Executive Briefing: Quarterly Performance Summary and Benchmarks

Third-quarter 2026 results from company earnings releases and SEC filings.

November 6, 2026

This edition covers the 162 companies that had reported by November 5, with 94% of the revenue of all 207 companies in the analysis. Updated editions will be issued as the remaining companies release earnings.

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COVERAGE: COMPANIES WITH Q3 2026 DATA

Sector

Consumer Products and Durables	**35** of 56
Life Sciences	**44** of 52
Industrial Equipment and Machinery	**34** of 40
Automotive	**22** of 23
Aerospace and Defense	**13** of 20
Chemicals	**14** of 16

Company revenue

Over $5 billion	**75** of 82
$1 billion to $5 billion	**59** of 77
Under $1 billion	**28** of 48

All Sectors **162** of 207

Q3 2026: strong results, but optimism eases as inflation worries grow

Summary: 162 of the 207 companies, those reporting by November 5; Q3 2026 earnings releases and SEC filings

Results stay strong, but are not accelerating. Revenue grew 8.0% and EPS 13.5%, against 8.0% and 14.0% in Q2. In addition to continued customer demand, companies are increasingly citing new products (48%, against 42% in Q2) and cost and productivity gains (30%, against 18%) supporting projected performance.

Optimism remains high but eases from its peak. Executive sentiment for All Sectors fell to 71 from 74 in Q2, though it remains well above 68 in Q1. Most companies still raised guidance (53%, against 59% in Q2), but more lowered it (23%, against 16% in Q2), and executives spoke a little less positively. Sentiment fell in three sectors, most in Industrial Equipment, and rose in Consumer Products, Life Sciences and Chemicals.

AI, defense and Life Sciences still lead. Aerospace and Defense, Industrial Equipment, where a quarter of companies cite data-center and AI demand, and Life Sciences grew revenue fastest. Aerospace and Defense has the most confident executives and the fastest EPS growth. Industrial Equipment is reporting faster growth, but its sentiment fell nonetheless (from 83 to 71), as some companies cut their outlooks and others held guidance after raising it in Q2.

Consumer markets lag. Consumer Products revenue grew only 1.8%, more than two in five of these companies cite weak consumer spending, and their sentiment is the second lowest of the six sectors. To protect earnings, most cite cost and productivity gains and nearly a third price increases. Automotive revenue growth picked up, but its executives are now the least confident.

Inflation is now the dominant worry. As Arcpath anticipated, inflation is spreading: 30% of companies now cite inflation as a risk, against 16% of the same companies in Q2, including 79% in Chemicals and 46% in Consumer Products; some cite the Middle East conflict lifting raw material and distribution costs. Tariff refunds, a tailwind cited by 18% of companies in Q2, are now cited by 14%.

EPS growth, All Sectors

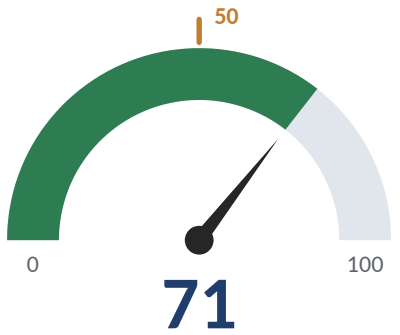
Quarterly, YoY, weighted by revenue: Q3 2026 against Q3 2025

+13.5%

▼ down from +14.0% in Q2 2026

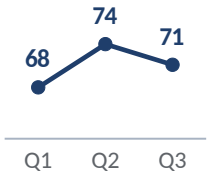
Executive sentiment index, All Sectors

Quarterly: Q3 2026



▼ 3 from 74 in Q2 2026

Year to date



50 is neutral; above 50, executives on balance raised guidance and spoke positively about their markets. How it is scored: page 12

Source: company earnings releases and SEC filings (SEC EDGAR), Q3 2026; Arcpath analysis.

Definitions and method: page 12

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Q3 2026: EPS up 13.5%, sentiment up in three of six sectors, guidance raised in four of six

Key results: All Sectors and by sector; 162 of the 207 companies, those reporting by November 5; Q3 2026 earnings releases

EPS growth, All Sectors

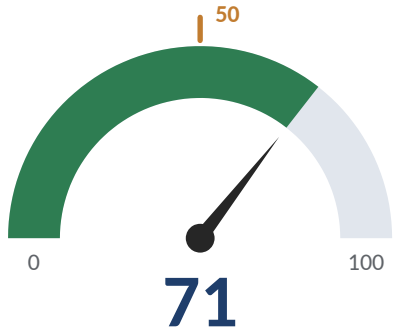
Quarterly, YoY, weighted by revenue: Q3 2026 against Q3 2025

+13.5%

▼ down from +14.0% in Q2 2026

Executive sentiment index, All Sectors

Quarterly: Q3 2026



▼ 3 from 74 in Q2 2026

50 is neutral; above 50, executives on balance raised guidance and spoke positively about their markets. How it is scored: page 12

Guidance raised in four sectors, unchanged in Consumer Products; Automotive lower

Full-year revenue guidance (annual), weighted by revenue: change since Q2 2026 releases, pts

	Change in Annual Revenue Guidance (pts)†	Guided annual revenue growth	Share of companies Raised	Share of companies Lowered
All Sectors	**+0.7**	**6.1%**	**53%**	**23%**
Life Sciences	+1.3	8.4%	59%	16%
Aerospace and Defense	+1.1	10.5%	90%	0%
Industrial Equipment	+0.4	9.7%	50%	32%
Chemicals †	+0.1%	n/a	50%	25%
Consumer Products	0.0	1.2%	46%	23%
Automotive †	−1.4%	n/a	35%	41%

† **Profit guidance in place of revenue guidance for Automotive and Chemicals**: companies guiding revenue hold under half of these sectors' weight, so the change shown is in profit guidance (EPS, or the main profit measure), %.

