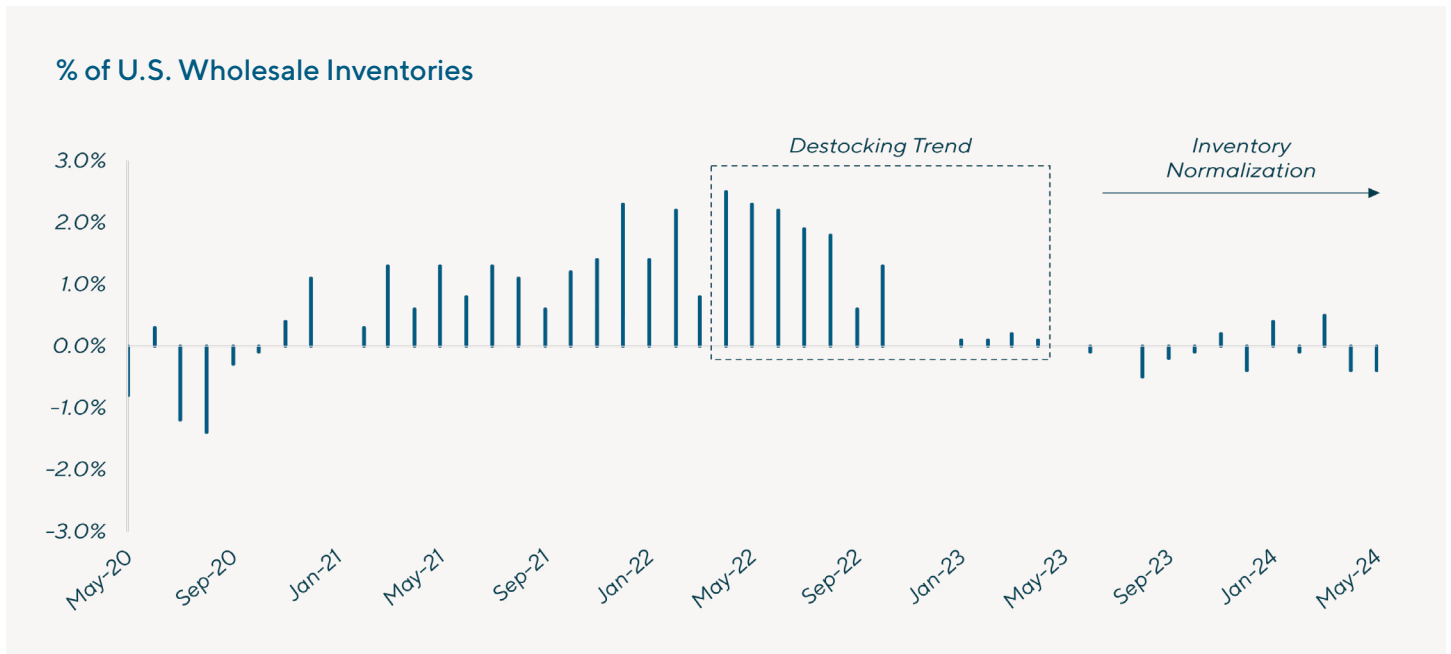




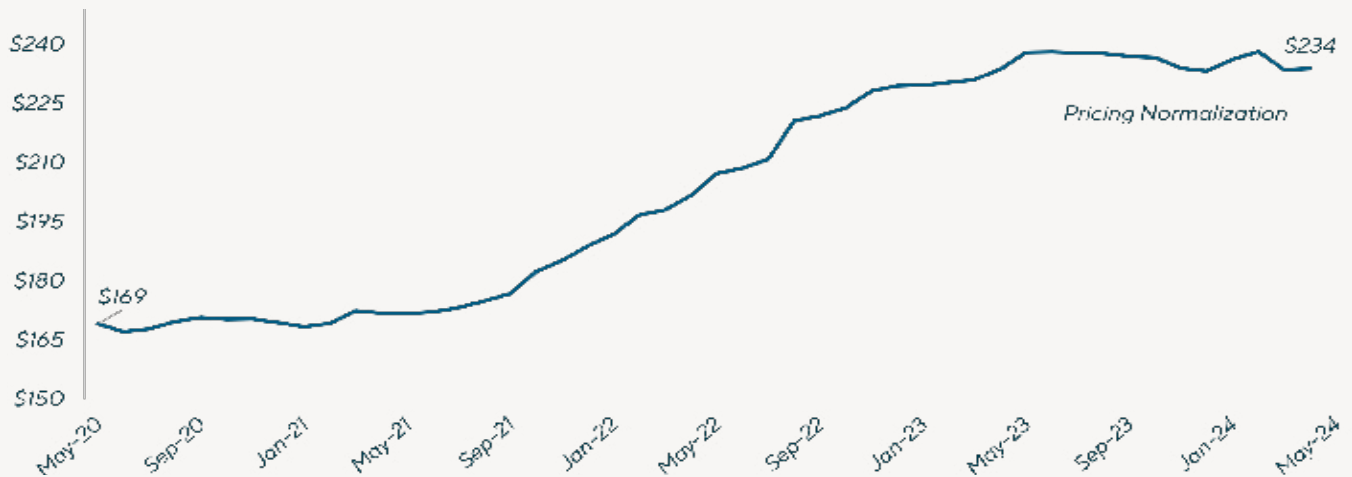
De-Stocking has Subsided, Pricing has Normalized and Demand is Returning in Packaging

As supply chain disruptions ease and consumer demand stabilizes, the prolonged period of de-stocking, within packaging and the broader economy, is ending, as supported by the most recent [Monthly Wholesale Trade Survey](#).



(continued on next page)

Price Index of Packaging and Packaging Components



Several factors have contributed to this trend. Heightened consumer demand for packaged goods, driven by e-commerce growth and a shift in consumer behavior, has spurred manufacturers to maintain adequate inventory levels to fulfill orders promptly.

Additionally, the COVID-19 pandemic underscored the importance of resilient supply chains, prompting manufacturers to reassess their inventory management strategies and prioritize supply chain robustness over cost-cutting measures. With stronger supply chains, companies can maintain consistent inventory levels with greater confidence.

As companies continue prioritizing supply chain resilience and responsiveness to consumer demand, the era of aggressive destocking is giving way to a more balanced approach to inventory management, signaling a significant evolution in the dynamics of the packaging sector. Additionally, price inflation for packaging has eased resulting in a “new normal” that should remain more consistent going forward, barring any incremental inflation pressures.

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