
Tariffs at the Toolbench

Market Insights for 2025-2026

How trade pressures are reshaping
costs, categories, & trends



Today's Presenters



Peter Greene
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Business Development



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Agenda

- About Datavations
- Tariffs & the economic backdrop
- Impacts on materials & retail
- What we've seen: 2 category spotlights
- Key takeaways & action items
- Q&A

What is Datavations?

Datavations is the strategic intelligence partner to the \$2.3T building materials industry. Our AI-powered platform delivers accurate, SKU-level analytics that turn complex data into clear, actionable insights — helping manufacturers and distributors optimize assortment, price and inventory to grow revenue and improve margins.

**WHAT
WE DO**



**Process
over 350M
records
daily**

**Cover
1000+
categories**

**Analyze
over
403,000
SKUs**



**INSIGHTS
YOU CAN
ACT ON**

The Most Accurate & Actionable Retail Intelligence

For the \$2.3T Home Improvement Channel



and many more...

Datavations delivers SKU-level visibility across every retailer, every store, & every shopper type (both Pro & DIY) so you can act with confidence.

DATA COVERAGE



Units Sold, Revenue, Market Share



Pricing Trends & Promotions



Distribution & Inventory Levels



Every SKU. Every Store. Nationwide.

INTELLIGENT APPLICATIONS

Assortment Optimization

Attribute-level SKU analysis

Pricing Intelligence

SKU-level precision

Inventory Optimization

Right product. Right store. Right time.

Market Sizing & Share

National & Geographic

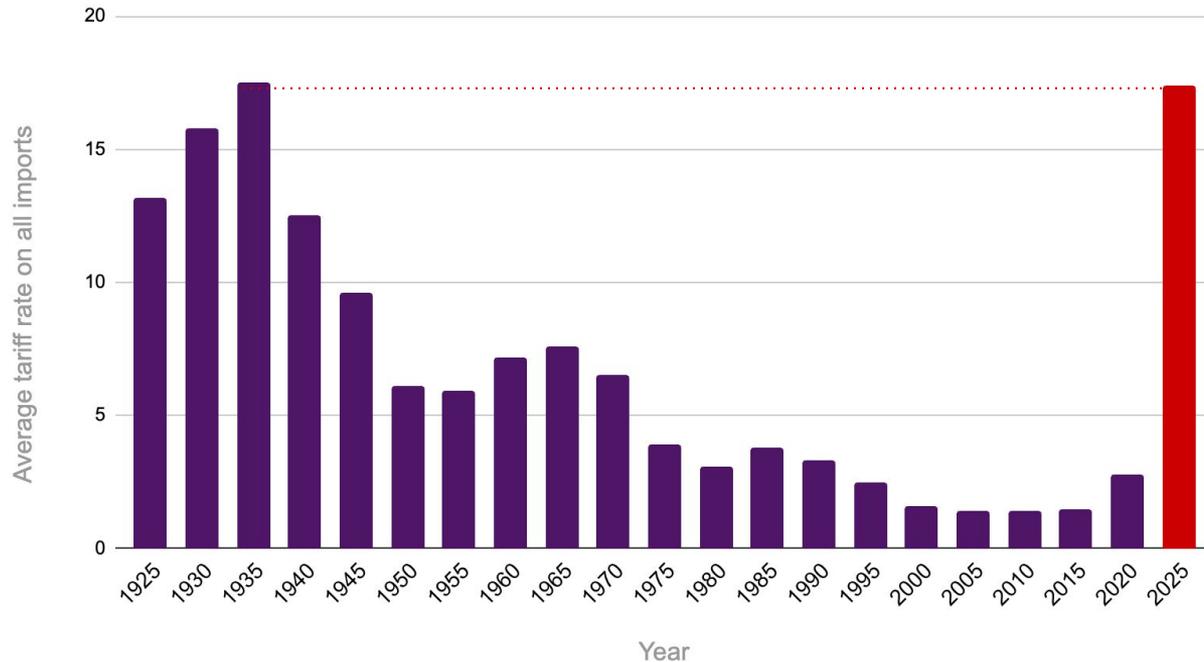


Zooming Out Economic Forces at Play

Current Economic Backdrop

Tariffs are currently at a historic level. Although the impact may raise revenue in the short term, economists foresee slow growth and investment over the long term.