Source: company earnings releases and SEC filings (SEC EDGAR), Q3 2026; Arcpath analysis.

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How to use this briefing

What it covers, how to read it, and where to find each topic

What it is

A quarterly review of financial and operational results and executive sentiment at 207 US public companies in six sectors, drawn from their earnings releases and SEC filings.

How to use it

Designed for rapid benchmarking: in a few minutes, see how each sector is performing and where a company stands against its peers.

- Two-minute read: **pages 2 and 3**
- Your sector: **page 5**
- Trends by sector: **appendix A1 and A2**
- Your company against its peers: **page 7**

How to read the numbers

- Quarterly results compare a quarter with the same quarter a year earlier (YoY) or with the quarter before (QoQ).
- Annual results cover the last four quarters (TTM), or the full year for guidance.
- Sentiment runs from 0 to 100; 50 is neutral and higher is more positive.
- **Green** means improving, **red** deteriorating, **grey** unchanged; the sentiment dials are green above 50 and red at 50 or below.
- All Sectors means the six sectors combined.

What's inside

2	**Summary**	What happened in Q3, and what does it mean?
3	**Key results**	How did companies do, and what do they expect?
5	**Sectors at a glance**	How did each sector do?
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7	**Benchmarks**	How do companies compare with their peers?
8	**Sentiment**	How do executives feel, and what are they citing?
9	**Costs and inventory**	Are companies cutting costs and building inventory?
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A2 page 11	**Inventory by sector**	Where is inventory building?
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13	**About Arcpath Consulting**	Who we are and how we work

Source: company earnings releases and SEC filings (SEC EDGAR), Q3 2026; Arcpath analysis.

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Q3 at a glance: revenue grew in every sector, and sentiment rose in three

Sector breakdown, Q3 2026: averages weighted by revenue, except sentiment and cost programs, which count each company once

In brief

- **Financial:** revenue growth (quarterly, YoY) picked up in Industrial Equipment and Automotive, and slowed in Consumer Products, Life Sciences, Aerospace and Defense and Chemicals.
- ▲ **Financial:** revenue QoQ rose in every sector except Chemicals: All Sectors +3.3%, against +3.9% a year earlier.
- **Sentiment:** the index fell in three sectors and rose in Consumer Products, Life Sciences and Chemicals; guidance was raised in four sectors, unchanged in Consumer Products and lower in Automotive.
- **Operational:** inventory grew more slowly than revenue in five sectors, faster only in Industrial Equipment; 36% of companies cite a cost program.

	FINANCIAL METRICS					SENTIMENT		OPERATIONAL METRICS	
Sector	Revenue growth Quarterly, YoY	Revenue growth Quarterly, QoQ	Operating income growth Quarterly, YoY	EPS growth Quarterly, YoY	Operating margin Annual (TTM)	Sentiment index Quarterly; change QoQ	Revenue guidance Annual (full year); change vs Q2, pts	Cost programs Share of companies	Inventory Quarterly, YoY
Consumer Products	+1.8%	+7.9%	+8.2%	+11.0%	13.1%	62 ▲ 1	1.2% • 0.0	54%	+1.0%
Life Sciences	+10.3%	+3.9%	+11.3%	+11.4%	28.6%	78 ▲ 1	8.4% ▲ 1.3	12%	+9.8%
Industrial Equipment	+10.5%	+1.8%	+17.9%	+20.4%	15.5%	71 ▼ 12	9.7% ▲ 0.4	35%	+14.5%
Automotive *	+4.4%	+2.2%	−4.7%	+6.0%	3.4%	60 ▼ 12	Profit † ▼ 1.4%	48%	+0.8%
Aerospace and Defense	+12.2%	+2.3%	+18.8%	+26.7%	13.7%	92 ▼ 2	10.5% ▲ 1.1	5%	+9.3%
Chemicals	+9.7%	−1.6%	+15.5%	+12.8%	11.3%	70 ▲ 5	Profit † ▲ 0.1%	75%	+4.7%
All Sectors	**+8.0%**	**+3.3%**	**+9.3%**	**+13.5%**	**15.9%**	**71 ▼ 3**	**6.1% ▲ 0.7**	**36%**	**+6.5%**

Analysis by sector: **appendix A1 and A2, pages 10 and 11**

* **Automotive**: each company's weight is capped at 10%, which gives mid-sized suppliers more weight than their share of sector revenue; this quarter the capped results differ from the typical company's. Weighted by full revenue (Ford Motor, General Motors and Tesla, 79% of the sector): revenue growth 1.6%, EPS growth 14.9%, operating margin 4.3%; median company: 2.1%, 12.1% and 4.6%.
† **Profit guidance in place of revenue guidance for Automotive and Chemicals**: companies guiding revenue hold under half of these sectors' weight, so the change shown is in profit guidance (EPS, or the main profit measure), %.
Inventory: total inventory on the balance sheet (raw materials, work in process and finished goods), net of reserves.

