U.S. Economic Overview





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Summary



Consumers & Macro Economy Executive Summary





Positive Trends

- GDP Growth: Q2-2025 U.S. GDP growth was revised upward to a strong annual rate of 3.8%.*
- Wage Strength: Hourly and weekly wage rate increases continue to outpace the rate of inflation.
- Monetary Easing: The Federal Reserve cut the federal funds rate, with officials indicating that more cuts are likely in 2025.
- Retail Sales: U.S. retail and food services sales (August 2025) increased by 5.4% compared to prior year.*



Key Headwinds

- Labor Market Cooling: Job growth has nearly stalled at only 22,000 new jobs added,* well expectations, compounded significant downward revisions to prior months' iob data.
- Pessimistic Consumers: Consumer sentiment plunged to 50.3 in November, a near-record low. The decline was driven by worry over the government shutdown and a sharp drop in outlook on personal finances. Pessimism was widespread. Year-ahead inflation expectations edged up to 4.7%.
- Financial Strain: Lower-income households are facing increasing financial strain, leading them to cut back and reduce spending on nondiscretionary goods.
- Supply Chain Disruption: The elimination of the de minimis exemption on shipments under \$800 has led to administrative hurdles and caused over 30 countries to pause or restrict package shipments to the U.S.



Concerns

- Stubborn Inflation: CPI for September 2025 rose slightly to 3.0%, while the Core Inflation rate (excluding food and energy) declined to 3.0% — a slight decline from 3.1% in August.
- Record Household Debt: Total household debt reached a new record high of \$18.39 trillion in the second quarter of 2025.
- Tariff Uncertainty: Evolving trade policy and the implementation of new and potential tariffs are creating significant economic uncertainty and impacting supply chains.
- Trade Deal Deadlines: Further policy uncertainty is tied to the looming Nov. 10 deadline for a trade deal with China and an active Supreme Court appeal on the administration's tariff authority.
- Job Cuts: Major companies are announcing significant job cuts, driven by a strategic pivot toward efficiency and the rapid adoption of artificial intelligence (AI) and automation across sectors like tech, logistics, and manufacturing.

^{*} Based on latest data available from U.S. government sources prior to suspension of reporting due to shutdown

Key U.S. Economic Indicators



U.S. Economic Outlook Summary (Federal Reserve)



THE U.S. ECONOMY: MODEST ACTIVITY AND INTENSIFYING UNCERTAINTY

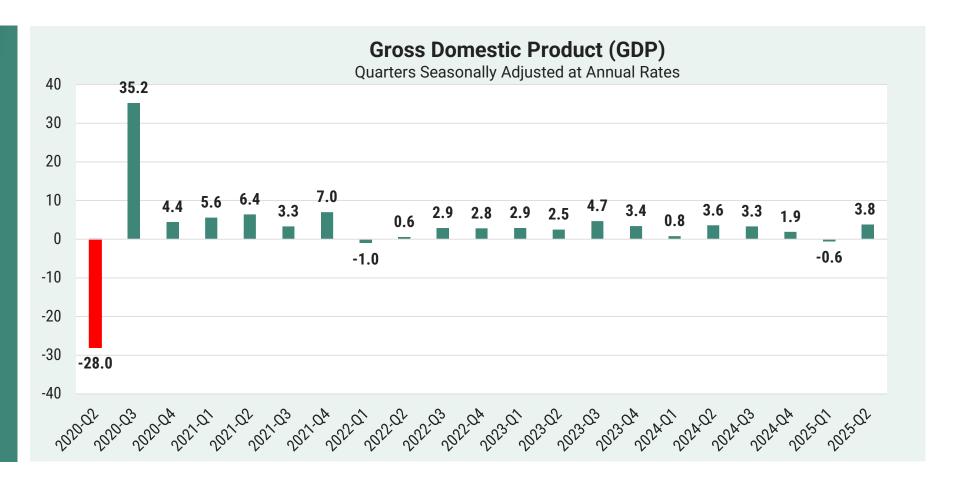
- **Overall Growth Remains Muted:** Economic activity was "little changed on balance," with a near-even split across Districts reporting slight growth, no change, or slight softening.
- **Elevated Downside Risk:** The outlook is weighted down by persistent economic uncertainty and concerns over a potential or ongoing government shutdown.
- Tariff Headwinds: Manufacturing and import-reliant sectors continue to face challenging conditions due to higher tariffs and softening demand.
- **Commercial Real Estate Bright Spot:** Construction of data centers remains a key strength in the commercial real estate sector.

Gross Domestic Product



The third estimate for real U.S. GDP in the second quarter of 2025 showed an annualized growth rate of 3.8%, an upward revision from the initial estimate of 3.0%.

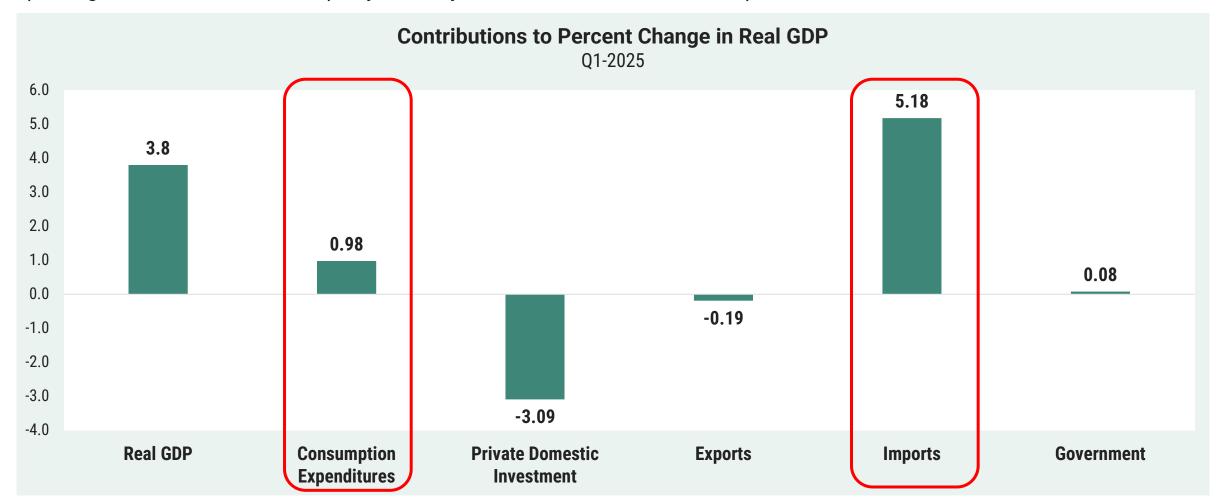
Real gross domestic product increased at an annual rate of 3.8% in the second quarter of 2025 according to the third estimate released by the U.S. Bureau of Economic Analysis. The increase in real GDP in the second quarter primarily reflected a decrease in imports, which are a subtraction in the calculation of GDP, and an increase in consumer spending. These movements were partly offset by decreases in investment and exports.



Gross Domestic Product



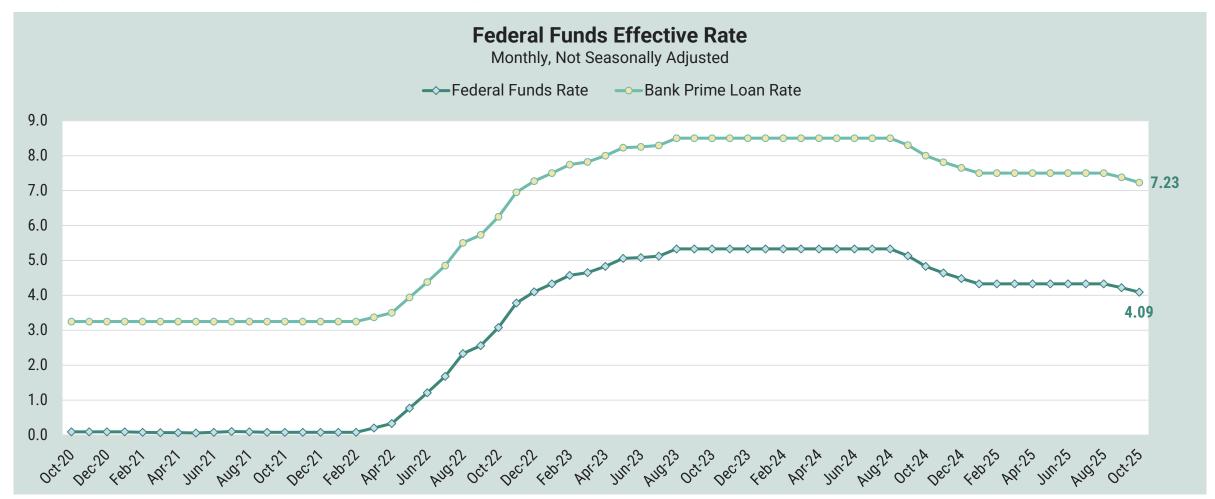
The increase in real GDP in the second quarter of 2025 primarily reflected a decrease in imports and an increase in consumer spending. These movements were partly offset by decreases in investment and exports.



Federal Funds Rate



The Federal Reserve's Federal Open Market Committee (FOMC) recently lowered the Federal Funds Rate by 0.25 percentage point to a range of 3.75% to 4.00% at its late October meeting.



U.S. Consumers



U.S. Economic Outlook Summary (Federal Reserve)



THE CONSUMER LANDSCAPE: A GROWING INCOME SPLIT

- **Overall Spending Easing:** General consumer spending, especially on retail goods, has softened.
- **Lower- and Middle-Income Households are Squeezed:** These consumers are highly price-sensitive, actively seeking discounts and promotions.
- Cutbacks observed on non-essential purchases, such as forgoing alcohol and desserts at restaurants.
- **Demand for social services** (food, utility, rental assistance) is rising due to increased financial distress among lowincome households.
- Luxury Spending Remains Robust: High-income consumers continue to fuel strong demand for luxury travel and accommodations.
- **EV Sales Spike:** Auto sales received a temporary boost from strong demand for electric vehicles (EVs) ahead of the federal tax credit expiration.