Average tariff rate on all imports vs. Year



**Average
Tariff Rate**
17.4%

Highest Since 1935

**Average U.S.
Household
impact**
\$2200

in added costs

U.S. GDP
-0.4%

Forecasted Impact

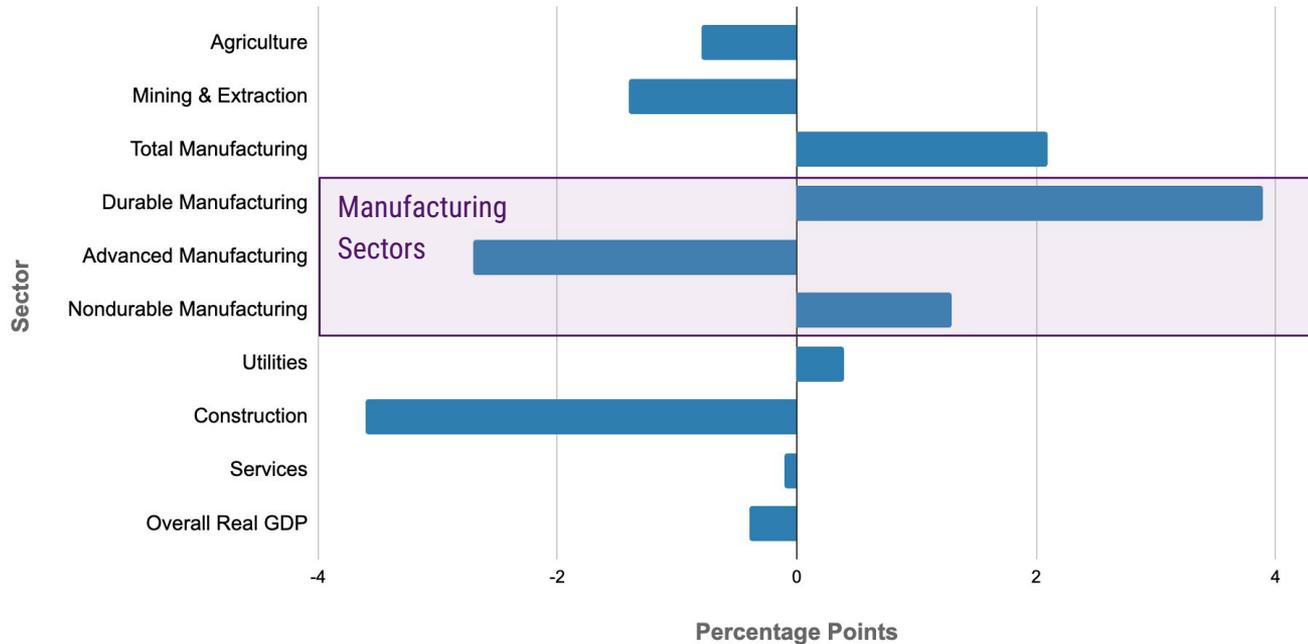
Sector Impacts

How Tariffs are Reshaping U.S. Industries

Tariffs are boosting some U.S. manufacturing but not all, and not evenly. Construction is down by 3.6% since the start of 2025 which is a key concern for building materials and home improvement manufacturers in addition to unrest within their own manufacturing sectors.

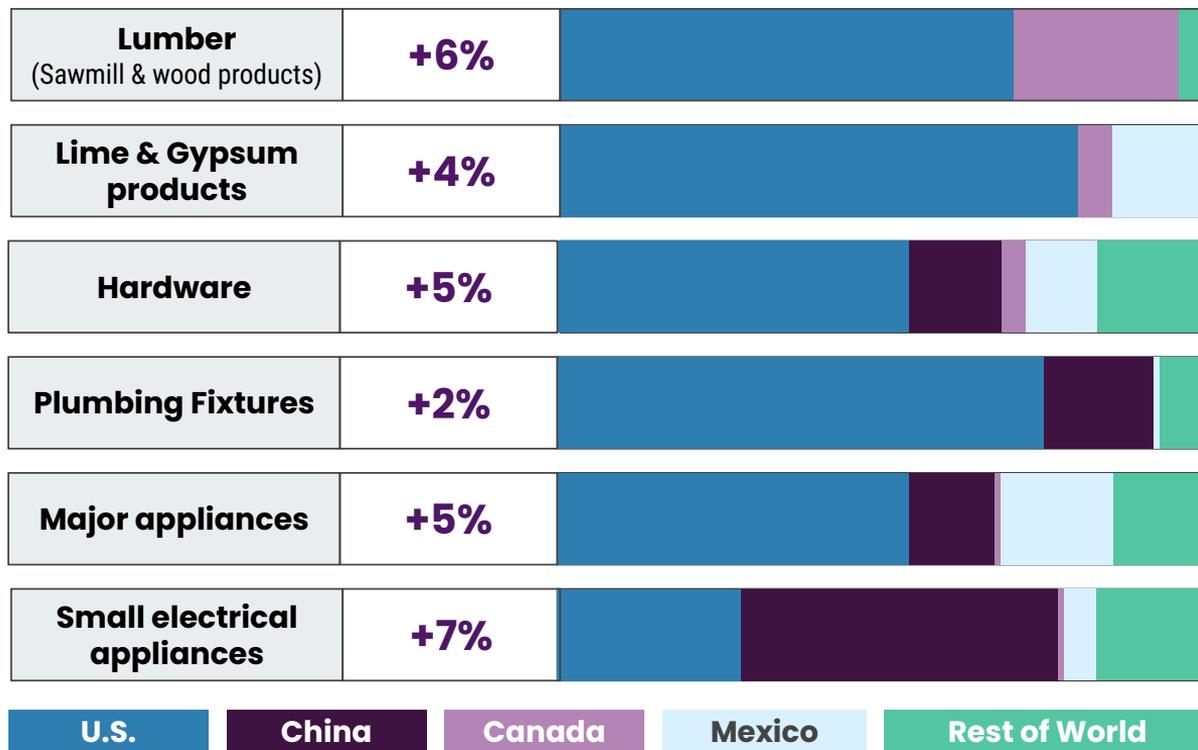
% Change in Long-Term Economic Output by Sector due to 2025 Tariffs

Percentage Points vs. Sector



The Effect on Building Materials

Projected price increase from tariffs and primary countries of origin for key building materials.