Q3: 162 of the 207 companies, those reporting by November 5; Q2: all companies, as published (revised November 6).

Source: company earnings releases and SEC filings (SEC EDGAR), Q3 2026; Arcpath analysis.

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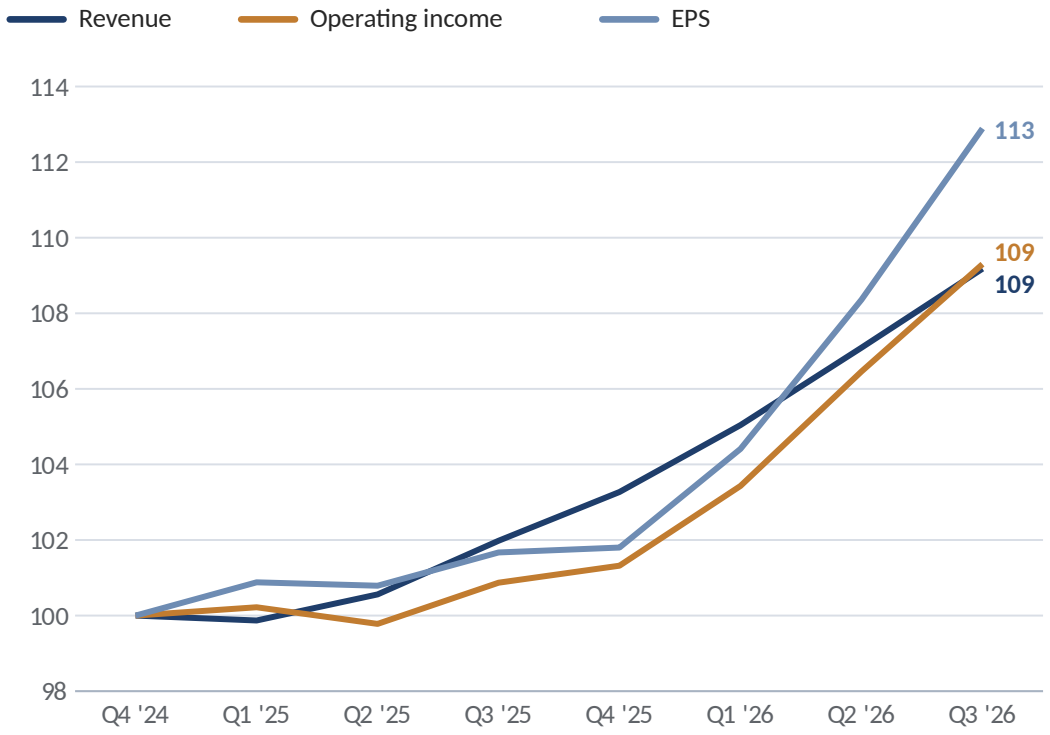
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All Sectors: growth held in Q3, with profits rising faster than revenue

Financial metrics: All Sectors combined, and revenue growth by sector; averages weighted by revenue

