

THE KEYSTONE GROUP

ATLANTA • CHICAGO • LOS ANGELES

TARIFF IMPACT SURVEY RESULTS

SEPTEMBER 2025

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Keystone recently conducted a survey across companies, banks, and private equity firms to assess how tariffs are affecting their operations. The findings below highlight key impacts and emerging insights.

01

Purchasing Impact

36% of companies reported that over half of their total purchases are now subject to tariffs.



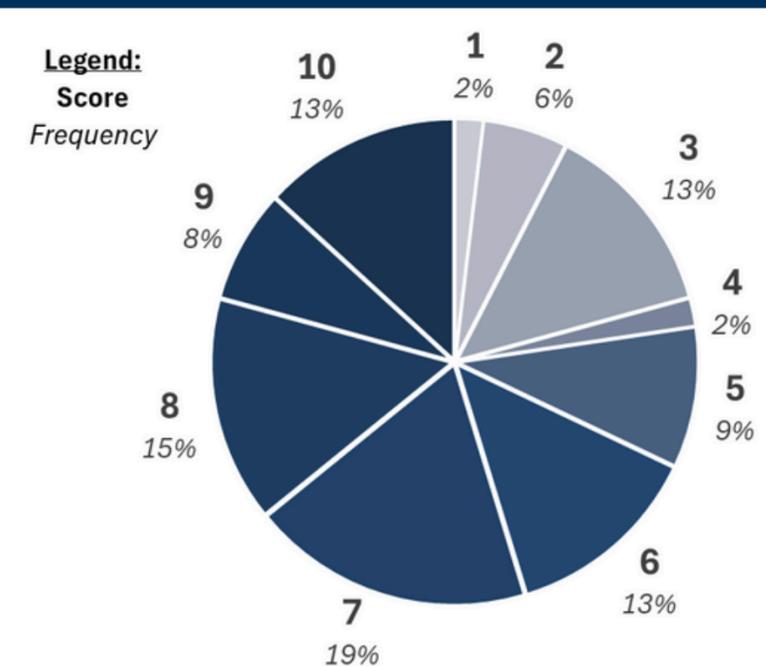
02

Impact Significance



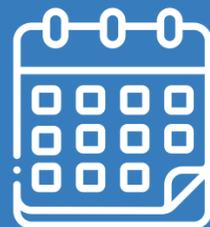
68% of all respondents reported that tariffs have had an operational impact of 6 or higher (on a 1=Not Significant-10=Very Significant scale), with 7 as the most common rating.

Tariff Impact Significance
(1=Not significant, 10=Very significant)



03

Types of Impact



The impacts most frequently reported across responses were:

- Production delays and disruptions (28% of responses)
- Postponed or canceled capital expenditures (22%)

04

Impact Responses



Companies are responding to tariffs with:

- Price changes (29% of responses)
- Sourcing/supply chain changes (24%)
- Modifying inventory strategy (20%)

At the time of the survey, few were implementing layoffs.

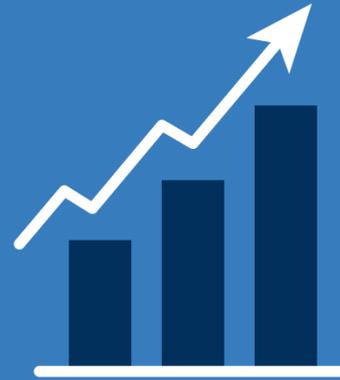
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Increased Exposure

Roughly 80% of company respondents expect a moderate to significant increase in net cost exposure by 2026.



06

Borrowing Distress

Banks indicated that tariffs have led to deterioration for roughly 25% of their portfolios.



07

Deal Pipeline

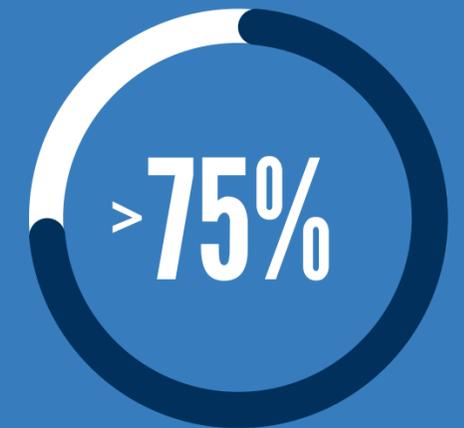
70% of bank respondents said tariffs have impacted their pipeline, forcing them to pass on deals due to tariff exposure.



08

PE Portfolio Exposure

All PE respondents reported their portfolios are exposed to tariff disruptions, with the majority experiencing at least 75% exposure.



ONE COMPANY'S PERSPECTIVE: "WE'RE AGGRESSIVELY MOVING OUR SUPPLY CHAIN TO NEW COUNTRIES AND PASSING THROUGH PRICE INCREASES TO CUSTOMERS"

WHAT DO WE RECOMMEND TO BEST NAVIGATE



Reassess Supply Chains

Evaluate supplier networks, identify tariff risks, and explore nearshoring or reshoring options to strengthen resilience.

Is your supply chain prepared to absorb the shock of tariff changes?



Leverage Tariff Engineering

Review your Harmonized Tariff Schedule (HTS) classifications and identify opportunities to reclassify product/packaging design to reduce tariff exposure.

Could rethinking your classifications lower your overall tariff costs?



Pursue Duty Drawback Programs

Analyze your import/export flows to uncover opportunities for recovering tariffs on exported goods which may unlock significant cash flow improvements.

Are you fully capitalizing on programs that return tariffs back to your business?



Optimize Inventory Management

Model strategies to build inventory ahead of increases and shift mix toward higher-margin products to preserve profitability.

Is your inventory strategy protecting margins in today's environment?



Negotiate with Suppliers and Customers

Strengthen your position in supplier and customer negotiations using analytics and cost insights, helping offset tariff-driven cost increases.

Do you have the right data to negotiate favorable terms?

REACH OUT TO KEYSTONE TO DISCUSS HOW WE CAN HELP

CONTACT US

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