Industry Category Impact

Price index by category since January 2025

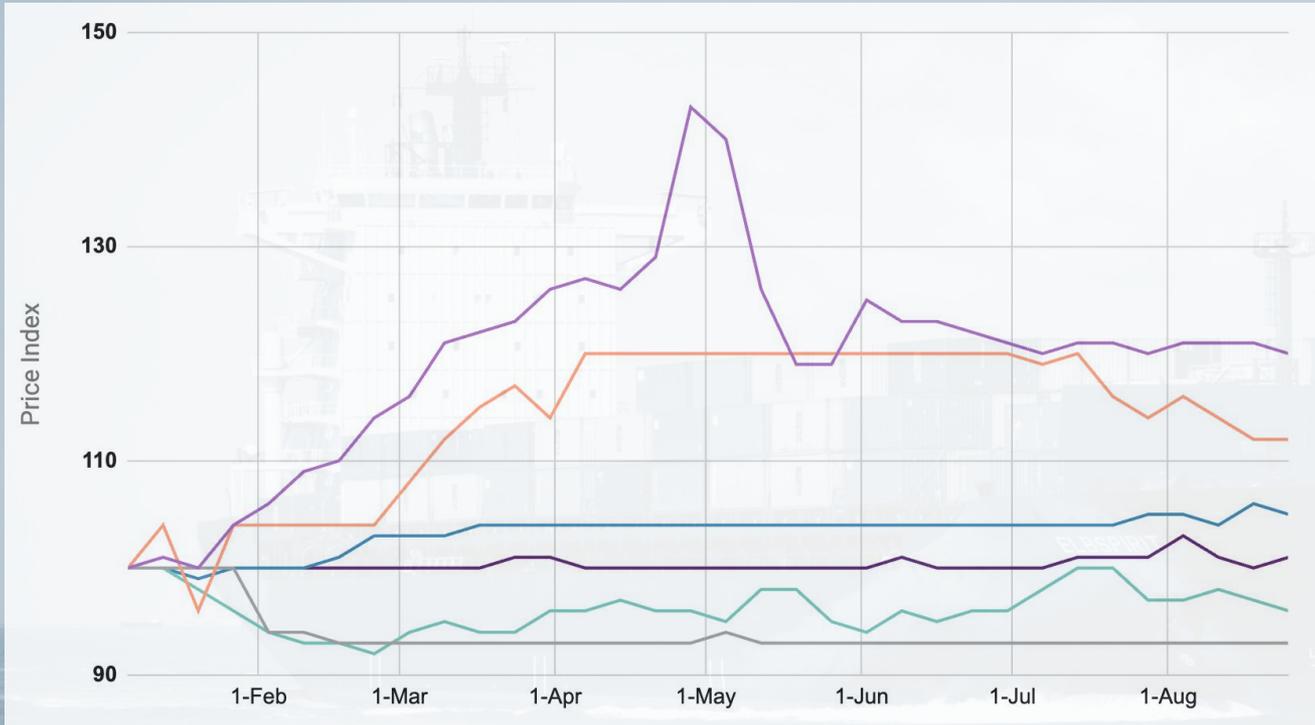


Chart Source: Datavations' online "Tariff Tracker"

Tariff Stances | Lowe's vs Home Depot

"We don't know exactly what the final impact will be," Ellison said. "But whatever it is, we're prepared to manage the business and do our best to give our customers value."

"We have tools that will allow us to manage this – and manage this in a way that we're going to minimize any impacts to our customers," Lowe's CEO Marvin Ellison told investors on Wednesday's earnings call. "In this environment, we're going to be as keenly focused on competing on price as we are every single day."

"We don't see broad-based price increases for our customers at all going forward," said Billy Bastek, Home Depot's merchandising chief

"So as you'd expect, there'll be some modest price movement in some categories, but it won't be broad-based," Bastek said.



Zooming In

from market trends
to *what's next?*





How 2025 tariff news may feel...

Nails | Volatility in Action

The tariff impact has been uneven – some categories lagged while others experienced immediate effects.

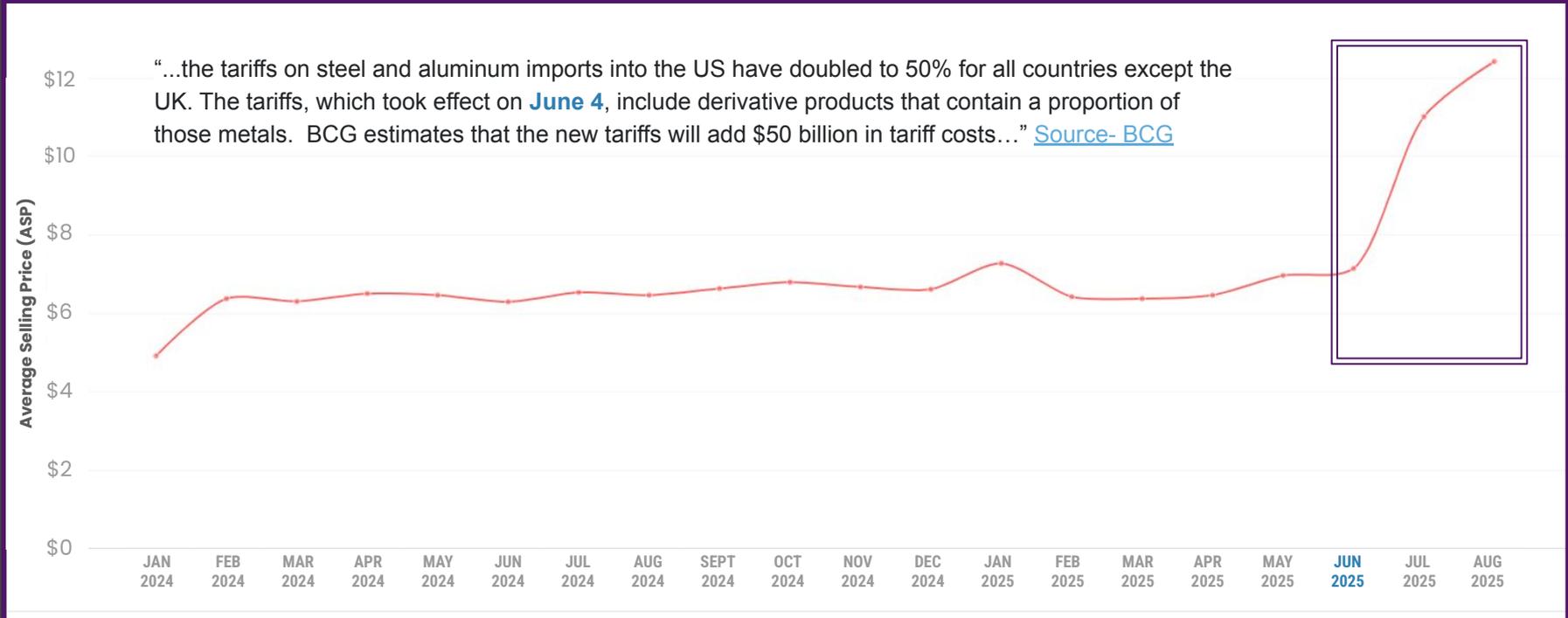
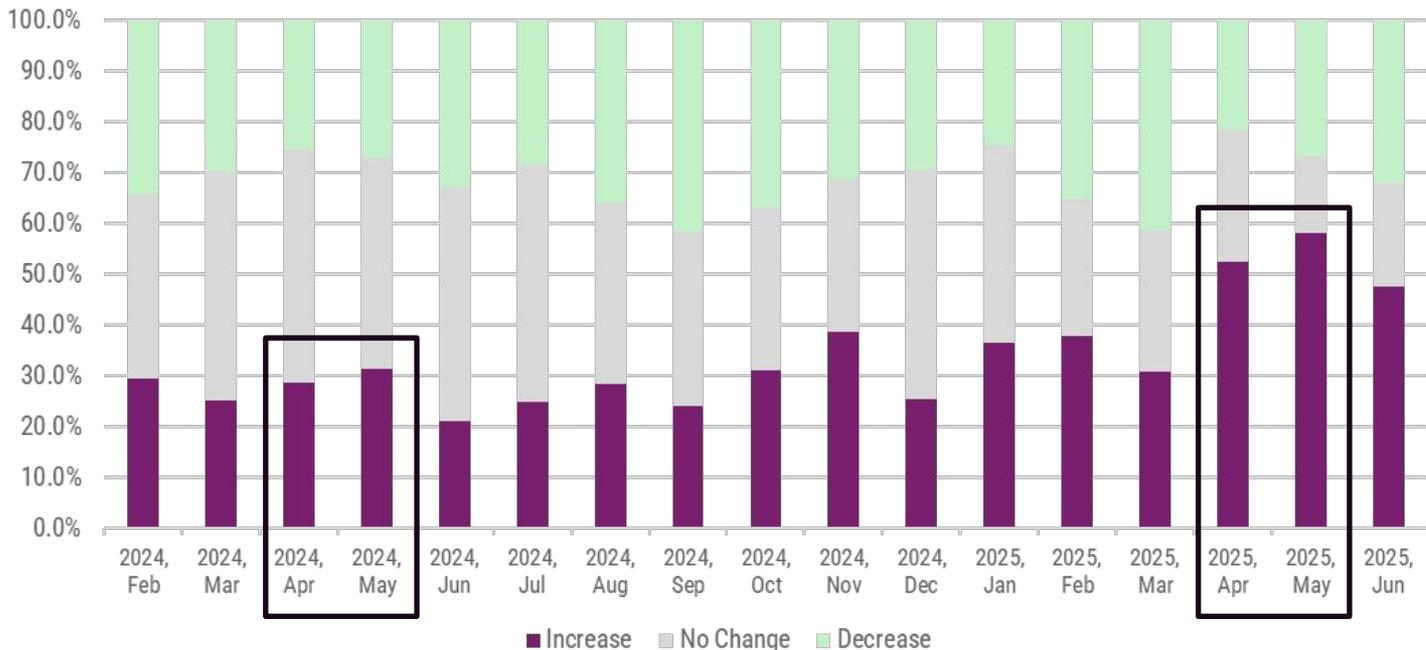