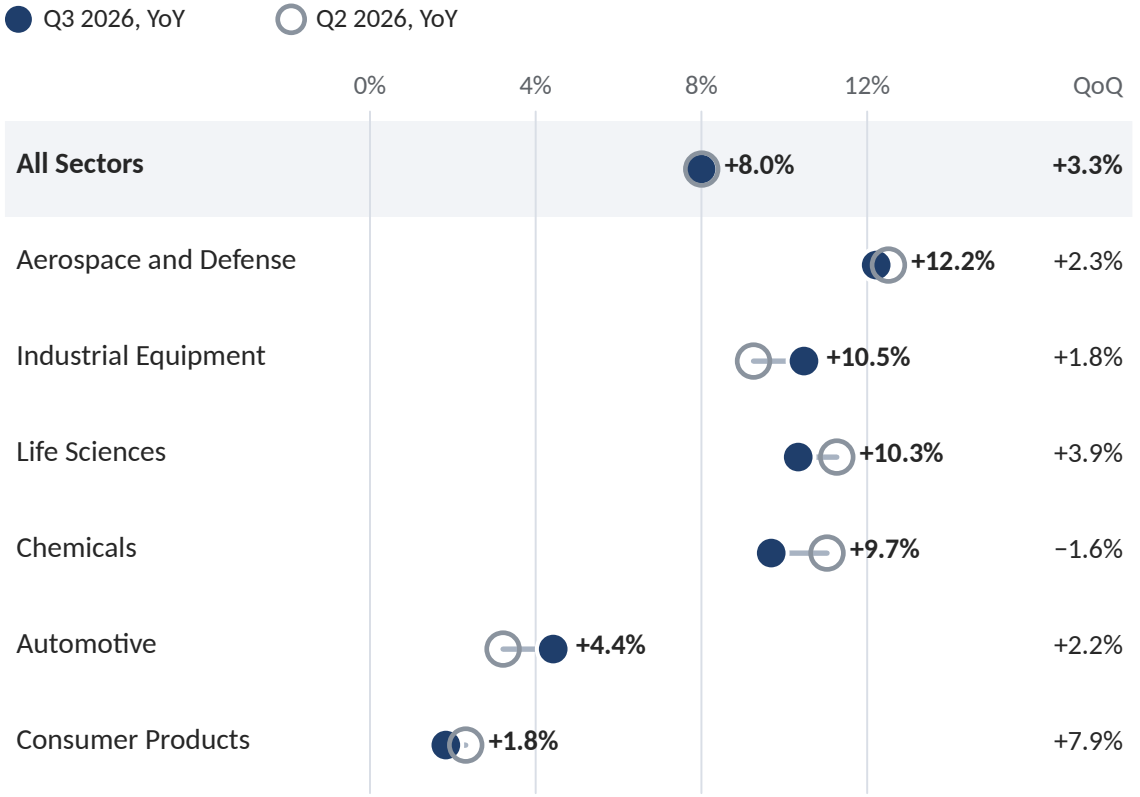
All Sectors: growth indices

Annual (TTM): trailing four quarters, index January 1, 2025 = 100



Revenue growth by sector

Quarterly, YoY: Q3 2026 and Q2 2026; QoQ for Q3 2026



- All Sectors: revenue grew +8.0% YoY in Q3, against +8.0% in Q2; operating income +9.3% and EPS +13.5%.
- ▲ Aerospace and Defense grew fastest (+12.2% YoY); Industrial Equipment picked up most (+10.5% from +9.3%); Chemicals slowed most (+9.7% from +11.0%).

Q3: 162 of the 207 companies, those reporting by November 5; Q2: all companies, as published (revised November 6).
Source: company earnings releases and SEC filings (SEC EDGAR), Q3 2026; Arcpath analysis.

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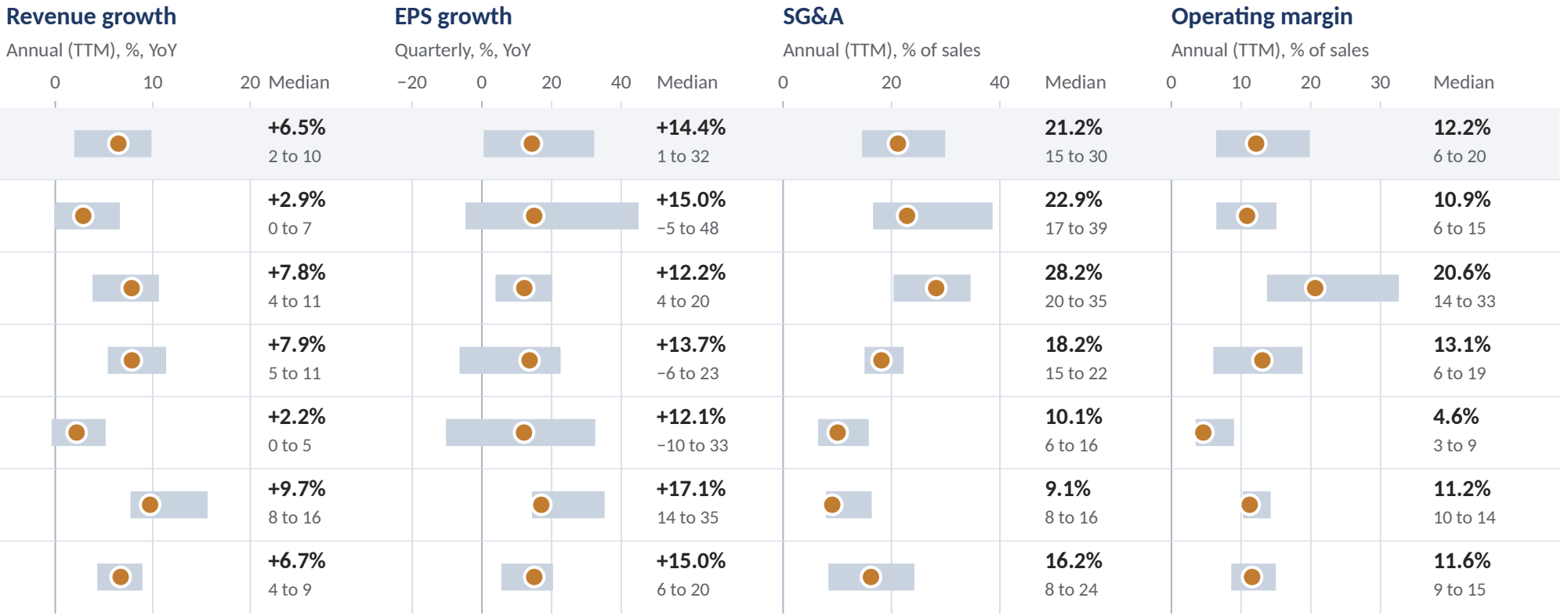
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Aerospace and Defense leads on growth and Life Sciences on margin; Automotive trails

Benchmarks to Q3 2026: the median company and the middle half of companies; the basis is under each measure

