

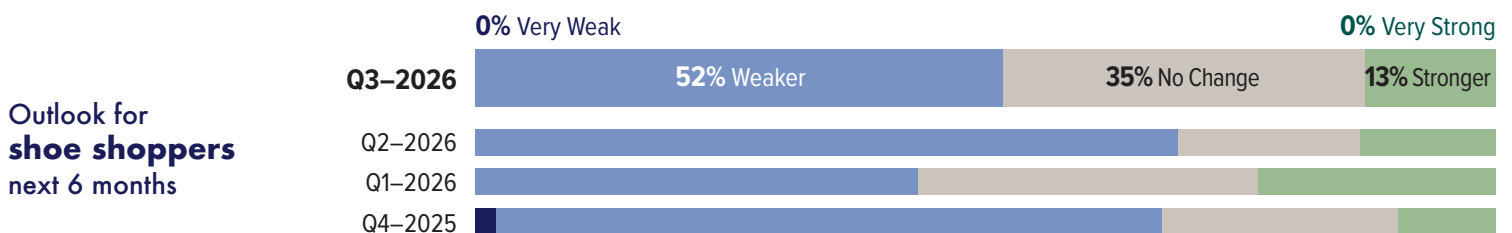
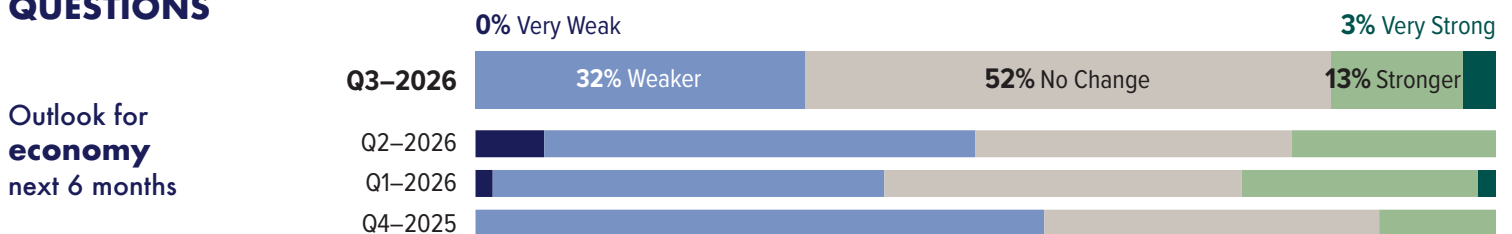
Shoe Executive Business Outlook Survey | Q3 2026

OBSERVATIONS

The latest Quarterly Executive Sentiment Survey points to a mixed view on the market, with respondents generally upbeat on sales prospects as 2027 nears but increasingly cautious across a range of worrisome issues.

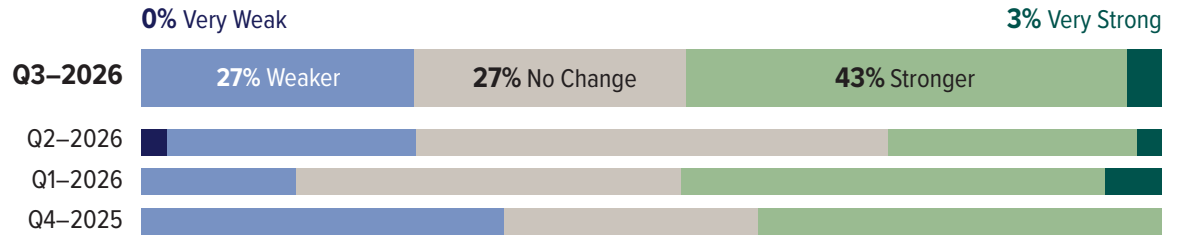
- **The ‘meh’ economy:** Over half of survey respondents see no change in the economy over the next 6 months, the 2nd-highest share on record.
- **More ‘meh’:** Over 1 in 3 see no change in the outlook for shoe shoppers over the next 6 months, the most in 8 quarters.
- **Mr. Creosote?:** More than 4 in 9 report inventories growing from 6 months ago, a 14-quarter high.
- **Responding to the shopper:** A record 57% don’t expect to change inventories over the next half year, mirroring many who see little change in the outlook for shoe shoppers.
- **A hint at more hiring:** The share looking to boost hiring at their companies over the next 6 months rose to its highest in over 4 years.
- **Workers aplenty:** Over 2 in 3 say they’re not having difficulty finding workers to hire, a share that’s remained elevated for 2 years.
- **More went to OpEx:** Nearly 3 in 4 saw operating costs rise from 6 months ago, a 15-quarter high.
- **More where that came from:** Over 63% expect operating costs to rise over the next half year, the highest in 17 quarters.
- **In summary:** Despite lukewarm views on the economy and the shoe shopper, respondents are taking comfort in prospects for increased sales and only modest retail price gains as last year’s initial tariff impact exits the supply chain.
- **And more will go to CapEx:** Similarly, those expecting to see their capital expenditures rise over the next 6 months climbed to a 9-quarter high.
- **The pig in the python:** Since steep tariffs were enacted early last year, the share seeing 6-month price jumps of 6–10% has *fallen* for 5 straight quarters, while the share seeing 1–5% increases has *risen* for 5 straight quarters.
- **Digesting the pig:** 3 in 5 peg their company’s retail prices as unchanged over the next half a year, the highest share in 10 quarters.
- **Tariff impact fades:** Those seeing their retail prices strong/very strong over the next half year shrank for the 4th straight quarter to an 8-quarter low.
- **Here comes the sun:** 3 in 5 respondents see their sales increasing over the next 6 months, the highest share in 17 quarters.
- **Planning for a brighter tomorrow:** 2 in 3 look for increased planned comp sales over both the next 6 & 12 months, the highest in more than 2 years.
- **Pantophobia?:** A record 4+ in 10 listed “all of the above” as their biggest issue over the next 6 months, far exceeding any single issue.