Chart Source: Datavations' Pricing Optimizer | Category - Nails | Retailers: Home Depot & Lowe's

Power Tools | Pricing Changes

The power tools market saw broad-scale price increases across the assortment post-tariffs

% of SKUs with Month Over Month ASP Change
Power Tools Market

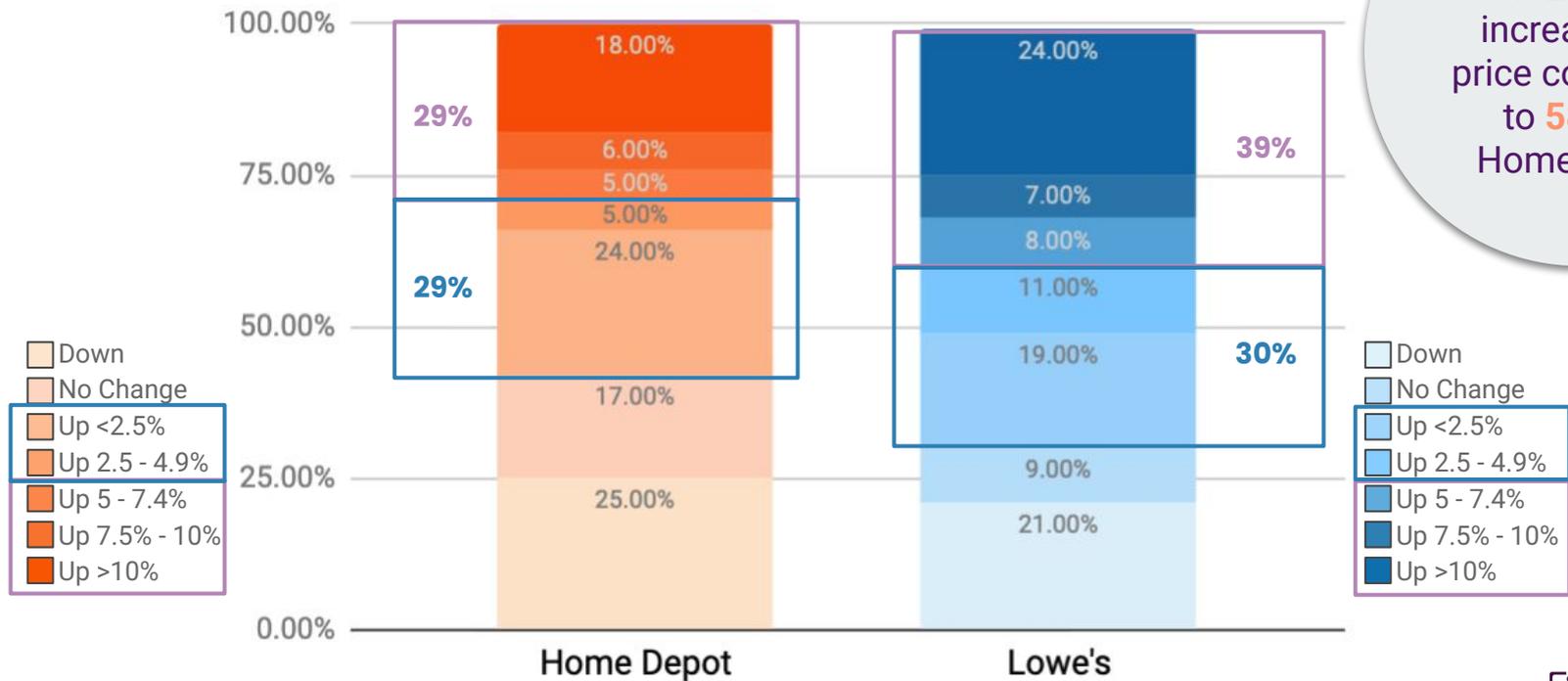


63% of all SKUs in the power tools category increased in price from April and May of 2025, compared with just **34%** in the same period in 2024.