Middle half of companies (25th to 75th percentile) ● Median company

Sector averages, weighted by revenue: page 5



	Revenue growth, Annual (TTM), %, YoY: Median	Revenue growth: 2 to 10	EPS growth, Quarterly, %, YoY: Median	EPS growth: 1 to 32	SG&A, Annual (TTM), % of sales: Median	SG&A: 15 to 30	Operating margin, Annual (TTM), % of sales: Median	Operating margin: 6 to 20
All Sectors	**+6.5%**	2 to 10	**+14.4%**	1 to 32	**21.2%**	15 to 30	**12.2%**	6 to 20
Consumer Products	**+2.9%**	0 to 7	**+15.0%**	−5 to 48	**22.9%**	17 to 39	**10.9%**	6 to 15
Life Sciences	**+7.8%**	4 to 11	**+12.2%**	4 to 20	**28.2%**	20 to 35	**20.6%**	14 to 33
Industrial Equipment	**+7.9%**	5 to 11	**+13.7%**	−6 to 23	**18.2%**	15 to 22	**13.1%**	6 to 19
Automotive	**+2.2%**	0 to 5	**+12.1%**	−10 to 33	**10.1%**	6 to 16	**4.6%**	3 to 9
Aerospace and Defense	**+9.7%**	8 to 16	**+17.1%**	14 to 35	**9.1%**	8 to 16	**11.2%**	10 to 14
Chemicals	**+6.7%**	4 to 9	**+15.0%**	6 to 20	**16.2%**	8 to 24	**11.6%**	9 to 15

▲ Life Sciences has the widest margins (20.6% for the median company); Aerospace and Defense the fastest revenue growth (+9.7%) and the highest EPS growth (+17.1%).

▼ Automotive has the thinnest margins (4.6%) and the lowest EPS growth (+12.1%).

Bars are cut at the axis ends.

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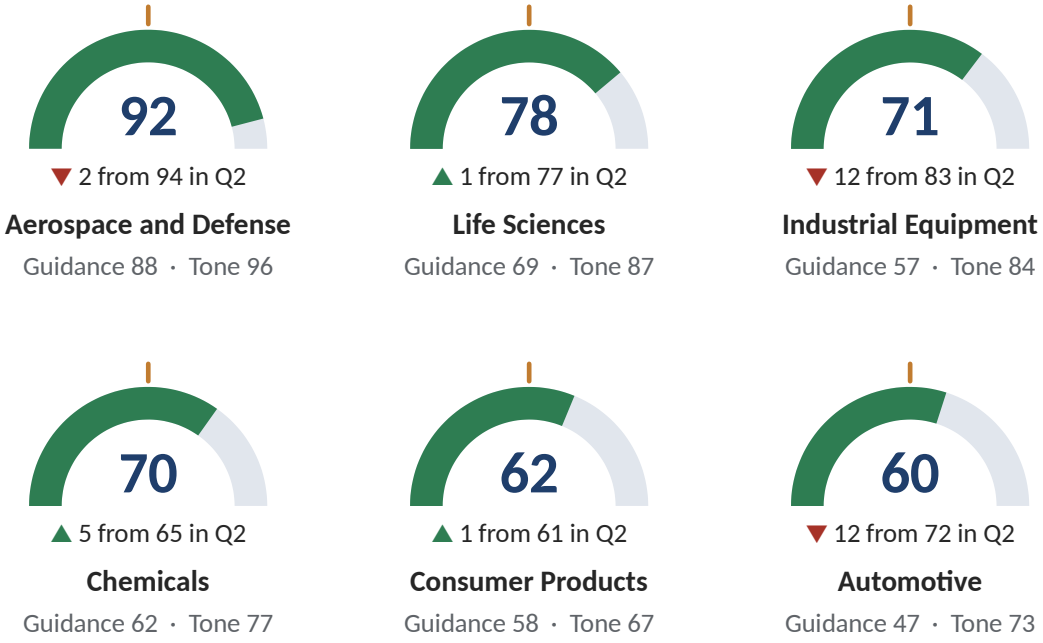
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Sentiment rose in three sectors and fell in three; Aerospace and Defense is highest at 92

Sentiment: the index by sector, and what executives cited in Q3 2026 earnings releases