QUESTIONS

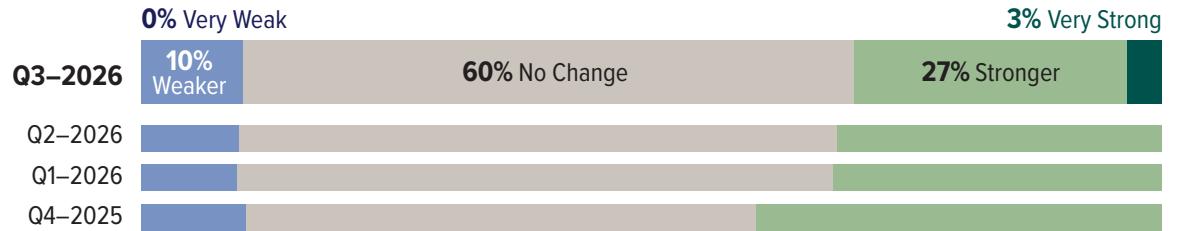


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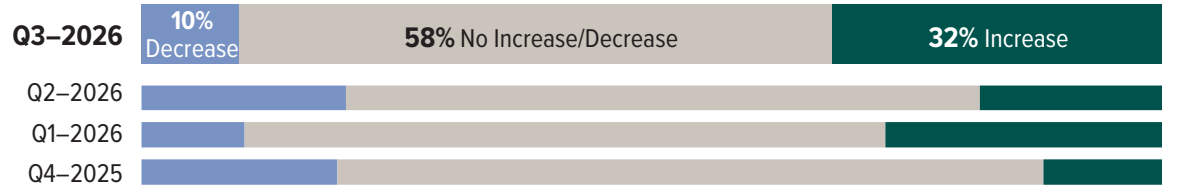
Company health over next 6 months