Power Tools | Pricing Changes

LOWE'S vs. HOME DEPOT - >20% of SKUs increased in price by 10% or more

Price Change Distribution by Retailer | Power Tools Market



69% of SKUs at Lowe's increased in price compared to 58% at Home Depot



Power Tools | Pricing increases

Sub-categories with the highest % of SKUs with price increases (April - May 2025)



Power Sanders

81%



Framing Nailers

77%



Wood Routers

77%



Oscillating Tool Kits

76%



Portable Table Saws

75%

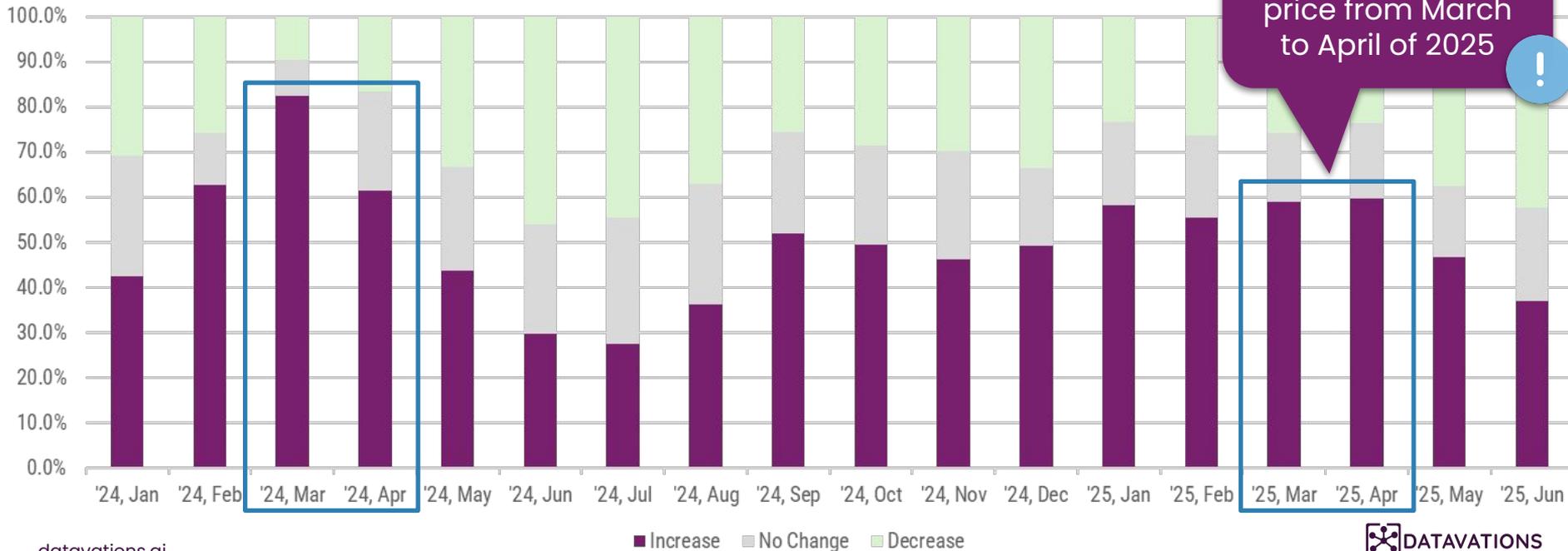
Data Source: Datavations | Category - Power Tools | Retailers: Home Depot & Lowe's | % of SKUs costing more in June vs. April 2025

Lumber | Pricing Changes

While the lumber market had fewer price increases than last year...

% of SKUs with Month Over Month ASP Change
Lumber Market

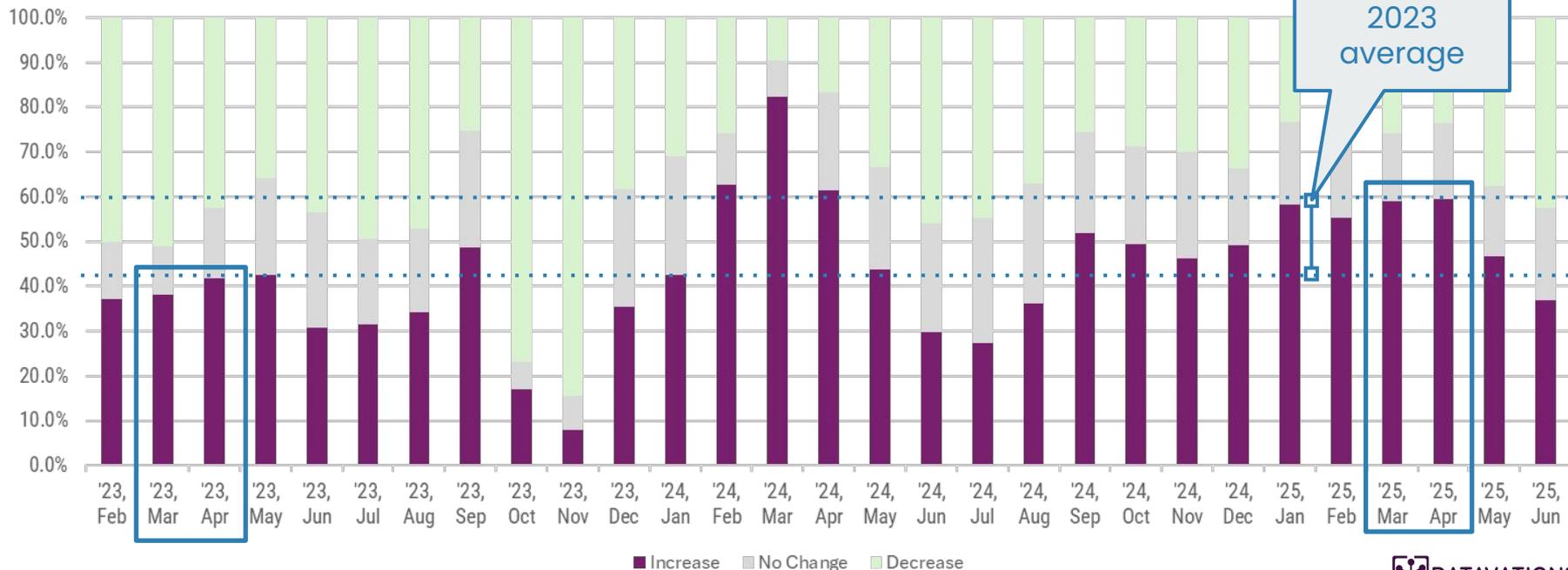
64% of all lumber SKUs increased in price from March to April of 2025