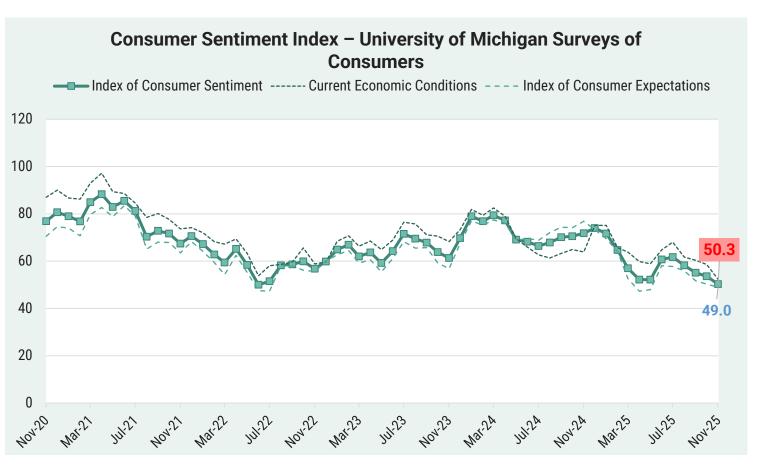
Consumer Sentiment Index



Consumer sentiment plunged to 50.3 in November, a near-record low. The decline was driven by worry over the government shutdown and a sharp drop in outlook on personal finances. Pessimism was widespread. Year-ahead inflation expectations edged up to 4.7%.

APRIL 2025	Index of Consumer Sentiment	Current Economic Conditions	Index of Consumer Expectations
2-Year High	79.4	82.5	77.4
2-Year Avg.	65.6	67.2	64.5
2- Year Low	50.3	52.3	47.3
Current	50.3	52.3	49.0
LY	71.8	63.9	76.9
YOY % Change	-29.9%	-18.2%	-36.3%
Previous Month	53.6	58.6	50.3
MTM % Change	-6.2%	-10.8%	-2.6%

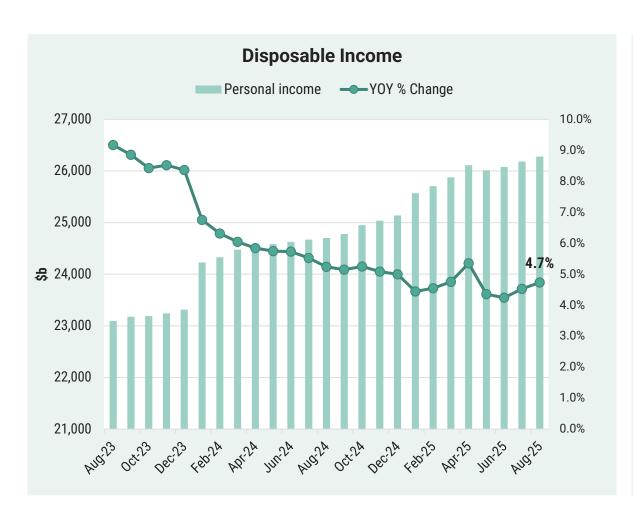
Source: The Surveys of Consumers are conducted by the Survey Research Center at the University of Michigan. (https://data.sca.isr.umich.edu/survey-info.php)

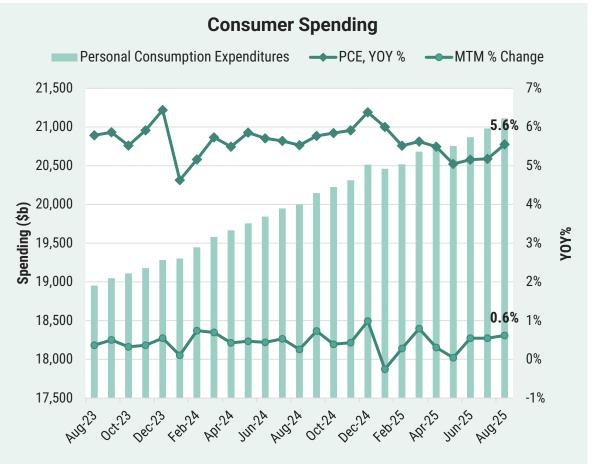


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Consumer Income and Spending (2-month lag)

Disposable income rose 4.7% in August 2025; consumer expenditures increased 5.6% YOY.

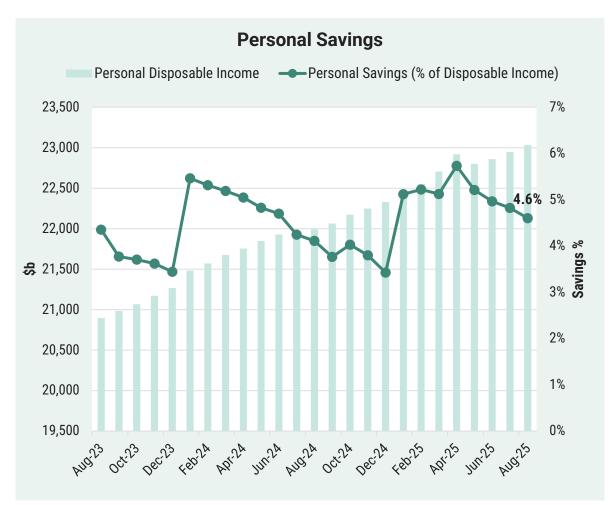


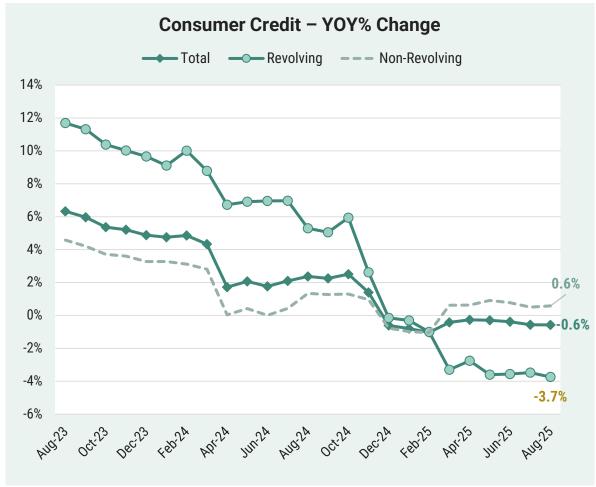


Personal Savings & Consumer Credit (2-month lag)



Personal savings through August 2025 increased 4.6%; total consumer credit dropped .6%, revolving credit was down 3.7% YOY.





Source: U.S. Bureau of Economic Analysis, two-month lag in reporting, data updates suspended during shutdown

Source: U.S. Federal Reserve, two-month lag in reporting, data updates suspended during shutdown

Total Consumer Debt



Household debt hits \$18.59 trillion in third quarter; mortgage originations tick up.

Total household debt increased by \$197 billion to reach \$18.59 trillion in the third quarter, according to the latest Quarterly Report on Household Debt and Credit.

- Mortgage balances grew by \$137 billion and totaled \$13.07 trillion at the end of September. The pace of mortgage originations increased, with \$512 billion newly originated in the third quarter.
- Credit card balances rose by \$24 billion from the previous quarter and stood at \$1.23 trillion.
- Auto loan balances held steady at \$1.66 trillion.
- HELOC balances rose by \$11 billion to \$422 billion, and HELOC limits rose by \$8 billion, continuing the growth that began in 2022.
- Student loan balances rose by \$15 billion and stood at \$1.65 trillion.



Consumer Misery Index



The Consumer Misery Index for August 2025 rose to 7.24, an increase YOY and slightly higher MTM.



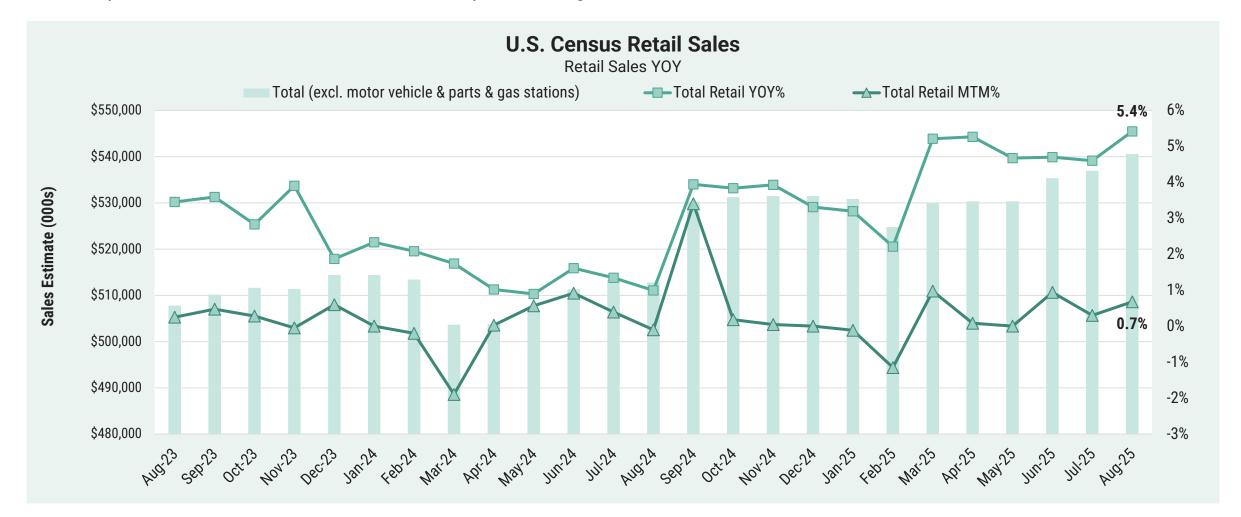
U.S. Retail Sales



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U.S. Retail Sales (excl. motor vehicles and gas stations)

U.S. retail and food services sales (excluding motor vehicles and gas stations) in August 2025 were \$540.6 billion, a 0.7% increase from the previous month and a 5.4% increase compared to August 2024.