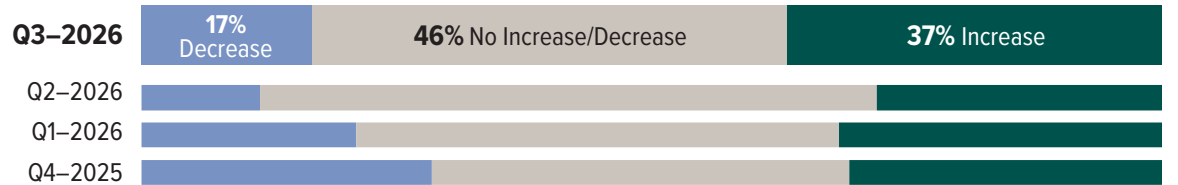
Retail prices over next 6 months



Hiring outlook next 6 months



Capital expenditure outlook over next 6 months



Operating costs vs. 6 months ago



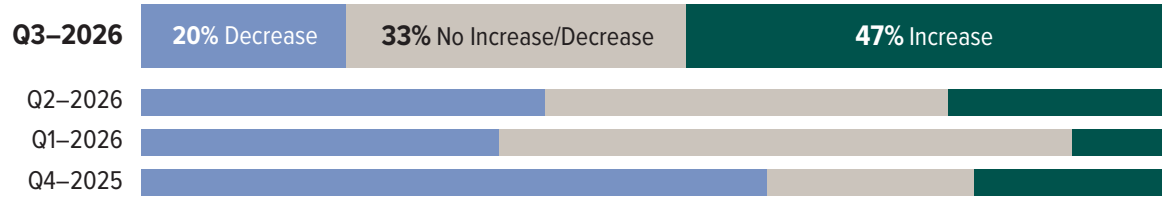
Operating costs over next 6 months



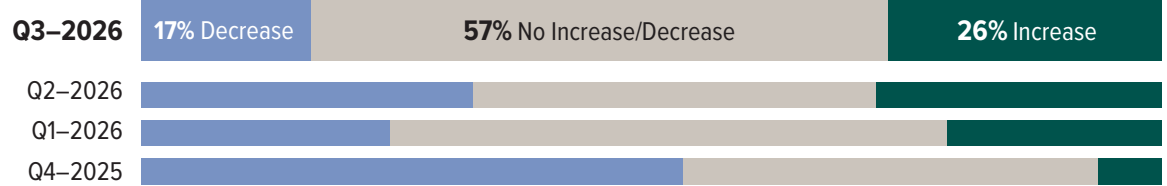
Landed cost over next 6 months



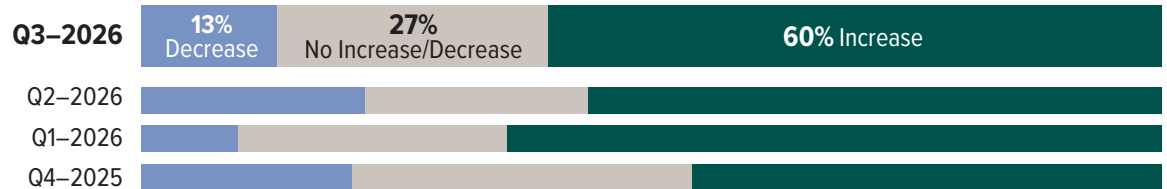
Inventories vs. 6 months ago



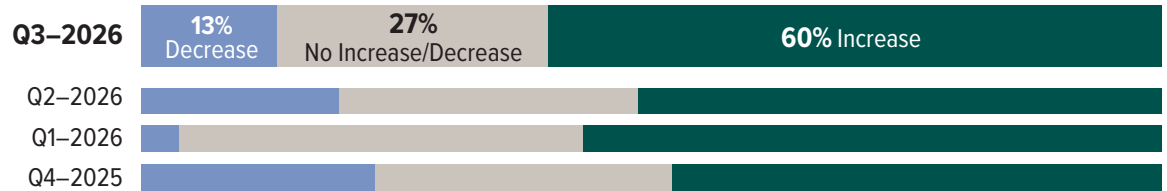
Inventories over next 6 months



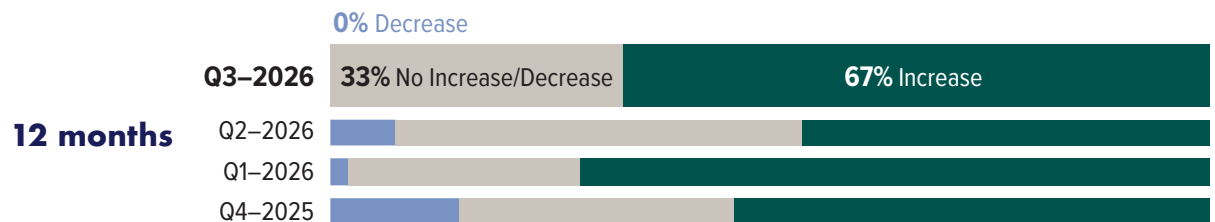
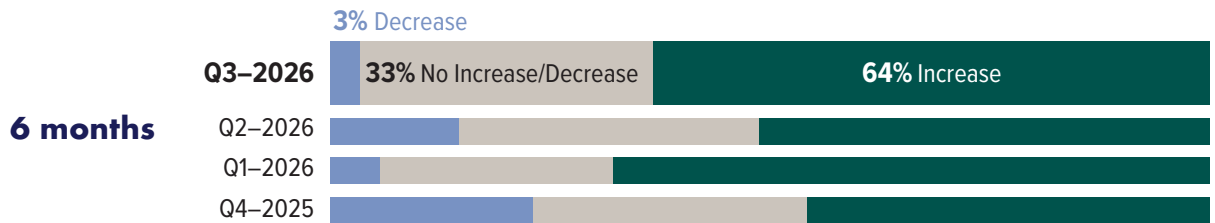
Company sales vs. 6 months ago



