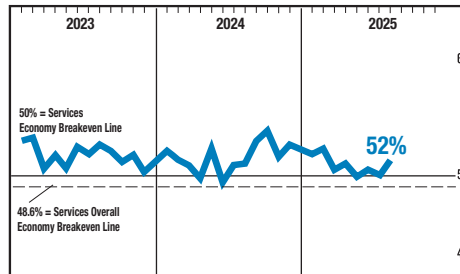


SERVICES PMI® at 52%

In August, the Services PMI® registered 52 percent, a 1.9-percentage point increase compared to the July reading of 50.1 percent. A reading above 50 percent indicates the services sector economy is generally expanding; below 50 percent indicates it is generally contracting. A Services PMI® above 48.6 percent, over time, generally indicates an expansion of the overall economy. Therefore, the August Services PMI® indicates the overall economy is expanding for the 63rd straight month.



Economic activity in the services sector grew in August for the third consecutive month, say the nation's purchasing and supply executives in the latest ISM® Services PMI® Report.

The Services PMI® indicated expansion at 52 percent, above the 50-percent breakeven point for the 13th time in the last 14 months. The Business Activity Index remained in expansion in August, registering 55 percent, 2.4 percentage points higher than the reading of 52.6 percent recorded in July. This index has not been in contraction territory since May 2020. The New Orders Index also remained in expansion in August, with a reading of 56 percent, up 5.7 percent from July's figure of 50.3 percent. The Employment Index was in contraction territory for the third month in a row and the fifth time in the last six months; the reading of 46.5 percent is 0.1 percentage point higher than the 46.4 percent recorded in July. The Inventories Index was in expansion territory in August for its third month in a row, registering 53.2 percent, an increase of 1.4 percentage points from July's figure of 51.8 percent.

The 12 services industries reporting growth in August — listed in order — are: Information; Wholesale Trade; Arts, Entertainment & Recreation; Mining; Transportation & Warehousing; Educational Services; Professional, Scientific & Technical Services; Retail Trade; Utilities; Health Care & Social Assistance; Public Administration; and Real Estate, Rental & Leasing. **ISM**

• **Other Services** (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services and Dating Services).

Services at a Glance

INDEX	Aug Index	Jul Index	% Point Change	Direction	Rate of Change	Trend* (months)
Services PMI®	52.0	50.1	+1.9	Growing	Faster	3
Business Activity	55.0	52.6	+2.4	Growing	Faster	3
New Orders	56.0	50.3	+5.7	Growing	Faster	3
Employment	46.5	46.4	+0.1	Contracting	Slower	3
Supplier Deliveries	50.3	51.0	-0.7	Slowing	Slower	9
Inventories	53.2	51.8	+1.4	Growing	Faster	3
Prices	69.2	69.9	-0.7	Increasing	Slower	99
Backlog of Orders	40.4	44.3	-3.9	Contracting	Faster	6
New Export Orders	47.3	47.9	-0.6	Contracting	Faster	2
Imports	54.6	45.9	+8.7	Growing	From Contracting	1
Inventory Sentiment	55.5	53.2	+2.3	Too High	Faster	28
Overall Economy				Growing	Faster	63
Services Sector				Growing	Faster	3

*Number of months moving in current direction. ISM® Services PMI® Report data has been seasonally adjusted for the Business Activity, New Orders, Employment and Prices indexes.



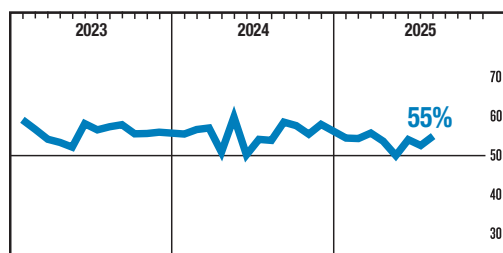
Commodities Reported

Commodities Up in Price: Aluminum (4); Aluminum Products (3); Copper Products; Electrical Components; Equipment; Labor; Maintenance; Office Supplies; Software (2); Software — Licensing (3); Software Maintenance (2); and Steel Products (8).

Commodities Down in Price: Diesel Fuel (6); and Gasoline (6).