U.S. Retail Sales by Retail Category



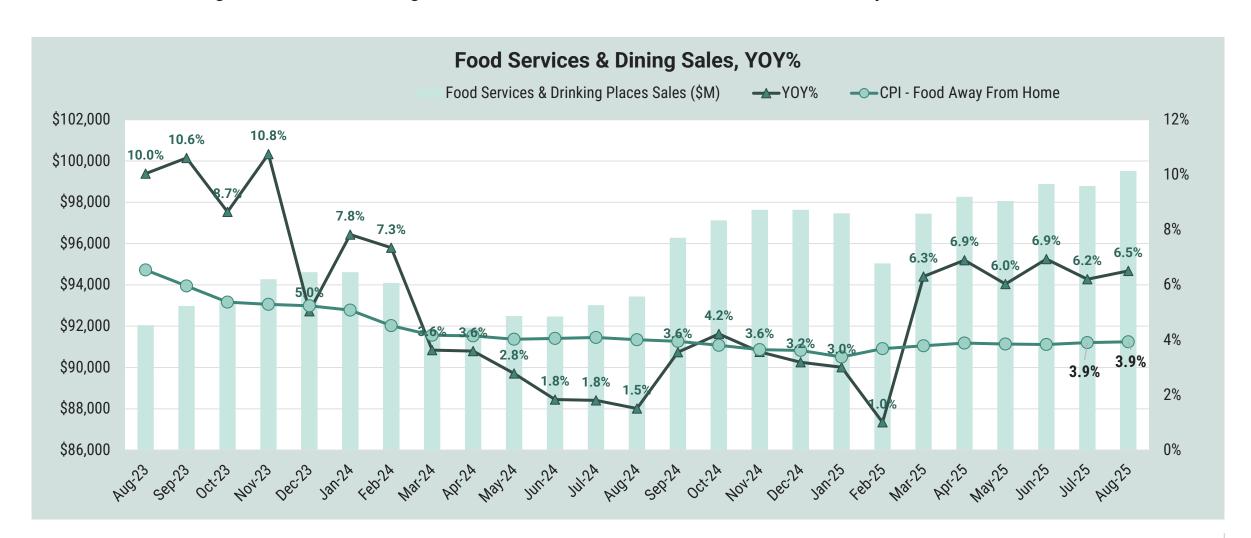
August retail sales increased across most segments – DIY retail and Department stores show continued declines.



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U.S. Retail Sales – Food Services & Dining

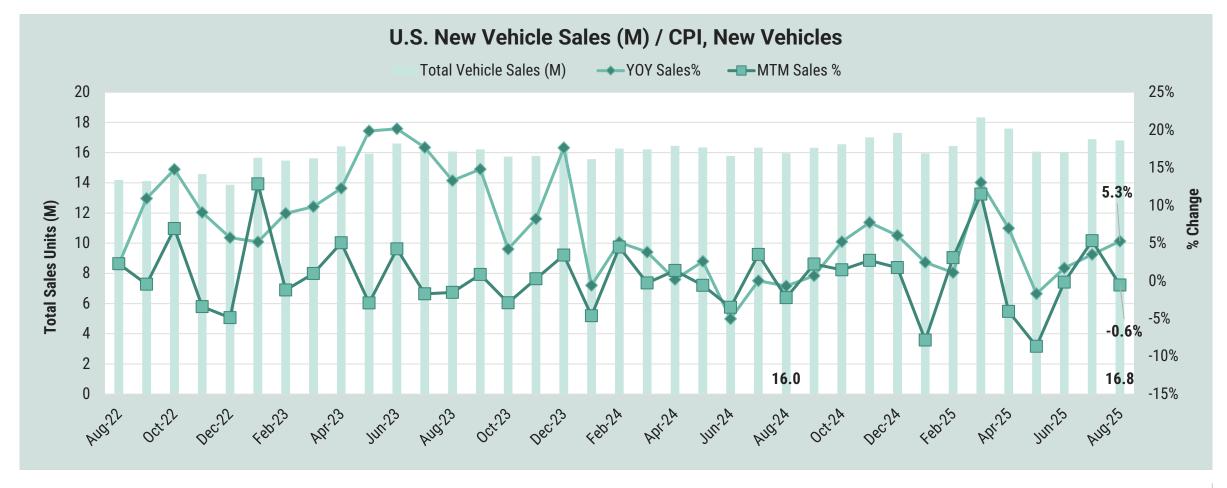
Food Services / Dining increased 6.5% in August — well above the 3.9% inflation rate for Food Away From Home.



U.S. Vehicle Sales



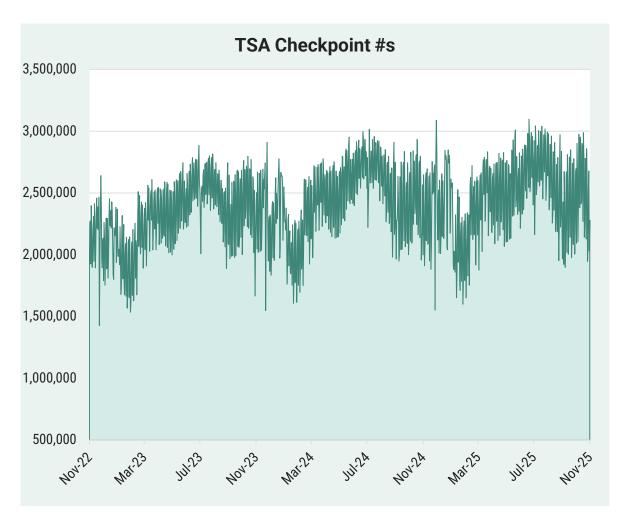
U.S. new car sales in August 2025 remained strong, with the sales pace reaching 16.8 million units (SAAR), an increase over the same period last year. The momentum was driven by a surge in demand for EVs ahead of the expiration of federal tax credits, in addition to continued robust sales of light trucks.

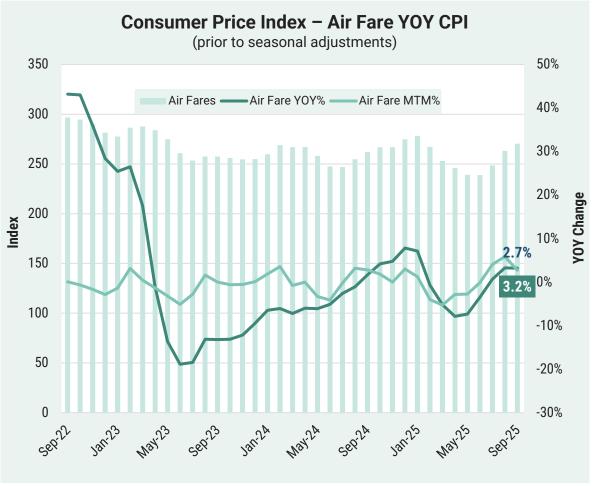


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Air Travel – TSA Checkpoint Numbers

Air travel volume YTD has increased .6% YOY; the price of air travel (through September) was up 2.7% MTM and 3.2% YOY.





Retail Sales

Q2-2025 Retail Financials Summary



Q2-2025 Retail Financials Summary

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Retailers and Segments Tracked — Summary of YOY Revenue Growth

Retailers' second quarter financial results, compared to 2024, clearly illustrate how persistent economic pressure is redefining consumer priorities. Retail segments are falling into two distinct tiers: resilient necessity / valuedriven growth and discretionary contraction, but growth in segments like jewelry and home furnishings suggest that financially insulated consumers continue to commit to large, high-value purchases, indicating a market bifurcation where the high-end consumer remains active.

DEPARTMENT STORES	YOY Revenue
Total Segment	-2.5%
Dillard's	1.4%
Kohl's	-5.0%
Macv's	-1.9%

SPECIALTY APPAREL	YOY Revenue
Total Segment	
Abercrombie & Fitch	6.6%
American Eagle Outiftters	-0.6%
Buckle	8.3%
Carter's	3.7%
The Children's Place	-6.8%
Citi Trends	8.0%
Fast Retailing Co., Ltd.	17.4%
GAP, Inc.	0.1%
Guess Total	5.5%
G-III	-4.9%
H & M Hennes & Mauritz AB	4.5%
Huggo Boss	8.1%
Land's End	-7.3%
Levi's	0.3%
Polo Ralph Lauren Total	13.7%
PVH	4.5%
Urban Outfitters Inc. (total)	11.3%
Tapestry, Inc.	8.3%
Tilly's	-7.1%
V.F. Corp	-0.5%
Zumiez	1.9%

MEN'S APPAREL	YOY Revenue
Destination XL Group	-7.5%

WOMEN'S APPAREL	YOY Revenue
Total Segment	2.0%
Cato	4.7%
J.Jill	-0.8%

	rotal Segment	0.7%
	Burlington	9.7%
	Ross Stores	4.6%
	TJX Companies	6.9%
	ATHLETIC APPAREL	YOY Revenue
	Total Segment	0.4%
	Adidas	12.1%
	Asics	29.0%
	Columbia Sportswear	6.1%
	Deckers	16.9%
	Lululemon	6.5%
	Nike	-12.0%
	Skechers	13.1%
	Under Armour	-4.2%
	FOOTWEAR	YOY Revenue
1	Total Segment	2.9%

	Caleres	-3.6%
	Crocs	3.4%
	Designer Brands	-4.2%
	Genesco	4.0%
	Shoe Carnival	-7.9%
	Steve Madden Ltd	6.8%
Ī	Wolverine Worldwide	11.5%

CLUB	YOY Revenue
Total Segment	7.6%
BJ's	3.4%
Costco	8.0%

Total Segment

Weis Markets

Sprouts Markets

YOY Revenue

3.4% 0.1%

3.2%

17.3%

Publix	7.3%
Casey's General Store	11.5%
GROCERY WHOLESALE	YOY Revenue
Total Segment	4.8%
SpartanNash	1.8%
US Foods Holdings	3.8%
Sysco	2.8%
Performance Food Group	16.8%
United Natural Foods	-5.6%

MASS / DISCOUNT	TOT Reve
Total Segment	4.3%
Target	-0.9%
Wal-Mart (Total)	4.8%
Dollar General	5.1%
Dollar Tree	12.3%
Five Below	23.7%
OFFICE	YOY Reve