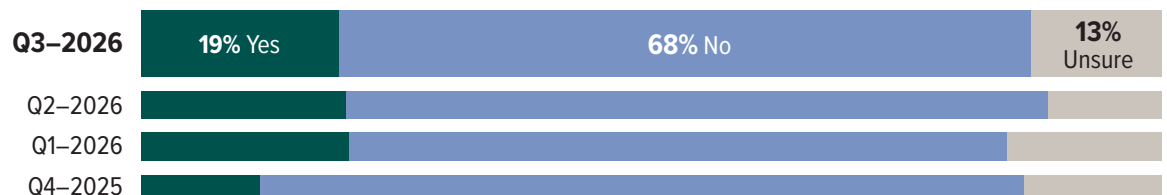
Company sales over next 6 months



What are your expectations for planned comp sales over the next...

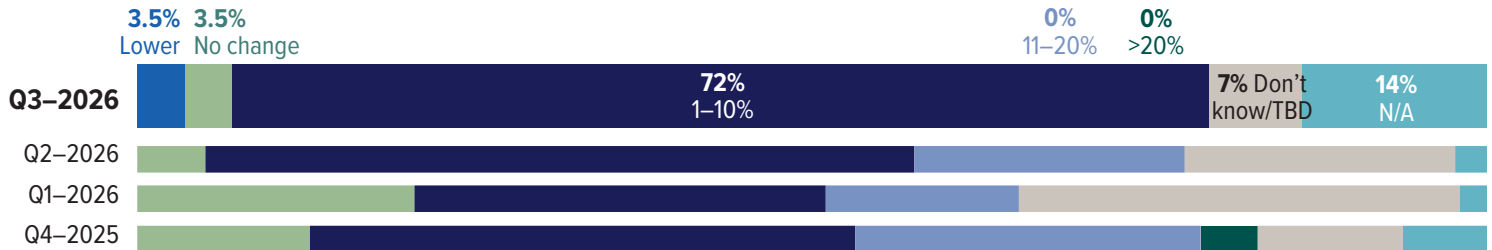


Difficult to find workers to hire?