Sentiment index by sector

Quarterly: Q3 2026 against Q2 2026

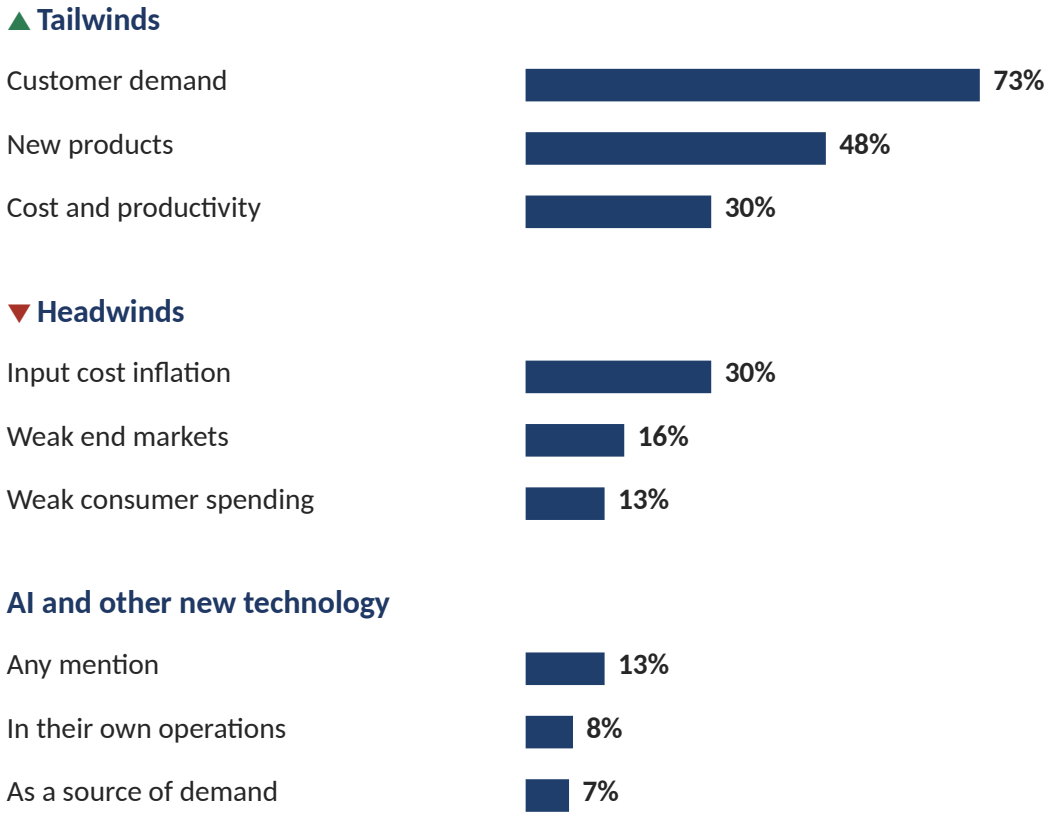


Reading: Above 50 · 50 or below · ▲▼ Change from Q2

How the index is scored: page 12

What executives cited

Share of companies citing each theme in their Q3 release (158 scored)



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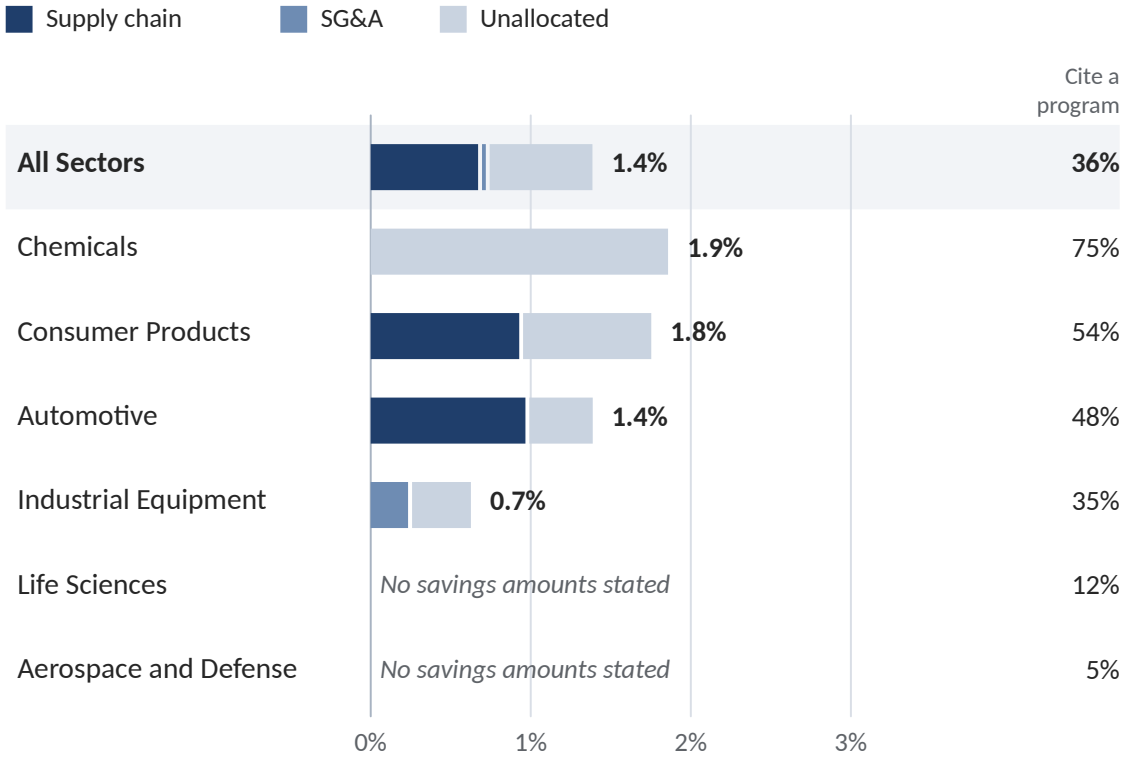
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All Sectors: inventory grew more slowly than revenue; 36% cite a cost program

Operational metrics: announced cost programs, and inventory against revenue; averages weighted by revenue