Office Depot/Max

DRUG	YOY Revenue
Total Segment	8.0%
Walgreens Boots Alliance, INC	7.2%
CVS	8.4%

I ENGOTIAL GARL	101 Hevenue
Total Segment	6.4%
Ulta	9.3%
Bath & Body Works	1.5%
JEWELRY	YOY Revenue

10.7%

-7.5%

	Signet Jewelers	3.0%
YOY Revenue	Fossil	-15.29
4.8%	Garmin	20.4%
1.8%	Pandora	14.5%
3.8%		<u> </u>
2.8%	SPORTING GOODS	YOY Rev
16.8%	Total Segment	4.3%

Big 5 Sporting Goods

Dicks Sporting Goods

Total Segment

101 Revenue		
4.3%	ELECTRONICS	YOY Revenue
-0.9%	Total Segment	3.2%
4.8%	Best Buy	1.6%
5.1%	Game Stop	21.8%
12.3%		

ı	AUTU	101 Revenue
	Total Segment	2.9%
	Advance Auto Parts	-7.7%
	Auto Zone	5.4%
1	O'Reilly Automotive	5.9%
_		

DIY	YOY Revenue
Total Segment	3.6%
Home Depot	4.9%
Lowes	1.6%
Floor & Décor Holdings	7.1%
Tile Shop Holdings	-3.4%
Tractor Supply Company	4.5%
Sherwin Williams	0.7%

HOME FURNISHINGS	YOY Revenue
Total Segment	11.3%
Bassett Furniture	1.1%
Ethan Allen	-4.9%
Haverty Furniture Companies	1.3%
MillerKnoll, Inc.	8.2%
The Brand House Collective	-12.2%
La-Z-Boy	-0.7%
Somnigroup International Inc.	52.5%
Wayfair	5.0%
Williams Sonoma	2.7%



Department Stores continue to struggle across all KPIs, while Specialty Apparel is challenged with higher SG&A and profitability.

				2-Years Same Period				Prior Year Period				Current Period
Department Stores	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$11,286	\$16,707	\$10,358	\$10,772	\$10,596	\$16,490	\$9,955	\$10,343	\$10,064	\$15,456	\$9,573	\$10,081
YOY % Change					-6.1%	-1.3%	-3.9%	-4.0%	-5.0%	-6.3%	-3.8%	-2.5%
Gross Profit (\$MM)	\$4,685	\$5,488	\$4,432	\$4,396	\$4,511	\$6,207	\$4,228	\$4,346	\$4,244	\$5,680	\$4,086	\$4,211
Margin %	41.5%	32.8%	42.8%	40.8%	42.6%	37.6%	42.5%	42.0%	42.2%	36.7%	42.7%	41.8%
GMROII	1.6x	2.0×	2.0x	1.9x	1.7x	2.5x	1.9x	1.9x	1.6x	2.2x	1.8x	1.9x
Operating Income (\$MM)	\$632	\$697	\$598	\$463	\$449	\$1,458	\$421	\$448	\$235	\$1,023	\$362	\$413
Op Income %	5.6%	4.2%	5.8%	4.3%	4.2%	8.8%	4.2%	4.3%	2.3%	6.6%	3.8%	4.1%
EBITDA (\$MM)	\$1,105	\$1,163	\$1,050	\$908	\$913	\$1,922	\$871	\$896	\$691	\$1,472	\$801	\$851
EBITDA %	9.8%	7.0%	10.1%	8.4%	8.6%	11.7%	8.8%	8.7%	6.9%	9.5%	8.4%	8.4%
SG&A (\$MM)	\$3,805	\$4,523	\$3,599	\$3,702	\$3,829	\$4,503	\$3,573	\$3,664	\$3,781	\$4,382	\$3,504	\$3,578
SG&A % of Revenue	33.7%	27.1%	34.8%	34.4%	36.1%	27.3%	35.9%	35.4%	37.6%	28.4%	36.6%	35.5%
Inventory \$ (\$MM)	\$12,922	\$8,576	\$9,543	\$8,796	\$11,893	\$8,335	\$9,158	\$8,720	\$12,038	\$8,585	\$9,269	\$8,556
Inv Turns (annualized)	2.3x	4.2x	2.6x	2.8x	2.4x	4.1x	2.6x	2.7x	2.2x	3.8x	2.5x	2.6x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
(\$262)	•	(\$691)	•
-2.5%	•	-6.4%	~
(\$136)	▼	(\$185)	~
-25.5 BPS	▼	96.5 BPS	_
-0.06	•	-0.03	~
(\$35)	•	(\$49)	~
-23.3 BPS	•	-19.4 BPS	•
(\$45)	•	(\$57)	•
-21.8 BPS	•	0.8 BPS	_
(\$86)	_	(\$125)	~
6.6 BPS	•	112.2 BPS	•
(\$165)	_	(\$240)	•
-0.05	~	-0.15	•

				2-Years Same Period				Prior Year Period				Current Period
Specialty Apparel (excl. Discount)	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$59,301	\$65,671	\$57,795	\$57,284	\$61,219	\$66,656	\$57,821	\$58,369	\$62,380	\$67,867	\$58,740	\$60,334
YOY % Change					3.2%	1.5%	0.0%	1.9%	1.9%	1.8%	1.6%	3.4%
Gross Profit (\$MM)	\$28,506	\$32,298	\$27,534	\$28,654	\$30,489	\$34,782	\$29,186	\$30,316	\$31,888	\$36,176	\$29,497	\$30,933
Margin %	48.1%	49.2%	47.6%	50.0%	49.8%	52.2%	50.5%	51.9%	51.1%	53.3%	50.2%	51.3%
GMROII	2.4x	2.6x	2.4x	2.5x	2.7x	3.3x	3.0x	3.1x	3.0x	3.4x	2.9x	2.9x
Operating Income (\$MM)	\$5,651	\$5,614	\$4,421	\$4,910	\$6,593	\$7,332	\$5,109	\$6,571	\$6,760	\$8,025	\$4,997	\$5,474
Op Income %	9.5%	8.5%	7.6%	8.6%	10.8%	11.0%	8.8%	11.3%	10.8%	11.8%	8.5%	9.1%
EBITDA (\$MM)	\$7,725	\$7,397	\$6,519	\$6,924	\$8,735	\$8,921	\$6,960	\$8,521	\$8,949	\$9,621	\$7,021	\$7,481
EBITDA %	13.0%	11.3%	11.3%	12.1%	14.3%	13.4%	12.0%	14.6%	14.3%	14.2%	12.0%	12.4%
SG&A (\$MM)	\$22,784	\$26,227	\$23,173	\$23,705	\$23,759	\$26,969	\$24,090	\$23,695	\$23,753	\$27,859	\$24,463	\$25,365
SG&A % of Revenue	38.4%	39.9%	40.1%	41.4%	38.8%	40.5%	41.7%	40.6%	38.1%	41.0%	41.6%	42.0%
Inventory \$ (\$MM)	\$50,110	\$47,723	\$44,850	\$45,075	\$43,849	\$40,384	\$38,127	\$40,270	\$44,003	\$41,260	\$40,444	\$44,544
Inv Turns (annualized)	2.6x	2.7x	2.6x	2.5x	2.8x	3.0x	2.9x	2.9x	2.9x	3.0x	2.9x	2.8x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
\$1,965	_	\$3,050	A
3.4%	_	5.3%	_
\$617	_	\$2,278	_
-66.9 BPS	•	124.8 BPS	_
-0.18	•	0.36	_
(\$1,097)	▼	\$565	_
-218.5 BPS	•	50.2 BPS	_
(\$1,040)	•	\$556	_
-219.9 BPS	•	31.1 BPS	_
\$1,670	•	\$1,660	_
144.5 BPS	•	66.0 BPS	▼
\$4,274	•	(\$531)	•
-0.10	•	0.22	_



Athletic Apparel is experiencing higher SG&A and overall cost control, while Discount Apparel is strong on most key metrics.

				2-Years Same Period				Prior Year Period				Current Period
Athletic (included in Total Apparel) Summary	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$27,007	\$28,609	\$26,280	\$26,446	\$28,220	\$28,846	\$26,991	\$26,997	\$28,435	\$29,652	\$27,074	\$27,104
YOY % Change					4.5%	0.8%	2.7%	2.1%	0.8%	2.8%	0.3%	0.4%
Gross Profit (\$MM)	\$12,664	\$12,867	\$12,045	\$12,685	\$13,562	\$13,889	\$13,191	\$13,363	\$14,164	\$14,711	\$13,080	\$13,020
Margin %	46.9%	45.0%	45.8%	48.0%	48.1%	48.1%	48.9%	49.5%	49.8%	49.6%	48.3%	48.0%
GMROII	2.3x	2.2x	2.2x	2.3x	2.6x	2.8x	2.8x	2.9x	2.9x	2.9x	2.7x	2.6x
Operating Income (\$MM)	\$3,172	\$2,397	\$2,466	\$2,286	\$3,426	\$3,149	\$2,853	\$3,381	\$3,382	\$3,453	\$2,640	\$2,090
Op Income %	11.7%	8.4%	9.4%	8.6%	12.1%	10.9%	10.6%	12.5%	11.9%	11.6%	9.8%	7.7%
EBITDA (\$MM)	\$3,833	\$3,092	\$2,989	\$3,087	\$4,205	\$3,741	\$3,500	\$4,142	\$4,177	\$4,062	\$3,467	\$2,864
EBITDA %	14.2%	10.8%	11.4%	11.7%	14.9%	13.0%	13.0%	15.3%	14.7%	13.7%	12.8%	10.6%
SG&A (\$MM)	\$9,538	\$10,255	\$9,611	\$10,443	\$10,167	\$10,466	\$10,313	\$10,014	\$10,902	\$11,193	\$10,375	\$10,913
SG&A % of Revenue	35.3%	35.8%	36.6%	39.5%	36.0%	36.3%	38.2%	37.1%	38.3%	37.7%	38.3%	40.3%
Inventory \$ (\$MM)	\$23,375	\$22,973	\$21,836	\$21,846	\$20,467	\$19,079	\$18,022	\$18,824	\$20,284	\$19,750	\$19,357	\$21,142
Inv Turns (annualized)	2.6x	2.7x	2.5x	2.5x	2.8x	3.0x	3.0x	3.0x	2.9x	3.0x	2.9x	2.8x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
\$107	_	\$658	_
0.4%	_	2.5%	_
(\$343)	~	\$335	_
-146.3 BPS	~	7.3 BPS	_
-0.33	•	0.25	_
(\$1,292)	•	(\$197)	~
-481.5 BPS	•	-93.6 BPS	•
(\$1,278)	~	(\$223)	~
-477.7 BPS	~	-110.6 BPS	~
\$899	~	\$470	_
31 6.9 BPS	•	77.4 BPS	~
\$2,317	•	(\$705)	•
-0.18	~	0.26	_

