

## **Tariff-exposed industries with energy pressures showed clearest profitability strain**

*New Abrigo data helps lenders assess credit risk, liquidity, and resilience*

**RALEIGH, N.C.—October 28, 2026—** Abrigo, a leading provider of risk management and lending software for U.S. financial institutions, today released research showing that tariff-exposed industries with significant fuel, freight, and industrial-energy requirements experienced the clearest pressure on profitability following tariff actions in 2025, even when sales trends remained resilient.

The study, based on private-company financial statements in [Abrigo Connect](#), examined 17 selected industries with tariff exposure, comparing a 2024 pre-tariff baseline with 2025 results. The analysis found that in several industries, median sales-growth rates improved while median gross profit margins declined, suggesting cost pressures may have absorbed gains that otherwise would have supported profitability.

Across all 17 selected industries, 12 recorded higher median 2025 sales-growth rates than in 2024, and 12 maintained or improved median gross profit margins. But the results varied meaningfully by industry profile. The four industries with the greatest combined exposure to tariffs and energy-related costs recorded a median 3.1-percentage-point improvement in sales-growth rates alongside a 166.3-basis-point decline in gross margins, the sharpest cohort-level divergence in the study. Primary metal manufacturing recorded the sharpest margin contraction, down 583.1 basis points, even as its sales-growth rate improved 6.7 percentage points. Truck transportation showed a similar pattern, with sales growth up 3.0 percentage points and margins down 332.7 basis points.

“Small businesses typically have less margin to absorb the impact that tariffs may have on their input costs,” said Rob Newberry, an Abrigo Senior Consultant. “That can create larger year-over-year swings in financial performance, and some may require additional funding until businesses can pass those increases on to customers.”

Abrigo said the findings can help lenders evaluate borrower performance against industry peers, particularly in industries where revenue may appear stable even as cost pressure weakens liquidity and debt-service capacity. The research identifies industry-level patterns associated with tariff exposure but does not establish that tariffs caused the changes. Supply-chain conditions, labor markets, interest rates, and individual operating decisions also affected performance during the study period.

### **Study groups industries by tariff and energy exposure**

To distinguish tariff-related cost pressure from broader fuel and energy pressures, Abrigo grouped the industries into three cohorts. One cohort included import-reliant industries with relatively lower energy intensity, such as computer and electronic product manufacturing and merchant wholesalers of durable goods. A second cohort included 10 industries with both tariff-sensitive inputs and meaningful energy or transportation costs. Fabricated metals, food manufacturing, construction, and restaurants are examples. A third cohort included industries with tariff exposure plus high fuel, freight, or industrial-energy requirements:

primary metal manufacturing, heavy and civil engineering construction, truck transportation, and warehousing and storage.

The import-reliant, lower-energy-intensity cohort showed the most consistent improvement, with median gross-margin gains of 57.9 basis points and a median 2.5-percentage-point improvement in sales-growth rates. All three industries in that group improved on both measures.

Results were more mixed among industries with both tariff-sensitive inputs and meaningful energy and transportation costs. That cohort posted a median 102.3-basis-point improvement in gross margins and a median 0.5-percentage-point improvement in sales-growth rates, but individual industries varied. Machinery, fabricated metals, and specialty trade contractors improved on both measures. Meanwhile, beverage and tobacco product manufacturing posted the largest margin gain, at 242.5 basis points, but its sales swung from median 2.7% growth in 2024 to a 1.5% decline in 2025.

### **Findings emphasize early engagement with borrowers**

The study's findings come as renewed U.S. tariff actions and energy-price volatility have sharpened lenders' focus on borrower cost pressures. Abrigo makes no prediction about the latest measures but said the research can help financial institutions understand where profitability pressure appeared after the 2025 tariff actions and which borrowers may warrant additional conversations.

Newberry said lenders should not wait for covenant tests to reveal stress. "Lenders should reach out to customers in affected industries and have a conversation related to the impact that tariffs have had," he said. "This builds credibility and helps the lender assess whether credit risk has increased."

Industry benchmarks can provide a starting point for deeper credit conversations. Borrower financials and management discussions remain necessary to determine whether a company is experiencing cost absorption challenges, pricing delays, working-capital pressure, increased borrowing-base usage, or weakening debt-service capacity.

The research draws on Abrigo Connect, the company's banking intelligence solution, which includes nearly 2 million private-company financial statements across 1,400 industries categorized under the North American Industry Classification System and more than 80 financial data points. The study focused on U.S. businesses with less than \$50 million in sales, offering a view into privately held borrowers that may not be reflected in public-company research or survey-based tariff studies.

The analysis compared financial statements across two periods: a 2024 pre-tariff baseline and 2025 results. The companies in each period were not necessarily the same, so the study is cross-sectional and intended to show directional industry patterns rather than borrower-level causation. Sales-growth rate changes may reflect factors such as price, volume, product mix, and changes in the reporting population, while margin changes may reflect cost structure, mix, accounting timing, and operating decisions. The analysis did not



---

identify individual companies' tariff payments, energy bills, sourcing choices, contract terms, or pricing actions.

For more information, see the whitepaper, "[Tariff pressure and private-company performance: Insights for lenders.](#)"

## About Abrigo

Abrigo provides a trusted, AI-powered intelligence platform for U.S. banks and credit unions. Drawing on more than 25 years of banking expertise, Abrigo brings together data, workflows, and software across lending, financial crime and compliance, portfolio risk management, banking intelligence, and customer relationship management. More than 2,400 institutions rely on Abrigo to make informed decisions, drive growth, strengthen customer relationships, manage risk, and serve their communities. Visit [abrigo.com](https://abrigo.com) to learn more.

## Media Contact

Ami Atha

[prforabrigo@bospar.com](mailto:prforabrigo@bospar.com)