Lumber | Pricing Changes

...when we zoom out, we notice that 2024 was an outlier & the lumber market is indeed being significantly impacted by tariffs vs. historical levels

% of SKUs with Month Over Month ASP Change
Lumber Market

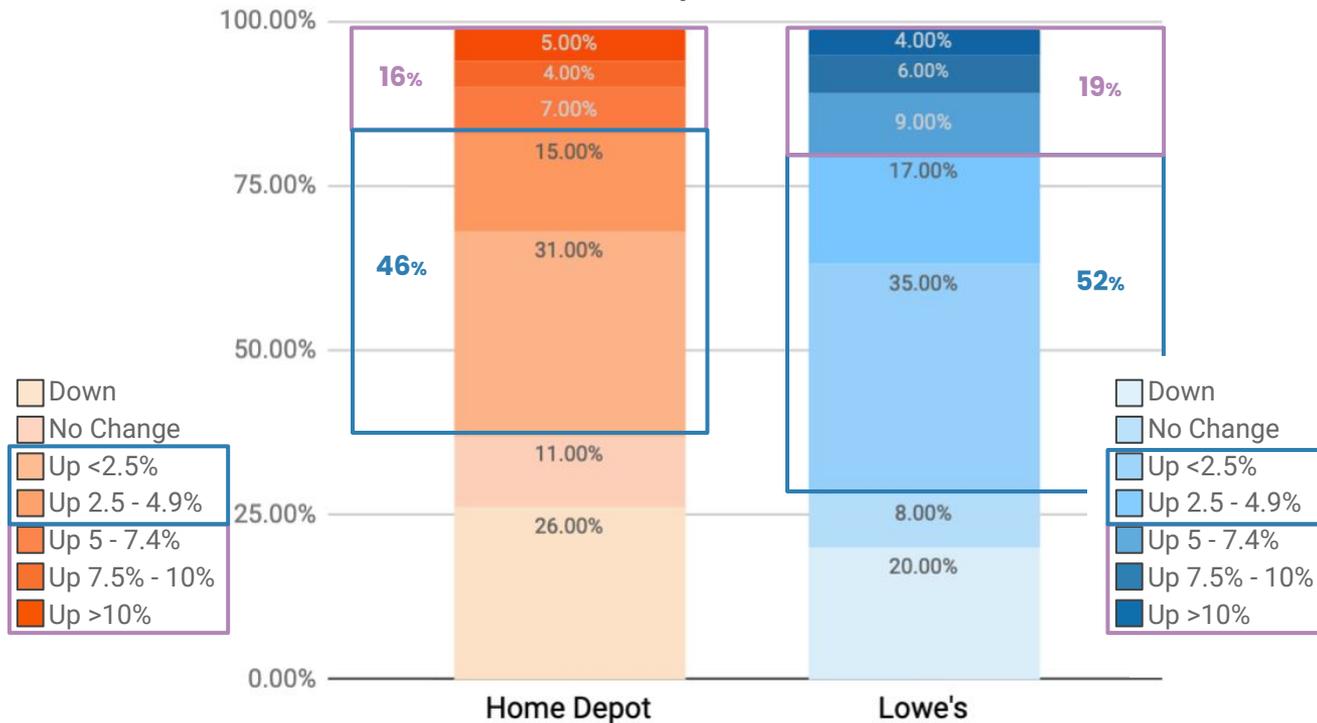


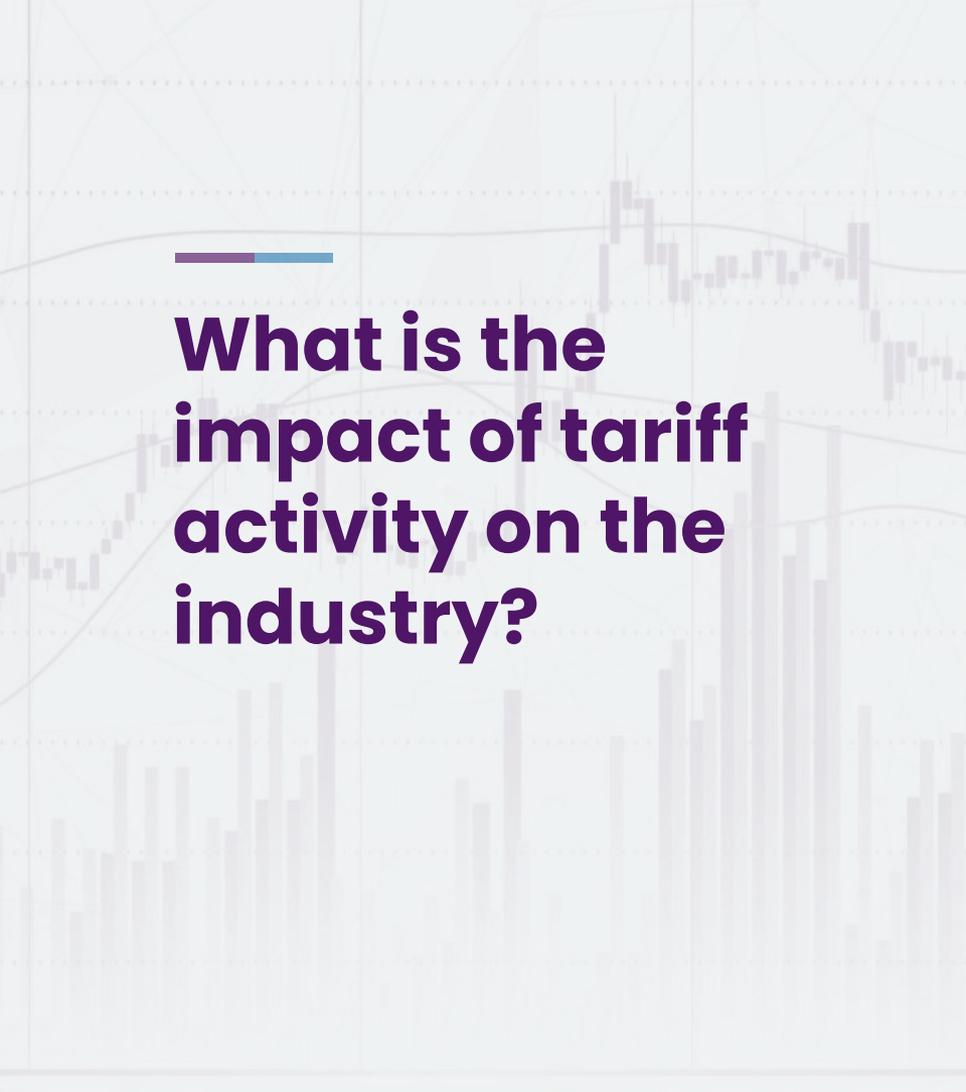
Lumber | Pricing Changes

LOWE'S vs. HOME DEPOT - <20% of SKUs increased in price by 5% or more

71% of SKU's at Lowe's increased in price compared to 62% at Home Depot

Price Increase Amounts by Retailer | Lumber Market



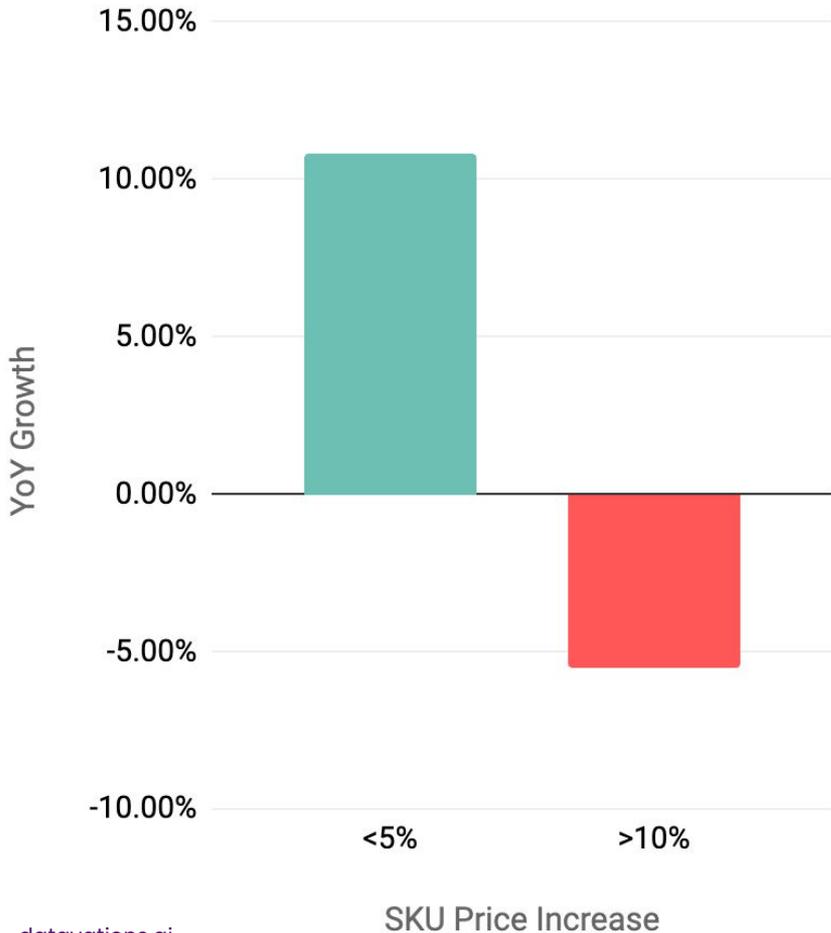


What is the impact of tariff activity on the industry?

Tariffs are reshaping costs and margins across building materials. Lumber faces steep increases this year, while power tools show widespread SKU-level price hikes.