				2-Years Same Period				Prior Year Period				Current Period
Discount Apparel	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$18,771	\$22,473	\$18,413	\$19,866	\$20,478	\$25,555	\$19,697	\$21,220	\$21,664	\$25,534	\$20,599	\$22,634
YOY % Change					9.1%	13.7%	7.0%	6.8%	5.8%	-0.1%	4.6%	6.7%
Gross Profit (\$MM)	\$5,526	\$10,395	\$8,808	\$6,121	\$6,477	\$12,348	\$6,137	\$6,640	\$6,989	\$8,999	\$6,693	\$7,469
Margin %	29.4%	46.3%	47.8%	30.8%	31.6%	48.3%	31.2%	31.3%	32.3%	35.2%	32.5%	33.0%
GMROII	1.9x	3.9x	3.7x	2.5x	2.3x	4.6x	2.6x	2.7x	2.4x	3.2x	2.5x	2.7x
Operating Income (\$MM)	\$1,860	\$2,136	\$1,710	\$1,911	\$2,191	\$2,857	\$2,058	\$2,191	\$2,432	\$2,933	\$2,064	\$2,401
Op Income %	9.9%	9.5%	9.3%	9.6%	10.7%	11.2%	10.4%	10.3%	11.2%	11.5%	10.0%	10.6%
EBITDA (\$MM)	\$2,247	\$2,518	\$2,112	\$2,317	\$2,614	\$3,292	\$2,513	\$2,651	\$2,897	\$3,425	\$2,567	\$2,930
EBITDA %	12.0%	11.2%	11.5%	11.7%	12.8%	12.9%	12.8%	12.5%	13.4%	13.4%	12.5%	12.9%
SG&A (\$MM)	\$3,600	\$8,196	\$3,736	\$4,138	\$4,212	\$9,409	\$3,999	\$4,363	\$4,471	\$5,979	\$4,539	\$4,975
SG&A % of Revenue	19.2%	36.5%	20.3%	20.8%	20.6%	36.8%	20.3%	20.6%	20.6%	23.4%	22.0%	22.0%
Inventory \$ (\$MM)	\$12,268	\$9,024	\$9,914	\$10,047	\$12,228	\$9,245	\$9,820	\$10,183	\$12,671	\$10,116	\$11,112	\$11,395
Inv Turns (annualized)	4.5x	4.5x	5.4x	5.5x	5.0x	4.9x	5.7x	5.8x	5.1x	5.8x	5.2x	5.4x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
\$1,414	_	\$2,768	_
6.7%	_	13.9%	_
\$830	_	\$1,349	_
171.0 BPS	_	219.1 BPS	_
0.00	~	0.20	_
\$210	_	\$490	_
28.2 BPS	_	98.9 BPS	_
\$279	_	\$613	_
45.1 BPS	_	128.0 BPS	_
\$612	•	\$837	_
141.7 BPS	•	114.9 BPS	~
\$1,212	•	\$1,349	_
-0.44	~	-0.12	•



Mass and Discount Stores see strength in top line as consumers trade down; Footwear retailers experience margin improvement.

				2-Years Same Period				Prior Year Period				Current Period
Mass & Discount Stores	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$196,381	\$214,489	\$195,016	\$204,285	\$203,947	\$225,143	\$200,934	\$209,896	\$213,851	\$228,164	\$205,501	\$218,938
YOY % Change					3.9%	5.0%	3.0%	2.7%	4.9%	1.3%	2.3%	4.3%
Gross Profit (\$MM)	\$49,206	\$52,065	\$49,378	\$52,206	\$52,084	\$56,402	\$51,894	\$54,904	\$55,079	\$57,890	\$53,232	\$57,317
Margin %	25.1%	24.3%	25.3%	25.6%	25.5%	25.1%	25.8%	26.2%	25.8%	25.4%	25.9%	26.2%
GMROII	2.1x	2.3x	2.4x	2.5x	2.4x	2.6x	2.6x	2.7x	2.5x	2.7x	2.7x	2.8x
Operating Income (\$MM)	\$8,174	\$9,364	\$8,827	\$9,601	\$8,359	\$10,761	\$9,130	\$10,438	\$8,562	\$10,354	\$9,643	\$10,027
Op Income %	4.2%	4.4%	4.5%	4.7%	4.1%	4.8%	4.5%	5.0%	4.0%	4.5%	4.7%	4.6%
EBITDA (\$MM)	\$12,003	\$13,289	\$12,766	\$13,631	\$12,532	\$15,094	\$13,365	\$14,795	\$13,122	\$14,925	\$14,250	\$14,751
EBITDA %	6.1%	6.2%	6.5%	6.7%	6.1%	6.7%	6.7%	7.0%	6.1%	6.5%	6.9%	6.7%
SG&A (\$MM)	\$40,435	\$41,980	\$39,968	\$42,011	\$43,109	\$44,887	\$42,109	\$43,798	\$45,835	\$46,844	\$42,887	\$46,610
SG&A % of Revenue	20.6%	19.6%	20.5%	20.6%	21.1%	19.9%	21.0%	20.9%	21.4%	20.5%	20.9%	21.3%
Inventory \$ (\$MM)	\$95,327	\$82,813	\$82,530	\$82,810	\$92,317	\$79,470	\$79,685	\$80,957	\$91,939	\$79,218	\$80,511	\$80,703
Inv Turns (annualized)	6.4x	7.3x	7.0x	7.4x	6.9x	7.9x	7.5x	7.7x	7.3x	8.0x	7.6x	8.0x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
\$9,042	_	\$14,653	_
4.3%	A	7.2%	_
\$2,413	_	\$5,111	_
2.2 BPS	_	62.4 BPS	_
0.11	_	0.32	_
(\$411)	•	\$426	_
-39.3 BPS	•	-12.0 BPS	•
(\$44)	•	\$1,121	_
-31.1 BPS	▼	6.5 BPS	_
\$2,812	▼	\$4,599	_
42.3 BPS	•	72.4 BPS	•
(\$254)	_	(\$2,108)	~
0.30	_	0.66	_

				2-Years Same Period				Prior Year Period				Current Period
Footwear	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$5,193	\$5,068	\$4,542	\$4,796	\$4,948	\$4,998	\$4,438	\$4,797	\$4,974	\$5,037	\$4,410	\$4,937
YOY % Change					-4.7%	-1.4%	-2.3%	0.0%	0.5%	0.8%	-0.6%	2.9%
Gross Profit (\$MM)	\$2,228	\$1,996	\$1,931	\$2,123	\$2,156	\$2,092	\$1,945	\$2,168	\$2,215	\$2,522	\$2,022	\$2,334
Margin %	42.9%	39.4%	42.5%	44.3%	43.6%	41.9%	43.8%	45.2%	44.5%	50.1%	45.9%	47.3%
GMROII	2.0x	1.8x	1.9x	2.1x	2.2x	2.3x	2.3x	2.4x	2.4x	2.8x	2.2x	2.4x
Operating Income (\$MM)	\$638	\$341	\$413	\$597	\$541	\$289	\$393	\$552	\$554	\$438	\$339	\$490
Op Income %	12.3%	6.7%	9.1%	12.4%	10.9%	5.8%	8.9%	11.5%	11.1%	8.7%	7.7%	9.9%
EBITDA (\$MM)	\$719	\$420	\$494	\$679	\$627	\$377	\$484	\$645	\$648	\$529	\$436	\$593
EBITDA %	13.8%	8.3%	10.9%	14.2%	12.7%	7.5%	10.9%	13.4%	13.0%	10.5%	9.9%	12.0%
SG&A (\$MM)	\$1,585	\$1,575	\$1,493	\$1,558	\$1,615	\$1,702	\$1,548	\$1,628	\$1,662	\$1,990	\$1,681	\$1,845
SG&A % of Revenue	30.5%	31.1%	32.9%	32.5%	32.6%	34.1%	34.9%	33.9%	33.4%	39.5%	38.1%	37.4%
Inventory \$ (\$MM)	\$4,567	\$4,072	\$4,062	\$4,026	\$3,788	\$3,388	\$3,522	\$3,722	\$3,787	\$3,521	\$3,736	\$4,186
Inv Turns (annualized)	2.7x	2.8x	2.6x	2.6x	2.9x	3.2x	2.9x	2.9x	2.9x	2.8x	2.6x	2.6x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
\$141	_	\$1.41	_
2.9%	_	2.9%	_
\$165	_	\$210	_
205.9 BPS	A	298.7 BPS	_
-0.04	•	0.26	_
(\$63)	▼	(\$107)	~
-159.4 BPS	•	-252.0 BPS	~
(\$52)	•	(\$87)	•
-144.4 BPS	•	-216.0 BPS	•
\$217	•	\$287	_
343.1 BPS	•	489.1 BPS	▼
\$464	•	\$160	_
-0.27	•	-0.01	•



Grocery Stores and Grocery Wholesale Q2 revenue and profitability improved YOY.