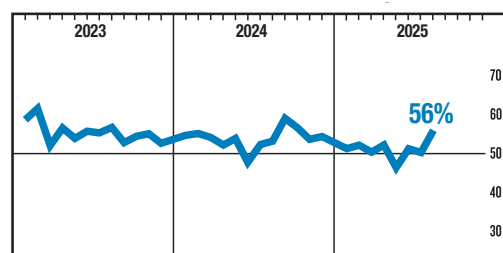
Commodities in Short Supply: Labor — Construction.

Note: To view the full report, visit the ISM® Report On Business® website at ismrob.org
The number of consecutive months the commodity has been listed is indicated after each item.



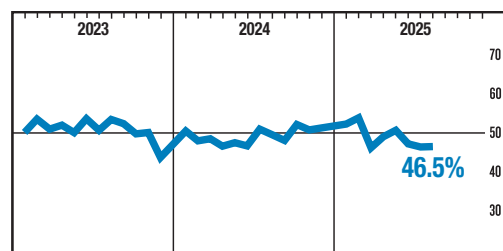
Business Activity

ISM's Business Activity Index remained in expansion territory with a reading of 55 percent. The nine industries reporting an increase in business activity for the month of August — listed in order — are: Mining; Information; Wholesale Trade; Arts, Entertainment & Recreation; Transportation & Warehousing; Health Care & Social Assistance; Professional, Scientific & Technical Services; Retail Trade; and Educational Services.



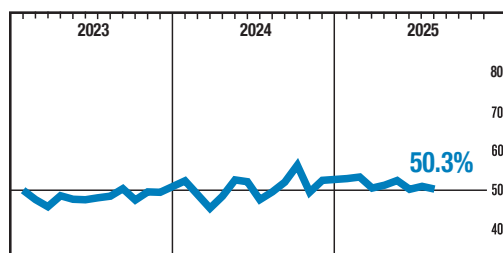
New Orders

ISM's New Orders Index registered 56 percent. The 13 industries reporting an increase in new orders for the month of August — listed in order — are: Wholesale Trade; Educational Services; Arts, Entertainment & Recreation; Information; Transportation & Warehousing; Retail Trade; Utilities; Management of Companies & Support Services; Health Care & Social Assistance; Finance & Insurance; Public Administration; Professional, Scientific & Technical Services; and Real Estate, Rental & Leasing.



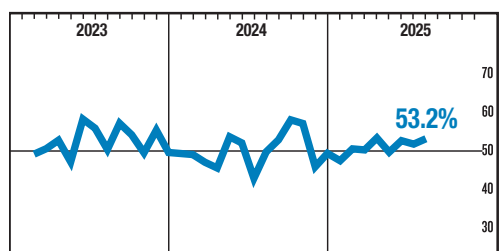
Employment

The Employment Index registered 46.5 percent. The two industries reporting an increase in employment in August are: Real Estate, Rental & Leasing; and Utilities.



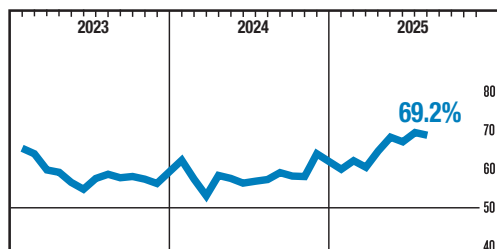
Supplier Deliveries

The Supplier Deliveries Index registered 50.3 percent. The six industries reporting slower deliveries in August — in the following order — are: Educational Services; Management of Companies & Support Services; Public Administration; Information; Wholesale Trade; and Professional, Scientific & Technical Services.



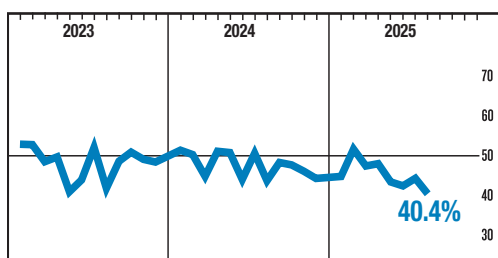
Inventories

The Inventories Index 53.2 percent. The six industries reporting an increase in inventories in August — in the following order — are: Mining; Retail Trade; Wholesale Trade; Management of Companies & Support Services; Construction; and Information.