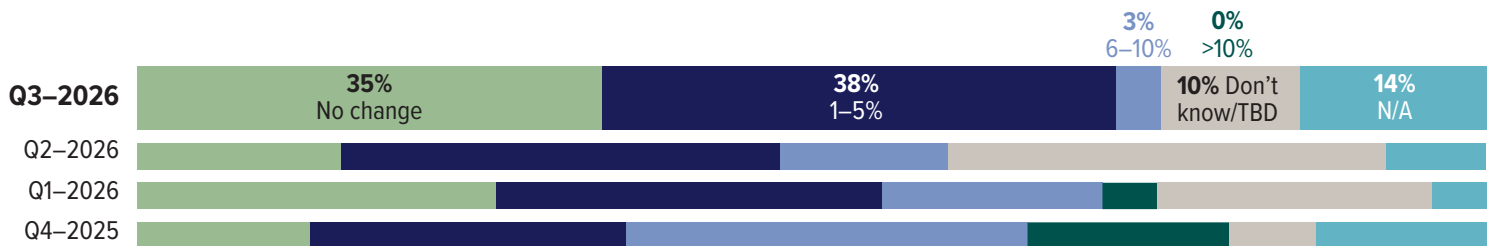


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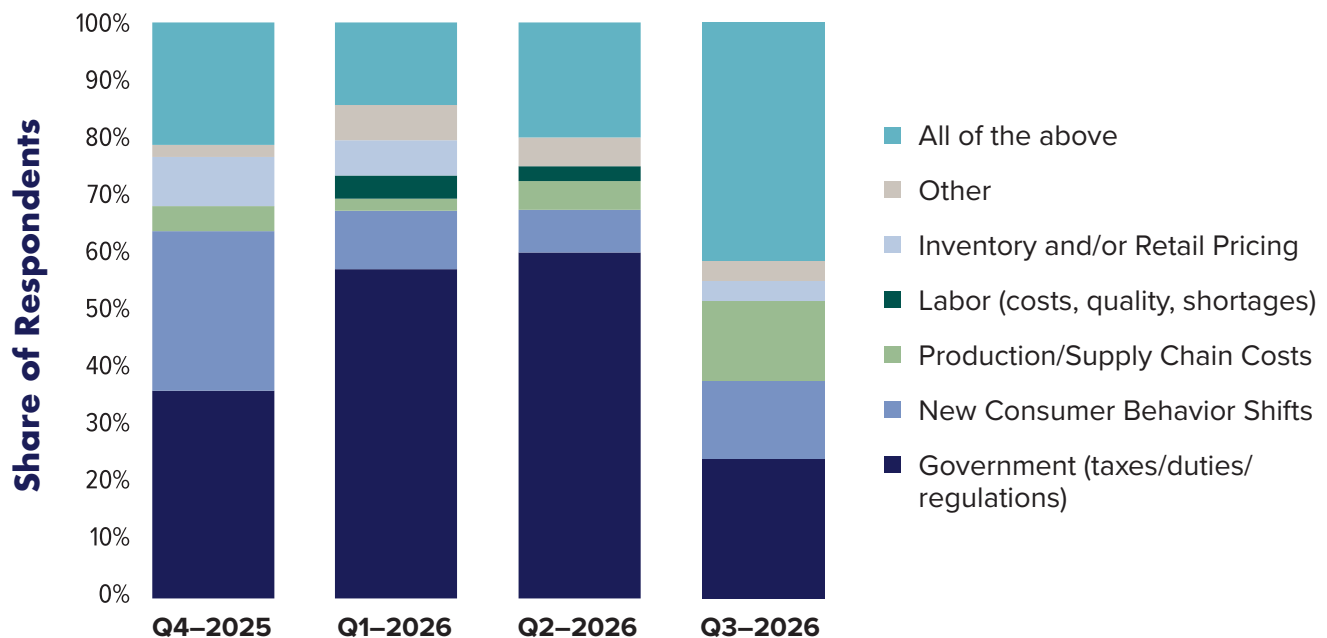
In anticipation of higher tariffs on footwear, how much do you expect your **average landed cost** will rise over the next year?



In anticipation of higher tariffs on footwear, how much do you expect your **average retail price** will rise over the next year?



YOUR COMPANY'S BIGGEST ISSUE OVER THE NEXT 6 MONTHS



What are your expectations for the industry over the next year?

POSITIVE

- I am hopeful that the industry is stronger over the next 12 months.
- I think (wishful thinking....?) we will see lowered supply chain costs, both in freight and tariff arena. I also expect that some of the tariff refunds will provide a gentle boost to the economy in the next year, supporting an overall positive effect on the industry.
- See the market slowly getting stronger, especially if we see a change at mid-terms. Country wants stability...
- Demand will be higher for the upscale brands and price points.
- Short term – stabilize
- Long term – heat up
- Flat to slightly Up, depending on continued geopolitical events and tariffs, US midterms, and general US stability.

NEUTRAL

- Maintain business in light of economic uncertainty with more promotional pricing.
- Uncertain
- Weaker
- Uncertain. Will be largely influenced by tariff policy and the administration's ability to curb inflation and improve consumer sentiment.
- Stay focused and execute.
- I expect US-made products to gain momentum as imported goods face increasing quality challenges driven by consumers who demand low prices.
- It will be a battle.
- I expect flat to small gains in YOY sales. Margins should come in a slight bit higher. Hiring is still biggest pain point.
- More of the same!
- Fashion footwear strength and athletic weakness
- Challenging

NEGATIVE

- It's highly sensitive to the macro trend. If all else is equal, the industry will continue to grow.
- Weak economy
- Sales volume is going down and development leadtimes are taking much longer as there is very little sense of urgency and have seen customers delay or cancel projects. My company makes plant-based polyurethanes and there has been a major decrease in demand for sustainable materials in the US. Customers are extremely risk adverse and playing it safe with materials, and have very little willingness to try something new. Also getting lots of pressure to reduce costs, even without any incentive from customers like higher volumes. Brands are paying a lot more for shipping and tariffs so they are looking at suppliers to reduce their prices. That being said, business in other markets outside of the US is growing and we are seeing a lot of demand from UK, EU, Canadian and Australian customers. Due to uncertainty in the US, this is where we will look to grow our business over the next 2 years.
- Flat to low single digit growth highly dependent on Oil prices
- Acquisition costs to continue to increase. Inventory levels become that much more important. If consumer spending wanes look for slower imports.
- Difficult
- Very difficult year
- Continued chaos
- Continued lack of certainty over trade policies will make planning difficult.
- Increased Health Care costs will become a material problem
- Settling down of factory base after tariff
- Nightmare
- Another tough year