3Q26 so far: Backlogs +49.3% on AI Cloud and Defense; Median Company +8.2%, Trailing Its Revenue

What public companies' order backlogs say about demand and sales ahead

KEY NUMBERS

Backlog	3Q26 so far	2Q26	1Q26	3Q25
Companies	**452**	**560**	**549**	**544**
Backlog ($bn)	$6,690bn	$7,304bn	$6,753bn	$4,985bn
Aggregate Y/Y	**+49.3%**	**+55.4%**	**+52.7%**	**+25.6%**
Median company Y/Y	**+8.2%**	**+9.0%**	**+9.1%**	**+9.0%**
AI cloud Y/Y	+105.8%	+188.5%	+183.2%	+96.6%
Ex-AI-cloud Y/Y	**+28.3%**	**+26.2%**	**+26.2%**	**+12.6%**
their revenue Y/Y	+17.5%	+20.2%	+13.9%	+9.1%
Book-to-bill, ex-AI-cloud	1.37x	1.13x	1.21x	1.09x
% with book-to-bill > 1	51	48	52	50
Coverage, ex-AI-cloud (yrs)	0.85	0.80	0.81	0.68
Growth diffusion	65	67	68	68
Acceleration diffusion	50	43	45	45
% with backlog ahead of revenue	47	48	50	51

Backlog = remaining performance obligations (contracted revenue not yet recognized) at the quarter end. Aggregate = sum vs. the same companies a year earlier. AI cloud = Oracle, Microsoft, Alphabet, Amazon, CoreWeave. Book-to-bill = (revenue + change in backlog) / revenue, i.e. implied orders per $1 of revenue. Coverage = backlog / trailing-four-quarter revenue. Diffusion: growth = % of companies with a bigger backlog than a year ago; acceleration = % whose backlog growth rose from the prior quarter; 50 = neutral.

SUMMARY & OVERVIEW

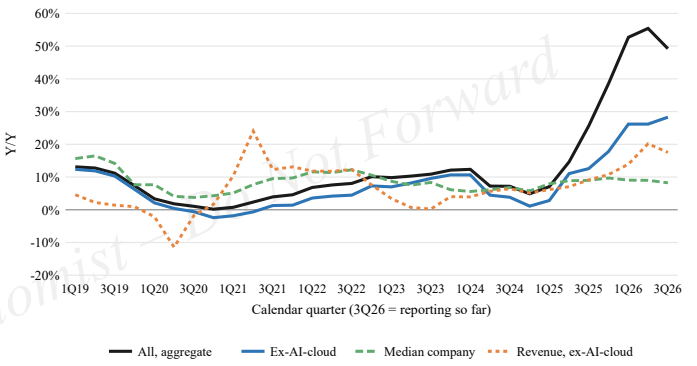
The Curb Economist tracks public companies' backlogs, the revenue they have already contracted but not yet delivered, as a forward read on sales. Halfway through the 3Q26 reporting season (452 of the usual ~553 companies have filed), the 452 companies we track hold **$6,690bn of backlog, +49.3% more than a year earlier** (vs. +55.4% in 2Q26 and +25.6% in 3Q25). The AI cloud providers (Oracle, Microsoft, Alphabet, Amazon, CoreWeave) now hold 37% of all backlog dollars (from 24% a year ago) and account for 58% of the increase. But the order boom is not only AI: everyone else's backlog is up **+28.3%**, the fastest in our data (since 2019) and about four times its +7.1% average, led by Micron's new long-term memory supply agreements, defense, aerospace and power equipment. The **median company** tells a quieter story: its backlog is up **+8.2%**, a little below its own revenue growth (+9.2%) and its +8.7% average.

Bottom-line takeaways:

1. **Record order books, concentrated in a few industries.** Outside AI cloud, the biggest dollar gain is Micron, whose contracted backlog went from $0.1bn a year ago to $134bn as it signed multi-year memory supply agreements; then come defense and aerospace (Lockheed Martin, General Dynamics, Boeing, RTX, GE Aerospace) and power (GE Vernova), plus Caterpillar and Quanta Services, whose backlogs have doubled or more. The median industrial company's backlog is up +17.9%, and 80 of every 100 industrials have a bigger one than a year ago. Ex-AI-cloud, implied orders are running at 1.37x revenue (book-to-bill), the highest in our data (average 1.05x).
2. **The median company's pipeline is keeping pace, not pulling ahead.** The median company's backlog is up +8.2%, vs. revenue growth of +9.2%. Only 47% of companies have backlog growing faster than revenue, the fewest since 4Q21 (average 52%), so for most companies the order book points to growth holding steady rather than speeding up.
3. **A two-speed economy in the order book.** As in our Capex Note, the strength is narrow: capital goods, defense and power for data centers are booking orders far ahead of sales, while the median company's pipeline is merely keeping pace. Health care, telecom and materials backlogs are shrinking at the median.