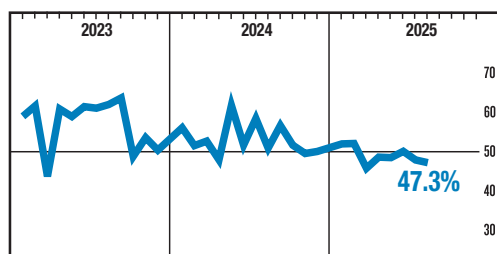
Prices

The Prices Index registered 69.2 percent. Sixteen of the 18 services industries reported an increase in prices paid during the month of August, in the following order: Mining; Accommodation & Food Services; Information; Wholesale Trade; Public Administration; Health Care & Social Assistance; Educational Services; Real Estate, Rental & Leasing; Management of Companies & Support Services; Professional, Scientific & Technical Services; Finance & Insurance; Other Services[†]; Retail Trade; Construction; Utilities; and Transportation & Warehousing.



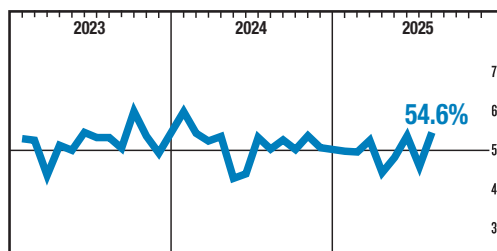
Backlog of Orders

The ISM Services Backlog of Orders Index registered 40.4 percent. The three industries reporting an increase in order backlogs in August are: Educational Services; Information; and Professional, Scientific & Technical Services.



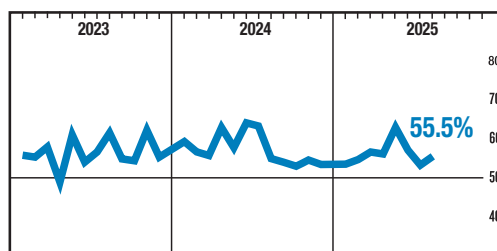
New Export Orders

The New Export Orders Index registered 47.3 percent. The three industries reporting an increase in new export orders in August are: Other Services[†]; Information; and Wholesale Trade.



Imports

The Imports Index registered 54.6 percent. The eight industries reporting an increase in imports for the month of August — in the following order — are: Mining; Management of Companies & Support Services; Information; Retail Trade; Utilities; Health Care & Social Assistance; Wholesale Trade; and Professional, Scientific & Technical Services.



Inventory Sentiment

The ISM Services Inventory Sentiment Index registered 55.5 percent. The nine industries reporting sentiment that their inventories were too high in August — listed in order — are: Retail Trade; Wholesale Trade; Information; Utilities; Construction; Public Administration; Management of Companies & Support Services; Health Care & Social Assistance; and Educational Services.

[†]Other Services (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services and Dating Services).

About This Report

DO NOT CONFUSE THIS NATIONAL REPORT with the various regional purchasing reports released across the country. The national report's information reflects the entire U.S., while the regional reports contain primarily regional data from their local vicinities. Also, the information in the regional reports is not used in calculating the results of the national report.

The data presented herein is obtained from a survey of manufacturing and services 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.

Data and Method of Presentation

The **ISM® Manufacturing PMI® Report** is based on data compiled from purchasing and supply executives nationwide. The composition of the Manufacturing Business Survey Panel is stratified according to the North American Industry Classification System (NAICS) and each of the following NAICS-based industries' contribution to gross domestic product (GDP): Food, Beverage & Tobacco Products; Textile Mills; Apparel, Leather & Allied Products; Wood Products; Paper Products; Printing & Related Support Activities; Petroleum & Coal Products; Chemical Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Primary Metals; Fabricated Metal Products; Machinery; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Furniture & Related Products; and Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies). The data are weighted based on each industry's contribution to GDP. According to U.S. Bureau of Economic Analysis (BEA) estimates (the average of the fourth quarter 2023 GDP estimate and the GDP estimates for first, second, and third quarter 2024, as released on December 19, 2024), the six largest manufacturing industries are: Chemical Products; Transportation Equipment; Computer & Electronic Products; Food, Beverage & Tobacco Products; Machinery; and Petroleum & Coal Products.