				2-Years Same Period				Prior Year Period				Current Period
Grocery	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$53,929	\$56,382	\$65,704	\$54,679	\$54,847	\$58,031	\$66,985	\$55,608	\$55,343	\$56,982	\$68,375	\$57,526
YOY % Change					1.7%	2.9%	1.9%	1.7%	0.9%	-1.8%	2.1%	3.4%
Gross Profit (\$MM)	\$12,364	\$14,349	\$15,513	\$12,887	\$12,947	\$15,078	\$15,851	\$13,337	\$13,392	\$15,116	\$16,812	\$14,066
Margin %	22.9%	25.4%	23.6%	23.6%	23.6%	26.0%	23.7%	24.0%	24.2%	26.5%	24.6%	24.5%
GMROII	4.5x	5.0x	5.8x	5.0x	4.8x	5.5x	6.1x	5.2x	5.0x	5.5x	6.3x	5.3x
Operating Income (\$MM)	\$2,209	\$2,787	\$3,053	\$2,439	\$2,397	\$2,774	\$2,981	\$2,429	\$2,338	\$3,018	\$3,189	\$2,650
Op Income %	4.1%	4.9%	4.6%	4.5%	4.4%	4.8%	4.5%	4.4%	4.2%	5.3%	4.7%	4.6%
EBITDA (\$MM)	\$3,240	\$3,899	\$4,358	\$3,525	\$3,494	\$3,933	\$4,336	\$3,592	\$3,516	\$4,235	\$4,663	\$3,873
EBITDA %	6.0%	6.9%	6.6%	6.4%	6.4%	6.8%	6.5%	6.5%	6.4%	7.4%	6.8%	6.7%
SG&A (\$MM)	\$9,435	\$10,863	\$11,476	\$9,695	\$9,797	\$11,566	\$11,857	\$10,119	\$10,139	\$11,630	\$12,511	\$10,578
SG&A % of Revenue	17.5%	19.3%	17.5%	17.7%	17.9%	19.9%	17.7%	18.2%	18.3%	20.4%	18.3%	18.4%
Inventory \$ (\$MM)	\$11,841	\$10,892	\$10,420	\$10,214	\$11,401	\$10,601	\$10,166	\$10,166	\$11,056	\$10,785	\$10,663	\$10,657
Inv Turns (annualized)	15.0x	14.8x	18.8x	16.2x	15.5x	15.6x	19.7x	16.6x	15.8x	15.3x	19.2x	16.3x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
\$1,918	_	\$2,846	_
3.4%	A	5.2%	_
\$729	A	\$1,180	_
46.8 BPS	_	88.5 BPS	_
0.03	_	0.28	_
\$220	_	\$210	_
23.8 BPS	_	14.5 BPS	_
\$281	_	\$348	_
27.3 BPS	A	28.6 BPS	_
\$459	•	\$883	_
19.2 BPS	•	65.7 BPS	•
\$490	•	\$443	_
-0.32	•	0.10	_

				2-Years Same Period				Prior Year Period				Current Period
Grocery Wholesale Segment Summary	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$52,592	\$51,133	\$51,603	\$52,336	\$53,481	\$52,540	\$52,490	\$52,240	\$55,749	\$55,700	\$55,224	\$54,726
YOY % Change					1.7%	2.8%	1.7%	-0.2%	4.2%	6.0%	5.2%	4.8%
Gross Profit (\$MM)	\$7,969	\$7,714	\$7,815	\$8,263	\$8,230	\$8,076	\$8,133	\$8,760	\$8,577	\$8,580	\$8,581	\$9,193
Margin %	15.2%	15.1%	15.1%	15.8%	15.4%	15.4%	15.5%	16.8%	15.4%	15.4%	15.5%	16.8%
GMROII	2.5x	2.4x	2.5x	2.7x	2.6x	2.5x	2.6x	2.9x	2.7x	2.6x	2.6x	2.8x
Operating Income (\$MM)	\$1,272	\$1,120	\$1,155	\$1,093	\$1,303	\$1,258	\$1,210	\$1,762	\$1,452	\$1,326	\$1,213	\$1,781
Op Income %	2.4%	2.2%	2.2%	2.1%	2.4%	2.4%	2.3%	3.4%	2.6%	2.4%	2.2%	3.3%
EBITDA (\$MM)	\$1,768	\$1,629	\$1,680	\$1,618	\$1,836	\$1,824	\$1,783	\$2,355	\$2,058	\$1,964	\$1,866	\$2,435
EBITDA %	3.4%	3.2%	3.3%	3.1%	3.4%	3.5%	3.4%	4.5%	3.7%	3.5%	3.4%	4.4%
5G&A (\$MM)	\$6,578	\$6,399	\$6,535	\$6,926	\$6,798	\$6,588	\$6,778	\$6,774	\$6,955	\$6,983	\$7,144	\$7,205
SG&A % of Revenue	12.5%	12.5%	12.7%	13.2%	12.7%	12.5%	12.9%	13.0%	12.5%	12.5%	12.9%	13.2%
nventory \$ (\$MM)	\$13,158	\$12,705	\$12,524	\$12,271	\$12,978	\$12,551	\$12,248	\$12,292	\$13,247	\$13,377	\$12,846	\$13,140
Inv Turns (annualized)	13.9x	13.4x	13.9x	14.2x	14.3x	13.9x	14.3x	14.2x	14.8x	14.2x	14.2x	14.0x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
\$2,486	_	\$2,390	_
4.8%	_	4.6%	_
\$433	_	\$930	_
3.0 BPS	A	101.0 BPS	_
-0.03	•	0.16	_
\$20	_	\$688	_
-11.7 BPS	•	116.7 BPS	_
\$80	_	\$816	_
-5.9 BPS	•	135.7 BPS	_
\$431	•	\$279	_
19.8 BPS	▼	-6.9 BPS	_
\$848	•	\$869	_
-0.16	•	-0.20	•



Drug stores' revenue continues to increase, while Personal Care retailers struggle slightly with operating income.

				2-Years Same Period				Prior Year Period				Current Period
Drug Stores	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$113,407	\$116,905	\$119,806	\$124,062	\$124,909	\$130,252	\$125,035	\$127,191	\$132,425	\$136,414	\$132,656	\$137,414
YOY % Change					10.1%	11.4%	4.4%	2.5%	6.0%	4.7%	6.1%	8.0%
Grass Profit (\$MM)	\$19,585	\$20,443	\$20,096	\$19,918	\$19,775	\$20,378	\$19,147	\$19,448	\$18,261	\$18,923	\$20,810	\$19,612
Margin %	17.3%	17.5%	16.8%	1 6.1%	15.8%	15.6%	15.3%	15.3%	13.8%	13.9%	15.7%	14.3%
GMROII	3.0x	3.0x	2.9x	3.0x	3.1x	3.0x	2.9x	3.1x	2.9x	2.8x	3.2x	3.1x
Operating Income (\$MM)	\$4,654	\$3,974	\$3,738	\$3,368	\$5,444	\$3,407	\$1,773	\$2,861	\$2,374	\$1,845	\$3,673	\$3,049
Op Income %	4.1%	3.4%	3.1%	2.7%	4.4%	2.6%	1.4%	2.2%	1.8%	1.4%	2.8%	2.2%
EBITDA (\$MM)	\$5,891	\$5,518	\$5,299	\$5,069	\$6,805	\$5,157	\$3,525	\$4,619	\$3,743	\$3,617	\$5,438	\$4,793
EBITDA %	5.2%	4.7%	4.4%	4.1%	5.4%	4.0%	2.8%	3.6%	2.8%	2.7%	4.1%	3.5%
SG&A (\$MM)	\$14,931	\$16,469	\$16,358	\$16,550	\$14,331	\$16,971	\$17,374	\$16,587	\$15,887	\$17,078	\$17,137	\$16,337
SG&A % of Revenue	13.2%	14.1%	13.7%	13.3%	11.5%	13.0%	13.9%	13.0%	12.0%	12.5%	12.9%	11.9%
Inventory \$ (\$MM)	\$26,411	\$28,412	\$27,020	\$25,455	\$26,211	\$27,479	\$24,903	\$24,646	\$25,969	\$27,226	\$25,230	\$24,767
Inv Turns (annualized)	14.3x	14.1x	14.4x	15.9x	16.3x	16.4x	16.2x	17.4x	18.0x	17.7x	17.1x	18.8x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
\$10,223	A	\$13,352	_
8.0%	_	10.8%	_
\$164	A	(\$306)	•
-101.8 BPS	▼	-178.3 BPS	•
0.00	•	0.10	_
\$188	_	(\$319)	•
-3.1 BPS	•	-49.6 BPS	•
\$174	_	(\$276)	•
-14.4 BPS	•	-59.8 BPS	•
(\$250)	_	(\$213)	•
-115.2 BPS	_	-145.1 BPS	_
\$121	•	(\$688)	•
1.45	_	2.97	_