These shifts aren't just raising prices, they are *altering category dynamics* and profitability across the retail channel.

YoY Growth vs. SKU Price Increase



Lumber

The effect of price increases

Steep price increases → tanked sales



Power Tools | Effect of price increases

Price changes had a mixed impact on sales of Power Tools, except for high-end products which were slowed.

Everyday Power Tools

52%
of SKUs
with price
increases
saw
YoY
Growth

52%
of SKUs
with price
decreases
saw
YoY
Growth

High-End Pro Tools (\$400+)

High-end SKUs saw more pricing effects. Among \$400+ SKUs, 60% with price increases saw YoY growth compared to 72% of those with price decreases and 9% higher YoY sales growth overall.

How are key retailers responding?

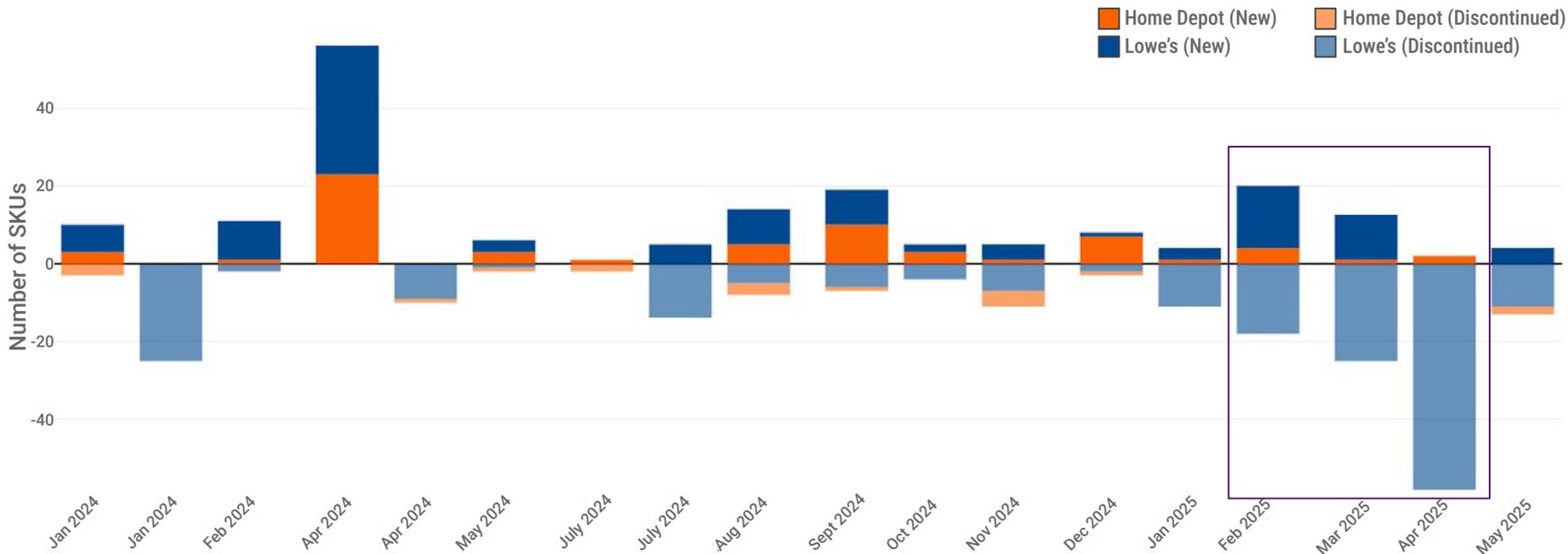
Going back to nails...