Cost programs by sector

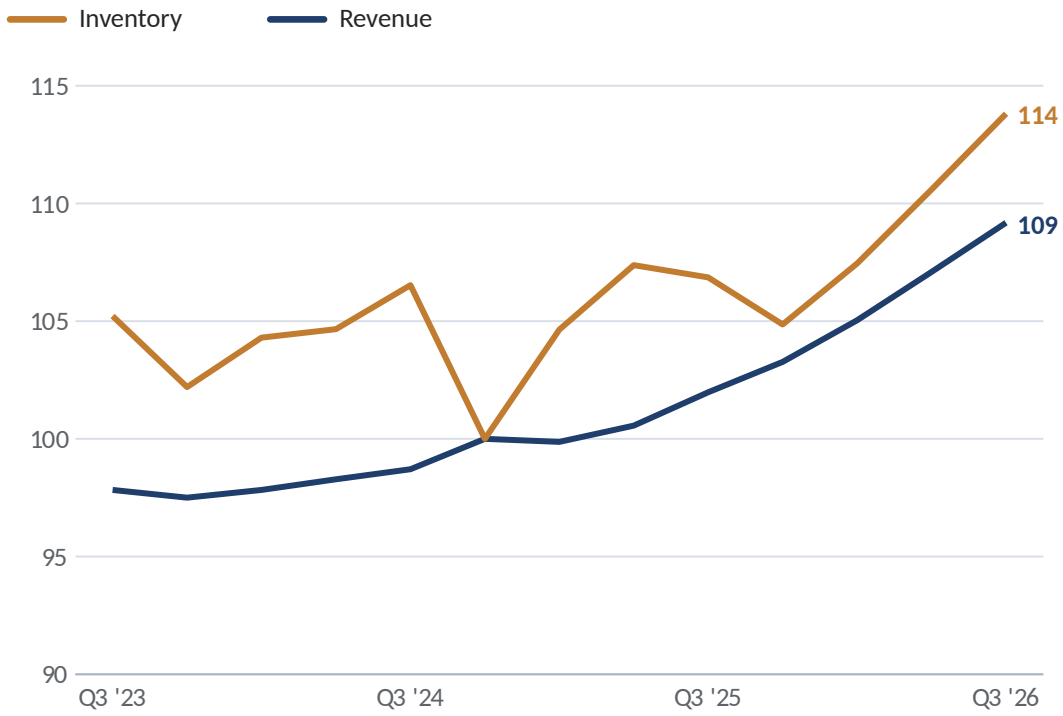
Savings companies state in their releases, % annual net sales



Savings are averages for the companies that state a specific amount.

All Sectors: inventory and revenue

Quarterly: quarter-end inventory; revenue annual (TTM); December 31, 2024 = 100



- Chemicals (75%) and Consumer Products (54%) cite programs most often; companies that state savings average 1.4% annual net sales.
- All Sectors: inventory rose +6.5% YoY against +7.1% for revenue (TTM); inventory grew faster than revenue only in Industrial Equipment.

Q3: 162 of the 207 companies, those reporting by November 5; Q2: all companies, as published (revised November 6).
Source: company earnings releases and SEC filings (SEC EDGAR), Q3 2026; Arcpath analysis.

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Aerospace and Defense leads, then Life Sciences; Automotive and Consumer Products trail

Growth by sector: indices weighted by revenue, last four quarters (TTM), January 1, 2025 = 100; same scale in every chart



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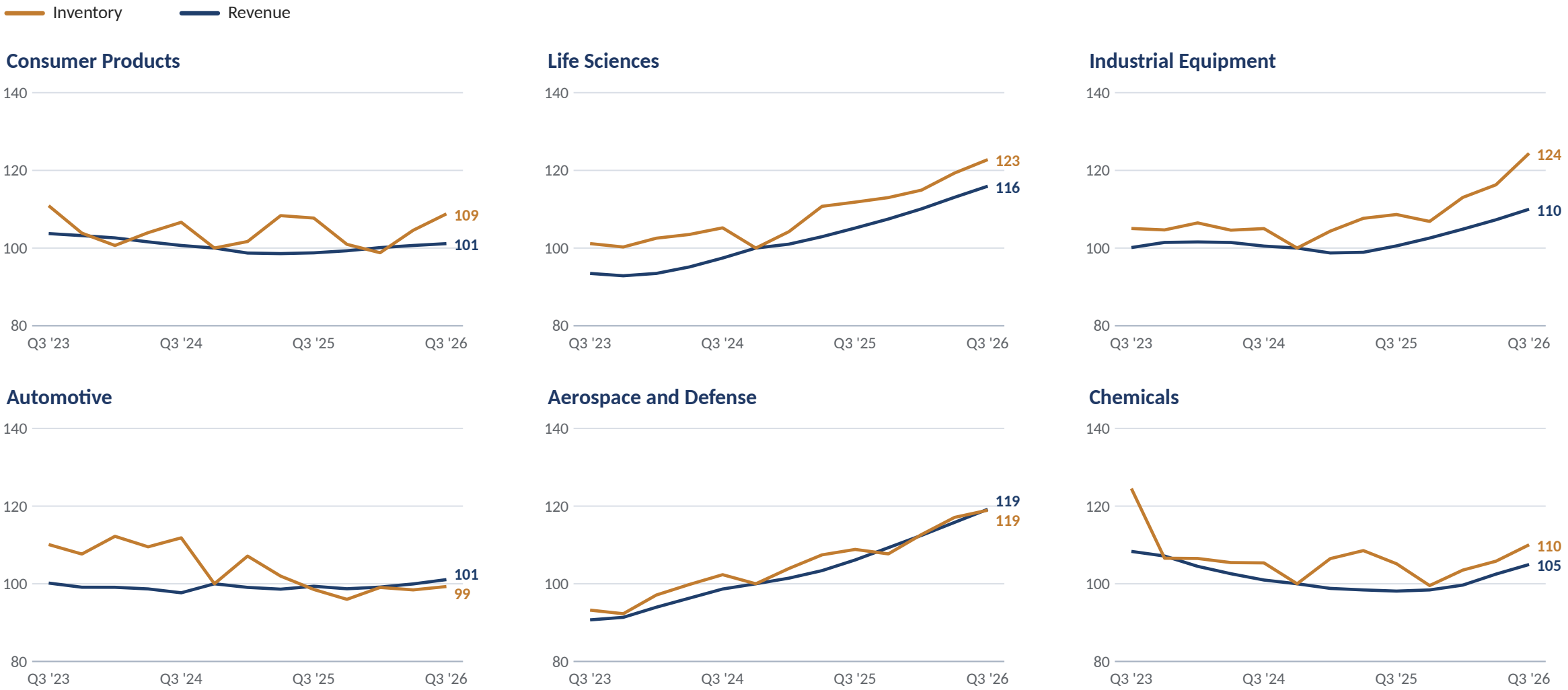
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Inventory is building fastest in Industrial Equipment and Life Sciences