				2-Years Same Period				Prior Year Period				Current Period
Personal Care	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$3,943	\$6,116	\$4,030	\$4,089	\$4,051	\$6,466	\$4,110	\$4,078	\$4,140	\$6,275	\$4,272	\$4,337
YOY % Change					2.7%	5.7%	2.0%	-0.3%	2.2%	-3.0%	4.0%	6.4%
Gross Profit (\$MM)	\$1,641	\$2,868	\$1,651	\$1,616	\$1,674	\$3,111	\$1,676	\$1,604	\$1,706	\$3,080	\$1,760	\$1,732
Margin %	41.6%	46.9%	41.0%	39.5%	41.3%	48.1%	40.8%	39.3%	41.2%	49.1%	41.2%	39.9%
GMROII	2.2x	4.0x	2.7x	2.5x	2.2x	4.1x	2.6x	2.3x	2.1x	3.9x	2.5x	2.2x
Operating Income (\$MM)	\$564	\$1,101	\$623	\$580	\$548	\$1,213	\$588	\$512	\$537	\$1,194	\$611	\$502
Op Income %	14.3%	18.0%	15.5%	14.2%	13.5%	18.8%	14.3%	12.6%	13.0%	19.0%	14.3%	11.6%
EBITDA (\$MM)	\$678	\$1,218	\$744	\$708	\$680	\$1,345	\$724	\$649	\$673	\$1,335	\$747	\$637
EBITDA %	17.2%	19.9%	18.5%	17.3%	16.8%	20.8%	17.6%	15.9%	16.2%	21.3%	17.5%	14.7%
SG&A (\$MM)	\$1,077	\$1,768	\$1,028	\$1,036	\$1,126	\$1,897	\$1,088	\$1,092	\$1,169	\$1,886	\$1,149	\$1,230
SG&A % of Revenue	27.3%	28.9%	25.5%	25.3%	27.8%	29.3%	26.5%	26.8%	28.2%	30.1%	26.9%	28.4%
Inventory \$ (\$MM)	\$3,384	\$2,312	\$2,522	\$2,634	\$3,526	\$2,490	\$2,720	\$2,861	\$3,543	\$2,748	\$2,991	\$3,384
Inv Turns (annualized)	3.1x	4.6x	3.9x	3.8x	3.1x	4.5x	3.7x	3.5x	3.0x	4.1x	3.5x	3.3x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
\$259	_	\$249	_
6.4%	_	6.1%	_
\$128	_	\$116	_
58.8 BPS	_	41.1 BPS	_
-0.13	▼	-0.33	~
(\$10)	▼	(\$78)	~
-99.0 BPS	•	-260.6 BPS	~
(\$11)	•	(\$71)	•
-121.6 BPS	•	-261.8 BPS	•
\$138	•	\$194	_
157.7 BPS	▼	301.7 BPS	•
\$523	•	\$751	_
-0.28	•	-0.57	•



Club stores continue to outperform; Home Improvement revenue rises, but SG&A costs increase.

				2-Years Same Period				Prior Year Period				Current Period
Club Stores	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$76,876	\$59,367	\$59,989	\$58,612	\$83,864	\$63,156	\$63,361	\$63,720	\$84,796	\$67,430	\$68,876	\$68,585
YOY % Change					9.1%	6.4%	5.6%	8.7%	1.1%	6.8%	8.7%	7.6%
Gross Profit (\$MM)	\$9,410	\$7,571	\$7,723	\$7,668	\$10,622	\$8,305	\$8,185	\$8,299	\$11,084	\$8,991	\$8,948	\$9,215
Margin %	12.2%	12.8%	12.9%	13.1%	12.7%	13.2%	12.9%	13.0%	13.1%	13.3%	13.0%	13.4%
GMROII	2.0x	1.5x	1.6x	1.7x	2.3x	1.8x	1.7x	1.8x	2.3x	1.7x	1.7x	1.8x
Operating Income (\$MM)	\$2,572	\$1,944	\$2,090	\$2,177	\$2,980	\$2,212	\$2,226	\$2,403	\$3,273	\$2,376	\$2,521	\$2,748
Op Income %	3.3%	3.3%	3.5%	3.7%	3.6%	3.5%	3.5%	3.8%	3.9%	3.5%	3.7%	4.0%
EBITDA (\$MM)	\$3,218	\$2,442	\$2,614	\$2,704	\$3,726	\$2,774	\$2,803	\$2,984	\$4,045	\$2,991	\$3,143	\$3,372
EBITDA %	4.2%	4.1%	4.4%	4.6%	4.4%	4.4%	4.4%	4.7%	4.8%	4.496	4.6%	4.9%
SG&A (\$MM)	\$6,838	\$5,627	\$5,633	\$5,491	\$7,642	\$6,093	\$5,959	\$5,896	\$7,811	\$6,615	\$6,427	\$6,468
SG&A % of Revenue	8.9%	9.5%	9.4%	9.4%	9.1%	9.6%	9.4%	9.3%	9.2%	9.8%	9.3%	9.4%
Inventory \$ (\$MM)	\$19,411	\$19,950	\$17,613	\$17,865	\$18,313	\$19,456	\$18,608	\$18,976	\$20,367	\$22,488	\$20,321	\$20,127
Inv Turns (annualized)	14.1x	10.5x	11.1x	11.5x	16.2x	11.6x	11.6x	11.8x	15.0x	10.9x	11.2x	11.7x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
\$4,865	_	\$9,974	_
7.6%	_	17.0%	_
\$917	_	\$1,547	_
41.3 BPS	_	35.4 BPS	_
0.06	_	0.09	_
\$345	_	\$570	_
23.6 BPS	A	29.1 BPS	_
\$388	_	\$667	_
23.3 BPS	A	30.2 BPS	_
\$572	▼	\$977	_
17.7 BPS	•	6.2 BPS	•
\$1,150	•	\$2,262	_
-0.05	~	0.26	_

				2-Years Same Period				Prior Year Period				Current Period
Home I mprovement	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$72,864	\$68,648	\$69,570	\$79,532	\$68,910	\$63,433	\$67,733	\$78,504	\$71,220	\$68,516	\$70,807	\$81,293
YOY % Change					-5.4%	-7.6%	-2.6%	-1.3%	3.4%	8.0%	4.5%	3.6%
Gross Profit (\$MM)	\$25,316	\$23,278	\$24,216	\$27,492	\$24,330	\$21,875	\$23,812	\$27,488	\$25,088	\$23,573	\$24,837	\$28,589
Margin %	34.7%	33.9%	34.8%	34.6%	35.3%	34.5%	35.2%	35.0%	35.2%	34.4%	35.1%	35.2%
GMROII	1.9x	1.8x	1.9x	2.2x	3.1x	1.9x	2.1x	2.4x	3.1x	2.0x	2.0x	2.3x
Operating Income (\$MM)	\$10,525	\$7,494	\$10,005	\$12,251	\$9,646	\$6,879	\$8,788	\$11,852	\$9,535	\$7,447	\$8,698	\$11,787
Op Income %	14.4%	10.9%	14.4%	15.4%	14.0%	10.8%	13.0%	15.1%	13.4%	10.9%	12.3%	14.5%
EBITDA (\$MM)	\$12,049	\$9,015	\$11,567	\$13,838	\$11,261	\$8,522	\$10,430	\$13,579	\$11,356	\$9,311	\$10,544	\$13,655
EBITDA %	16.5%	13.1%	16.6%	17.4%	16.3%	13.4%	15.4%	17.3%	15.9%	13.6%	14.9%	16.8%
SG&A (\$MM)	\$13,638	\$14,582	\$13,032	\$14,054	\$13,427	\$13,747	\$13,800	\$14,380	\$14,208	\$14,730	\$14,766	\$15,409
SG&A % of Revenue	18.7%	21.2%	18.7%	17.7%	19.5%	21.7%	20.4%	18.3%	19.9%	21.5%	20.9%	19.0%
inventory \$ (\$MM)	\$52,204	\$50,167	\$51,928	\$47,065	\$46,618	\$44,045	\$47,188	\$46,313	\$47,943	\$47,207	\$51,105	\$48,057
Inv Turns (annualized)	3.7x	3.5x	3.6x	4.2x	3.8x	3.7x	3.9x	4.4x	3.9x	3.8x	3.7x	4.3x

Current vs. Previous Year	YO Y Trend	Current vs. 2-Year Previous	YO2Y Trend
\$2,789	_	\$1,761	_
3.6%	_	2.2%	_
\$1,100	A	\$1,097	_
15.2 BPS	_	60.1 BPS	_
-0.05	~	0.08	_
(\$66)	~	(\$464)	•
-59.9 BPS	▼	-90.5 BPS	~
\$76	_	(\$184)	•
-50.0 BPS	•	-60.3 BPS	•
\$1,030	•	\$1,355	_
63.8 BPS	•	128.4 BPS	~
\$1,744	•	\$992	_
-0.11	•	0.05	_



Consumer Electronics stages a comeback, while Auto Parts stores see favorability as consumers hold onto vehicles longer.

				2-Years Same Period				Prior Year Period				Current Period
Consumer Electronics	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$11,773	\$16,961	\$10,704	\$10,747	\$10,834	\$16,440	\$9,729	\$10,086	\$10,305	\$15,231	\$9,499	\$10,410
YOY % Change					-8.0%	-3.1%	-9.1%	-6.1%	-4.9%	-7.4%	-2.4%	3.2%
Gross Profit (\$MM)	\$2,624	\$3,440	\$2,437	\$2,526	\$2,514	\$3,420	\$2,309	\$2,435	\$2,474	\$3,281	\$2,302	\$2,477
Margin %	22.3%	20.3%	22.8%	23.5%	23.2%	20.8%	23.7%	24.1%	24.0%	21.5%	24.2%	23.8%
GMROII	1.4x	1.9x	1.7x	1.6x	1.3x	1.9x	1.6x	1.6x	1.3x	1.8x	1.6x	1.7x
Operating Income (\$MM)	\$281	\$751	\$277	\$345	\$325	\$831	\$276	\$348	\$321	\$761	\$353	\$429
Op Income %	2.4%	4.4%	2.6%	3.2%	3.0%	5.1%	2.8%	3.4%	3.1%	5.0%	3.7%	4.1%
EBITDA (\$MM)	\$522	\$1,005	\$528	\$594	\$565	\$1,071	\$512	\$573	\$553	\$983	\$569	\$645
EBITDA %	4.4%	5.9%	4.9%	5.5%	5.2%	6.5%	5.3%	5.7%	5.4%	6.5%	6.0%	6.2%
SG&A (\$MM)	\$2,322	\$2,607	\$2,140	\$2,181	\$2,174	\$2,529	\$2,026	\$2,082	\$2,148	\$2,477	\$1,944	\$2,044
SG&A % of Revenue	19.7%	15.4%	20.0%	20.3%	20.1%	15.4%	20.8%	20.6%	20.8%	16.3%	20.5%	19.6%
Inventory \$ (\$MM)	\$8,425	\$5,823	\$5,979	\$6,328	\$8,583	\$5,591	\$5,901	\$6,266	\$8,636	\$5,565	\$5,615	\$6,301
Inv Turns (annualized)	4.8x	7.6x	5.6x	5.3x	4.5x	7.3x	5.2x	5.0x	4.2x	6.7x	5.2x	5.3x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
\$324	A	(\$337)	•
3.2%	A	-3.1%	•
\$42	A	(\$49)	•
-34.5 BPS	▼	29.1 BPS	_
0.06	_	0.02	_
\$82	A	\$84	_
67.8 BPS	A	91.0 BPS	_
\$72	A	\$51	_
51.7 BPS	A	66.9 BPS	_
(\$38)	_	(\$137)	~
-101.1 BPS	_	-65.7 BPS	A
\$35	•	(\$27)	~
0.29	_	-0.02	•