The **ISM® Services PMI® Report** (formerly the Non-Manufacturing ISM® *Report On Business*®) is based on data compiled from purchasing and supply executives nationwide. Membership of the Services Business Survey Panel (formerly Non-Manufacturing Business Survey Panel) is diversified by North American Industry Classification System (NAICS), based on each industry's contribution to gross domestic product (GDP). The Services Business Survey Panel responses are divided into the following NAICS code categories: Agriculture, Forestry, Fishing & Hunting; Mining; Utilities; Construction; Wholesale Trade; Retail Trade; Transportation & Warehousing; Information; Finance & Insurance; Real Estate, Rental & Leasing; Professional, Scientific & Technical Services; Management of Companies & Support Services; Educational Services; Health Care & Social Assistance; Arts, Entertainment & Recreation; Accommodation & Food Services; Public Administration; and Other Services (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services, and Dating Services). The data are weighted based on each industry's contribution to GDP. According to U.S. Bureau of Economic Analysis (BEA) estimates (the average of the fourth quarter 2023 GDP estimate and the GDP estimates for first, second, and third quarter 2024, as released on December 19, 2024), the six largest services sectors are: Real Estate, Rental & Leasing; Public Administration; Professional, Scientific, & Technical Services; Health Care & Social Assistance; Information; and Finance & Insurance.

Survey responses reflect the change, if any, in the current month compared to the previous month. Responses are raw data and are never changed. The diffusion index includes the percent of positive responses plus one-half of those responding the same (considered positive).

The resulting single index number for those meeting the criteria for seasonal adjustments (for Manufacturing: New Orders, Production, Employment, and Inventories) (for Services: Business Activity, New Orders, Employment and Prices) is then seasonally adjusted to allow for the effects of repetitive intra-year variations resulting primarily from normal differences in weather conditions, various institutional arrangements, and differences attributable to non-moveable holidays. The remaining indexes have not indicated significant seasonality. All seasonal adjustment factors are subject annually to relatively minor changes when conditions warrant them.

The Manufacturing PMI® is a composite index based on the diffusion indexes of five of the indexes with equal weights: New Orders (seasonally adjusted), Production (seasonally adjusted), Employment (seasonally adjusted), Supplier Deliveries, and Inventories (seasonally adjusted). The Services PMI® is a composite index based on the diffusion indexes for four of the indicators with equal weights: Business Activity (seasonally adjusted), New Orders (seasonally adjusted), Employment (seasonally adjusted) and Supplier Deliveries.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change and the scope of change.

A Manufacturing PMI® reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining. A Manufacturing PMI® above 42.3 percent, over a period of time, indicates that the overall economy, or gross

domestic product (GDP), is generally expanding; below 42.3 percent, it is generally declining. The distance from 50 percent or 42.3 percent is indicative of the extent of the expansion or decline. A Services PMI® reading above 50 percent indicates that the services economy is generally expanding; below 50 percent indicates that it is generally declining. A Services PMI® above 48.6 percent, over time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 48.6 percent, it is generally declining. The distance from 50 percent or 48.6 percent is indicative of the strength of the expansion or decline. With some of the indicators within the ISM® Manufacturing PMI® Report, ISM® has indicated the departure point between expansion and decline of comparable government series, as determined by regression analysis.

The ISM® PMI® Report surveys are sent out to Manufacturing and Services Business Survey Panel respondents the first part of each month. Respondents are asked to report on information for the current month for U.S. operations only. ISM® receives survey responses throughout most of any given month, with the majority of respondents generally waiting until late in the month to submit responses to give the most accurate picture of current business activity.

The industries reporting growth, as indicated in the monthly reports, are listed in the order of most growth to least growth. For the industries reporting contraction or decreases, those are listed in the order of the highest level of contraction/decrease to the least level of contraction/decrease.

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Institute for Supply Management® (ISM®) is the first and leading not-for-profit professional supply management organization worldwide. Its community of more than 50,000 in more than 100 countries around the world manage about US\$1 trillion in corporate and government supply chain procurement annually. Founded in 1915 by practitioners, ISM is committed to advancing the strategy and practice of integrated, end-to-end supply chain management through leading edge data-driven resources, community, and education to empower individuals, create organizational value and to drive competitive advantage. ISM's vision is to foster a prosperous, sustainable world. ISM empowers and leads the profession through the ISM® PMI® Reports (formerly *Report On Business*®), its highly-regarded certification and training programs, corporate services, events and assessments. The ISM® PMI® Reports — Manufacturing, Services, and Hospital — are three of the most reliable economic indicators available, providing guidance to supply management professionals, economists, analysts, and government and business leaders. For more information, please visit: www.ismworld.org.