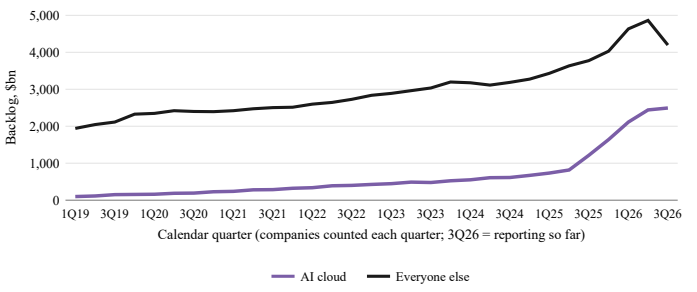
How well backlog actually forecasts revenue is left for a separate *TCE* note on forecasting.

BACKLOG GROWTH Y/Y VS. THE SAME COMPANIES' REVENUE GROWTH



Watchlist companies, SEC 10-Q/10-K XBRL (remaining performance obligations, required since 2018, so Y/Y starts 1Q19). Revenue = same companies, Revenue Growth Tracker.

BACKLOG: AI CLOUD VS. EVERYONE ELSE



Backlog ($bn) of companies counted each quarter. AI cloud = Oracle, Microsoft, Alphabet, Amazon, CoreWeave.

WHAT IS DRIVING IT

The AI cloud providers dominate the dollars: Alphabet, Amazon, Microsoft and Oracle together added more than $1.2 trillion of backlog vs. a year earlier, mostly multi-year contracts for AI computing capacity that will be recognized over several years. Outside AI cloud, Micron leads ($134bn of new memory supply contracts), followed by defense and aerospace (Lockheed Martin, General Dynamics, Boeing, RTX, GE Aerospace, Huntington Ingalls, Northrop) and power (GE Vernova, Quanta Services), with Caterpillar (largely power generation for data centers) close behind. The biggest declines are small by comparison: Honeywell (-52%), Tenet Healthcare (-86%), onsemi (-32%), Baxter (-23%), TechnipFMC (-10%). Honeywell's backlog

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halved, which most likely reflects its corporate break-up rather than a collapse in orders.

3Q26 so far: largest increases, all companies					
Ticker	**Company**	**Backlog**	**Y/Y**	**$bn chg.**	**Book-to-bill**
GOOGL	Alphabet	$568bn	+260%	+410.0	1.38x
AMZN	Amazon	$578bn	+189%	+378.0	1.41x
MSFT	Microsoft	$683bn	+72%	+285.0	0.99x
ORCL	Oracle	$664bn	+46%	+208.7	2.34x
MU	Micron	$134bn	937x	+133.9	3.38x
LMT	Lockheed Martin	$292bn	+63%	+112.9	3.97x
GD	General Dynamics	$220bn	+100%	+110.4	6.75x

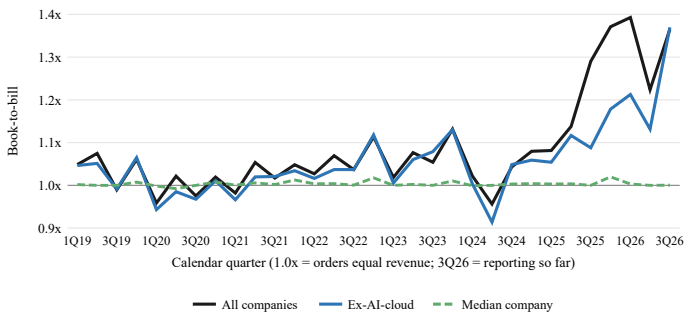
3Q26 so far: largest increases, ex-AI-cloud					
Ticker	**Company**	**Backlog**	**Y/Y**	**$bn chg.**	**Book-to-bill**
MU	Micron	$134bn	937x	+133.9	3.38x
LMT	Lockheed Martin	$292bn	+63%	+112.9	3.97x
GD	General Dynamics	$220bn	+100%	+110.4	6.75x
BA	Boeing	$745bn	+17%	+109.7	2.25x
RTX	RTX	$340bn	+35%	+89.0	3.04x
GEV	GE Vernova	$197bn	+45%	+61.5	2.62x
GE	GE Aerospace	$212bn	+20%	+35.8	1.09x
HII	Huntington Ingalls	$86bn	+55%	+30.5	9.17x

3Q26 so far: largest decreases					
Ticker	**Company**	**Backlog**	**Y/Y**	**$bn chg.**	**Book-to-bill**
HON	Honeywell	$19bn	-52%	-20.3	-2.85x
THC	Tenet Healthcare	$0.7bn	-86%	-4.4	0.84x
ON	onsemi	$5.5bn	-32%	-2.6	0.65x
BAX	Baxter	$7.6bn	-23%	-2.3	0.89x
FTI	TechnipFMC	$15bn	-10%	-1.7	0.54x
TER	Teradyne	$0.1bn	-92%	-1.6	1.00x