Inventory and revenue (TTM) by sector, weighted by revenue; December 31, 2024 = 100



Q3: 162 of the 207 companies, those reporting by November 5; Q2: all companies, as published (revised November 6).
Source: company earnings releases and SEC filings (SEC EDGAR), Q3 2026; Arcpath analysis.

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Method and sources

Definitions, how the results are calculated, and where the data come from; Arcpath methodology version 1.14

Terms

Quarterly: a quarter's own results.

Annual: the trailing twelve months (TTM: the last four reported quarters), or the full fiscal year for guidance.

YoY (year over year): against the same period a year earlier.

QoQ (quarter over quarter): against the previous quarter; seasonal sectors are also read against the same comparison a year earlier.

Pts: percentage points.

All Sectors: the six sectors combined by revenue. Measures that count companies, such as sentiment, count each company once.

Coverage and sources

207 US public companies in six sectors, grouped by revenue band; data from company earnings releases and SEC filings (SEC EDGAR). Q3 2026 covers fiscal quarters ending August to October 2026.

Q3 results cover the companies that had reported by November 5. Changes from Q2 compare them with Q2 results for all companies, as published in the revised Q2 edition of November 6, except guidance changes and the shares for new products, cost and productivity gains and inflation, which compare the same companies.

Profit excludes tariff refunds and one-time charges for research projects bought from other companies (acquired in-process R&D, mostly at drug makers).

A company is left out of a quarter's operating income and EPS results when its profit base is too small or too volatile to measure: its margin over the prior four quarters was below 2% (for quarterly growth rates, its profit a year earlier was zero or negative), or its margin moved more than 15 percentage points. It stays in all other results.

Sentiment index

Each company gets two scores from 0 to 100, and the index is the average across all companies. 50 is neutral.

	0	25	50	75	100
Guidance	cut		held		raised
CEO and CFO tone example	deteriorating	softening	stable	improving	strong

Tone: what the CEO and CFO say about their own markets, including the economy, in the release. Revenue and profit guidance count half each.

Guidance

Guided annual revenue growth: each company's full-year revenue guidance midpoint against its prior-year revenue, weighted by revenue.

Change: against the same companies' guidance in Q2, like for like, in points; tariff refunds, acquired in-process R&D and stated deal effects removed.

Profit guidance: shown where companies guiding revenue hold under half of a sector's weight.

Raised and lowered: share of companies giving guidance; lowered includes withdrawn.

Themes

Share of companies citing each tailwind, headwind, or use of AI or other new technology in their release; a company can cite several. Earnings calls are not covered.

Growth and profit

Indices: the last four quarters, January 1, 2025 = 100; each company weighted by its share of sector revenue, capped at 10%.

Profit: each company's adjusted operating income and EPS (excluding one-time items).

Benchmarks and costs

Benchmarks: operating margin is GAAP operating income before restructuring and impairment charges. Revenue growth, SG&A and operating margin use the trailing twelve months (TTM: the last four reported quarters); EPS growth compares the latest quarter with the same quarter a year earlier. Page 7 shows the median company and the middle half of companies (25th to 75th percentile), each company counting once; the sector averages for growth and margin on page 5 are weighted by revenue.

Cost programs: savings stated in releases, % annual net sales; share of companies citing a program in Q2 or Q3.

Source: company earnings releases and SEC filings (SEC EDGAR), Q3 2026; Arcpath analysis.

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About Arcpath Consulting

Business transformation, from board-level strategy through implementation

Arcpath is a business transformation consulting firm built for a market that traditional consulting models no longer serve well. Senior practitioners who have run transformations, rather than only advised on them, bring deep analytical rigor and structured, repeatable methods.

Client engagement is made faster and more consistent by an AI platform that uses benchmarks, models and proven templates from one engagement to the next. The outcome is strategy through execution in a single disciplined process, at a fraction of the traditional timeline.

Areas of focus

- Strategic planning
- Commercial and revenue management
- Operations and supply chain
- Overhead and G&A
- Finance
- HR
- Information technology

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THE TRANSFORMATION JOURNEY



PHASE 1

Strategic Intent & Baseline Performance

A fact-based baseline with executive- and board-agreed transformation targets

PHASE 2

Solution Design & Prioritization

Board-approved solutions and a sequenced initiative plan with a fully quantified business case

PHASE 3

Implementation Planning & Monitoring

Results delivered with real-time performance visibility and sustained benefit capture

Leadership

Dave Sievers, Founder and CEO

Dave has spent more than thirty years leading large-scale transformations. A former partner at Deloitte Consulting, he founded Archstone Consulting and grew it into a nationally recognized strategy and operations firm before its acquisition by The Hackett Group, where he led one of the industry's foremost strategy and business transformation practices. He holds an MBA from Columbia University and a degree in mechanical engineering from Lehigh University.

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- Strategic Planning & Management: Art… or Science?
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