How might retailers respond in accelerated scenarios like this one?



Power Tools | SKU Rationalization

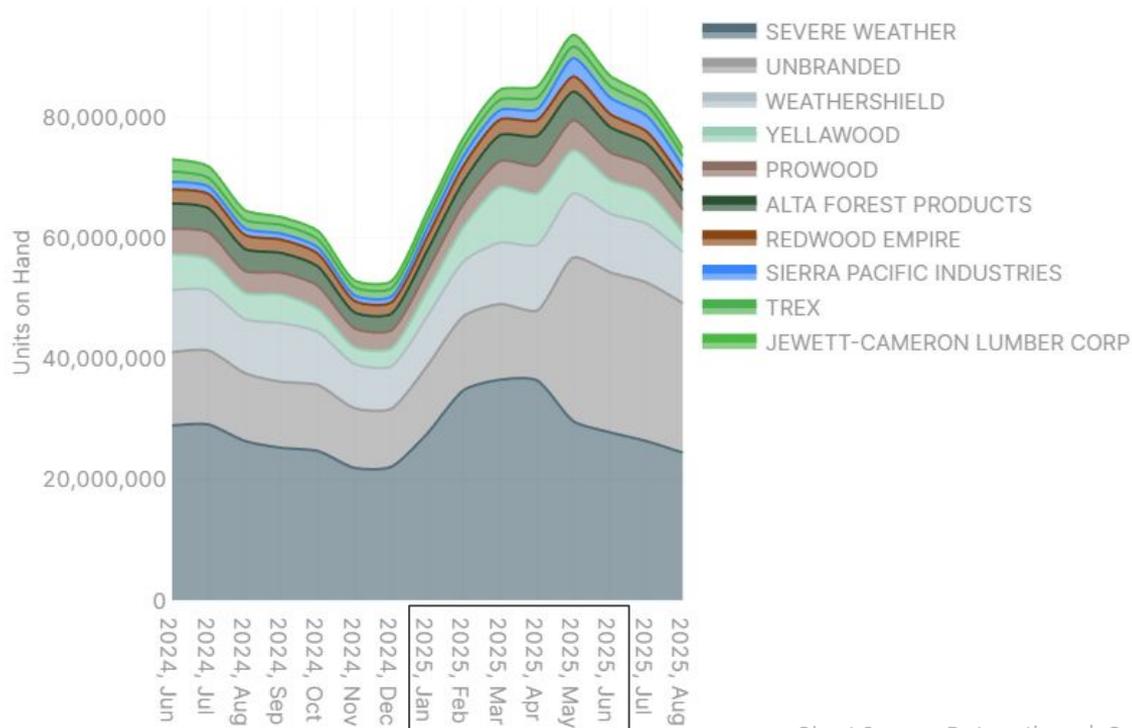
Some retailers are taking tariffs as an opportunity to consolidate assortment & improve efficiency



Lumber – frontloading stock

Retailers also frontloaded some inventory before tariffs took effect

Units on Hand by Brand



!
56%
reduction in
stockout
loss
vs. 2024

How to prepare for the unknown?

Anticipate the range of actions your retail partners could take and make a proactive plan...



Assortment

Retailers may look to **rationalize assortments** to cut operational costs

- Know which of your products are **unique** in each retail assortment based on attributes & features and which aren't; highlight uniqueness.
- Develop a **tariff risk profile** for all products based on component origins.
- Which of your products are driven by **Pros vs. DIY**? Strategies will vary.
- **Scenario-build your own line rationalization** to be prepared for quick-turn, merchant-prescribed reviews. Go deep on regionality and store clustering to differentiate.



Pricing

Retailers will want to **keep prices low** for pinched DIYers & stay in line with competitors for Pros

- For similarly attributed items as your competitors, **what is your relative price position?** Are you at risk on value?
- **How price elastic are your items** vs. one another and vs. your competition?
- **How much of your business is done in different price tiers?** How does that compare to your competitors?
- **Identify any price cliffs** in your categories; price levels at which demand drops suddenly.
- **Develop models to test multiple scenarios linked to merchant or competitive-driven price changes** to ID revenue and profit outcomes.



Supply Chain

Retailers will invest with **low risk, highly adaptable partners**

- If your manufacturing is highly US-centric, make sure your merchants are aware of exactly **which lines/items are low-risk**.
- If retailers cut down on weeks of supply (WOS) targets, **how agile are you to move inventory for spot buys?**
- Retailers could increase supplier diversity by region to hedge. **Build a summary on what portion of the assortment you can cover where you aren't on shelf today** & highlight your past in-stock & WOS scorecards vs. competition.

Insights for You. Impact for Your Community.

Attend an intro call and we will donate \$250 to your local Habitat for Humanity chapter.

let's
Build Together



DATAVATIONS +



HIRI

Thank you.

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