ORDERS AND BREADTH

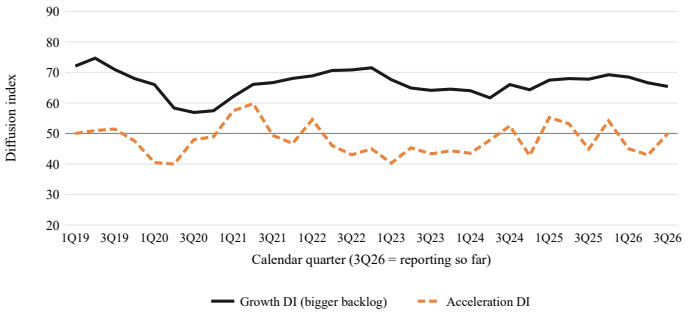
Breadth is steady rather than improving. 65 of every 100 companies have a bigger backlog than a year ago (average 66 since 2019; 68 a year earlier), and the acceleration index is 50 (average 48). Implied book-to-bill tells the same story: in aggregate orders are running 1.37x revenue, but the median company is at 1.00x, with 51% above 1.0 (average 52%). Coverage, the years of revenue already contracted, has risen to 0.85 yrs for companies outside AI cloud, from 0.68 yrs a year ago; the median company holds 0.38 yrs of revenue in backlog.

IMPLIED BOOK-TO-BILL: ORDERS PER $1 OF REVENUE



(Quarter revenue + change in backlog during the quarter) / quarter revenue. Above 1.0x = backlog growing.

BACKLOG DIFFUSION INDEXES



Growth DI = % of companies with a bigger backlog than a year ago; Acceleration DI = % whose backlog Y/Y rose from the prior quarter.

BY SECTOR, 3Q26 SO FAR

Industrials are the clearest story: backlog up +34.5%, the median company +17.9%, and a book-to-bill of 2.02x; they hold more than two years of revenue in backlog. **Technology** (+76.9%, median +9.8%) is mostly the cloud providers plus Micron; the median software and hardware company is growing backlog at about its revenue pace. **Utilities** (+36.9%) is mostly GE Vernova's turbine and grid orders. Energy backlogs are up modestly (+5.6%); financials, health care, materials and telecom are flat to down at the median.

Sector	Cos	Backlog	Agg. Y/Y	Median	Growth DI	Book-to-bill	Revenue Y/Y	2Q26 agg.
Technology	155	$2,512bn	+76.9%	+9.8%	75	1.46x	+34.0%	+120.7%
Industrials	107	$2,469bn	+34.5%	+17.9%	80	2.02x	+14.8%	+22.4%
Cons. cyclicals	48	$664bn	+118.5%	-4.1%	44	1.19x	+8.5%	+102.2%
Utilities	18	$330bn	+36.9%	+8.5%	56	1.29x	+26.2%	+30.6%
Energy	36	$296bn	+5.6%	+3.9%	61	1.07x	+30.1%	+30.3%
Financials	17	$72bn	+20.7%	+1.9%	53	1.04x	+9.4%	+11.7%
Real Estate	10	$24bn	+14.6%	+10.2%	60	1.10x	+13.1%	+20.7%
Materials	15	$78bn	+3.7%	-2.7%	47	1.03x	+9.0%	+3.1%
Telecom	12	$117bn	-0.1%	-6.2%	33	0.96x	+6.6%	+4.2%
Health care	33	$127bn	-0.1%	-3.5%	39	0.98x	+1.9%	+3.1%
All	**452**	**$6,690bn**	**+49.3%**	**+8.2%**	**65**	**1.37x**	**+17.5%**	**+55.4%**

Sorted by dollar increase; sectors with 8+ companies. Amazon is in consumer cyclicals; Microsoft, Oracle and Alphabet in technology.

Method: Watchlist companies (TCE Excel Stock Sheet). Backlog = remaining performance obligations (us-gaap:RevenueRemainingPerformanceObligation; ASC 606, since 2018): revenue already contracted but not yet recognized, the GAAP version of backlog. When a company tags only amounts by timing bucket they are added up; companies that tag no RPO but tag their own backlog figure (e.g. construction backlog) are included, and Y/Y compares like with like. RPO differs from a classic order book: it includes multi-year service and subscription contracts, excludes cancellable orders, and some companies leave out contracts of a year or less. Some backlogs that appear only in the text of a filing (e.g. a separately defined MD&A backlog) are not tagged and are not counted. Source: SEC 10-Q/10-K XBRL (Financial Statement & Notes data sets, plus filings since the latest monthly file read directly from EDGAR). Fiscal quarters are placed in the nearest calendar quarter. Left out of aggregates: year-ago backlog under $10M and figures in the wrong units (~1,000x off); there is no limit on growth. Acquisitions are not adjusted for. 3Q26 is preliminary (452 of the usual ~553 companies). Source: TCE Backlog Tracker.

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