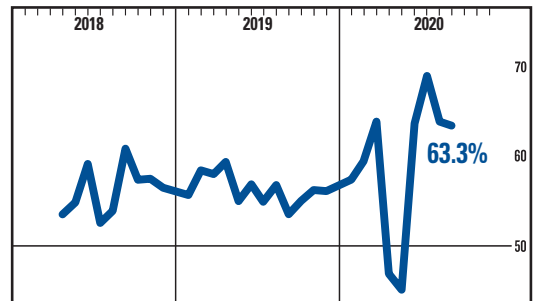


HOSPITAL PMI™ at 63.3%

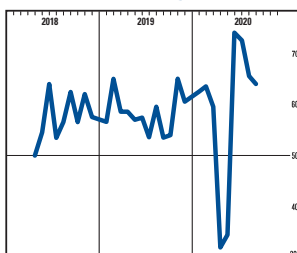
Economic activity in the hospital subsector grew in September for the fourth consecutive month, say the nation's hospital supply executives in the latest Hospital ISM® Report On Business®.

The Hospital PMI™ registered 63.3 percent, down 0.5 percentage point from the August reading of 63.8 percent. This was the fourth month of growth following two months of contraction. The Business Activity Index grew at a slower rate, and the New Orders Index increased by 5 percentage points in September. Committee panelists' comments indicated that growth was being driven by an increase in elective procedures and reduced impact of the coronavirus (COVID-19) pandemic. The Employment Index increased slightly in September compared to August. The Case Mix Index decreased to 51.5 percent, down 3 percentage points compared to the August reading of 54.5. The Days Payable Outstanding Index decreased to 54 percent, down 1 percentage point from the August reading of 55 percent. The Technology Spend Index registered 59.5 percent, an increase of 6.5 percentage points from the August reading of 53 percent.

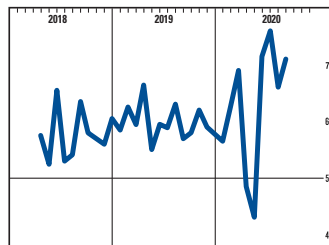


In general, Survey Committee members were cautiously optimistic, thanks to an overall ability to manage COVID-19 spikes without impeding slow growth in elective procedures. Some panelists expressed concerns and cited negative impacts from the wildfires on the West Coast. Although many comments focused on the ongoing challenge to acquire personal protective equipment (PPE), especially at reasonable prices, there were some indicators that the shortage is easing. One panelist wrote, 'PPE is beginning to become more available for us to purchase more easily through our direct suppliers.' For the first time since February, the Inventory Sentiment Index indicated inventories were too high — also a positive sign.

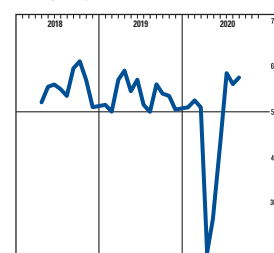
Business Activity



New Orders



Employment



About This Report

The information compiled in this report is for the month of September 2020.

The data presented herein is obtained from a survey of hospital supply executives based on information they have collected within their respective organizations. ISM® makes no representation, other than that stated within this release, regarding the individual company data collection procedures. The data should be compared to all other economic data sources when used in decision-making.

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