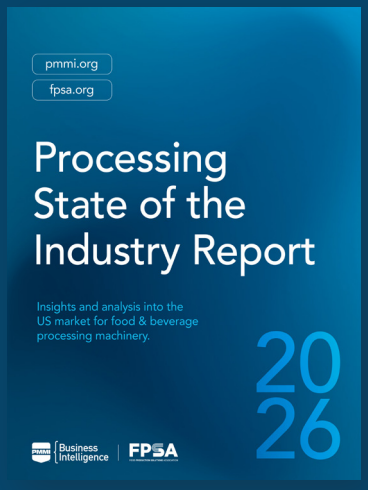
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