				2-Years Same Period				Prior Year Period				Current Period
Auto Parts	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$11,788	\$10,103	\$10,816	\$10,846	\$12,613	\$10,487	\$11,242	\$10,686	\$12,718	\$10,371	\$10,672	\$10,999
YOY % Change					7.0%	3.8%	3.9%	-1.5%	0.8%	-1.1%	-5.1%	2.9%
Gross Profit (\$MM)	\$5,870	\$4,939	\$5,291	\$5,378	\$6,147	\$5,102	\$7,520	\$5,384	\$6,417	\$5,148	\$5,359	\$5,560
Margin %	49.8%	48.9%	48.9%	49.6%	48.7%	48.7%	66.9%	50.4%	50.5%	49.6%	50.2%	50.5%
GMROII	1.6x	1.3x	1.4x	1.4x	1.6x	1.3x	1.9x	1.4x	1.7x	1.4x	1.4x	1.4x
Operating Income (\$MM)	\$2,079	\$1,554	\$1,477	\$1,861	\$2,076	\$1,489	\$1,582	\$1,824	\$2,194	\$1,501	\$1,435	\$1,838
Op Income %	17.6%	15.4%	13.7%	17.2%	16.5%	14.2%	14.1%	17.1%	17.2%	14.5%	13.4%	16.7%
EBITDA (\$MM)	\$2,376	\$1,832	\$1,777	\$2,146	\$2,411	\$1,793	\$1,911	\$2,135	\$2,535	\$1,831	\$1,784	\$2,164
EBITDA %	20.2%	18.1%	16.4%	19.8%	19.1%	17.1%	17.0%	20.0%	19.9%	17.7%	16.7%	19.7%
SG&A (\$MM)	\$3,791	\$3,014	\$3,814	\$3,517	\$4,071	\$3,614	\$3,961	\$3,559	\$4,223	\$3,647	\$3,924	\$3,722
SG&A % of Revenue	32.2%	29.8%	35.3%	32.4%	32.3%	34.5%	35.2%	33.3%	33.2%	35.2%	36.8%	33.8%
Inventory \$ (\$MM)	\$14,703	\$14,882	\$15,291	\$15,398	\$15,345	\$15,291	\$15,604	\$15,847	\$15,111	\$14,982	\$15,492	\$15,914
Inv Turns (annualized)	1.6x	1.4x	1.5x	1.4x	1.7x	1.4x	1.5x	1.3x	1.6x	1.4x	1.4x	1.4x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
\$314	_	\$154	_
2.9%	_	1.4%	_
\$176	A	\$182	_
16.8 BPS	_	96.3 BPS	_
0.05	A	0.01	_
\$13	_	(\$23)	•
-36.7 BPS	~	-45.3 BPS	•
\$29	_	\$19	_
-30.3 BPS	~	-10.6 BPS	•
\$163	~	\$206	_
53.5 BPS	▼	141.5 BPS	▼
\$67	•	\$517	_
0.04	A	-0.04	•



Sporting Goods maintains strength, while Home Furnishings sees a modest pick-up, boosted by an improving housing market.

				2-Years Same Period				Prior Year Period				Current Period
Sporting Goods	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$3,220	\$3,835	\$3,067	\$3,447	\$3,282	\$4,073	\$3,212	\$3,673	\$3,278	\$4,075	\$3,350	\$3,832
YOY % Change					1.9%	6.2%	4.7%	6.6%	-0.1%	0.1%	4.3%	4.3%
Gross Profit (\$MM)	\$1,099	\$1,246	\$1,104	\$1,181	\$1,147	\$1,399	\$1,156	\$1,334	\$1,158	\$1,412	\$1,219	\$1,403
Margin %	34.1%	32.5%	36.0%	34.3%	34.9%	34.4%	36.0%	36.3%	35.3%	34.7%	36.4%	36.6%
GMROII	1.3x	1.5x	1.4x	1.4x	1.4x	1.7x	1.4x	1.5x	1.2x	1.5x	1.3x	1.5x
Operating Income (\$MM)	\$334	\$342	\$326	\$311	\$328	\$392	\$320	\$457	\$275	\$366	\$350	\$437
Op Income %	10.4%	8.9%	10.6%	9.0%	10.0%	9.6%	10.0%	12.4%	8.4%	9.0%	10.5%	11.4%
EBITDA (\$MM)	\$425	\$429	\$413	\$403	\$435	\$482	\$416	\$559	\$381	\$480	\$453	\$547
EBITDA %	13.2%	11.2%	13.5%	11.7%	13.3%	11.8%	12.9%	15.2%	11.6%	11.8%	13.5%	14.3%
SG&A (\$MM)	\$765	\$903	\$778	\$870	\$819	\$1,007	\$836	\$878	\$882	\$1,046	\$869	\$966
SG&A % of Revenue	23.8%	23.6%	25.4%	25.2%	24.9%	24.7%	26.0%	23.9%	26.9%	25.7%	25.9%	25.2%
Inventory \$ (\$MM)	\$3,678	\$3,134	\$3,350	\$3,176	\$3,574	\$3,125	\$3,477	\$3,468	\$3,992	\$3,610	\$3,863	\$3,687
Inv Turns (annualized)	2.4x	3.0x	2.4x	2.8x	2.5x	3.2x	2.5x	2.7x	2.3x	2.8x	2.3x	2.6x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
\$158	_	\$384	_
4.3%	A	11.1%	_
\$69	_	\$222	_
30.3 BPS	_	235.8 BPS	_
-0.05	•	0.04	_
(\$20)	•	\$126	_
-102.4 BPS	~	237.5 BPS	_
(\$12)	▼	\$145	_
-94.2 BPS	▼	260.1 BPS	_
\$89	▼	\$96	_
132.7 BPS	•	-1.7 BPS	_
\$220	•	\$511	_
-0.12	~	-0.21	•

				2-Years Same Period				Prior Year Period				Current Period
Home Furnishings	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$8,744	\$9,148	\$7,899	\$8,325	\$8,092	\$8,652	\$7,513	\$8,040	\$7,887	\$8,858	\$8,000	\$8,946
YOY % Change					-7.5%	-5.4%	-4.9%	-3.4%	-2.5%	2.4%	6.5%	11.3%
Gross Profit (\$MM)	\$3,288	\$3,407	\$2,934	\$3,155	\$3,207	\$3,432	\$2,986	\$3,159	\$3,152	\$3,486	\$3,130	\$3,528
Margin %	37.6%	37.2%	37.1%	37.9%	39.6%	39.7%	39.7%	39.3%	40.0%	39.4%	39.1%	39.4%
GMROII	3.5x	3.7x	3.5x	3.9x	4.1x	4.6x	4.1x	4.4x	4.2x	4.6x	4.1x	4.4x
Operating Income (\$MM)	\$373	\$480	\$198	\$401	\$460	\$547	\$403	\$528	\$551	\$669	\$329	\$781
Op Income %	4.3%	5.2%	2.5%	4.8%	5.7%	6.3%	5.4%	6.6%	7.0%	7.5%	4.1%	8.7%
EBITDA (\$MM)	\$624	\$680	\$461	\$659	\$721	\$756	\$669	\$802	\$808	\$866	\$587	\$1,039
EBITDA %	7.1%	7.4%	5.8%	7.9%	8.9%	8.7%	8.9%	10.0%	10.2%	9.8%	7.3%	11.6%
SG&A (\$MM)	\$2,866	\$2,894	\$2,680	\$2,700	\$2,704	\$2,850	\$2,537	\$2,594	\$2,560	\$2,786	\$2,749	\$2,708
SG&A % of Revenue	32.8%	31.6%	33.9%	32.4%	33.4%	32.9%	33.8%	32.3%	32.5%	31.5%	34.4%	30.3%
Inventory \$ (\$MM)	\$3,871	\$3,440	\$3,295	\$3,097	\$3,127	\$2,901	\$2,865	\$2,917	\$3,156	\$2,937	\$3,161	\$3,307
Inv Turns (annualized)	5.7x	6.3x	5.9x	6.5x	6.3x	6.9x	6.3x	6.8x	6.2x	7.1x	6.4x	6.7x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
\$906	_	\$621	_
11.3%	_	7.5%	_
\$369	_	\$373	_
14.6 BPS	A	153.8 BPS	_
-0.01	•	0.42	_
\$253	_	\$380	_
21 5.9 BPS	_	391.4 BPS	_
\$237	_	\$380	_
164.4 BPS	_	370.0 BPS	_
\$114	•	\$8	_
-199.5 BPS	A	-215.7 BPS	_
\$390	•	\$210	_
-0.05		0.23	_



Jewelry retailers continue to benefit from high-income consumers; Office Supply retail is in a tailspin.

				2-Years Same Period				Prior Year Period				Current Period
Jewelry	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$3,853	\$5,888	\$3,994	\$4,120	\$3,804	\$6,006	\$4,136	\$4,230	\$4,136	\$6,180	\$4,375	\$4,684
YOY % Change					-1.3%	2.0%	3.6%	2.7%	8.7%	2.9%	5.8%	10.7%
Gross Profit (\$MM)	\$1,984	\$3,162	\$2,115	\$2,205	\$2,015	\$3,417	\$2,292	\$2,346	\$2,310	\$3,600	\$2,483	\$2,668
Margin %	51.5%	53.7%	53.0%	53.5%	53.0%	56.9%	55.4%	55.5%	55.8%	58.2%	56.8%	57.0%
GMROII	1.6x	2.6x	1.8x	1.9x	1.8x	3.1x	2.2x	2.3x	2.1x	3.3x	2.3x	2.3x
Operating Income (\$MM)	\$456	\$1,129	\$456	\$527	\$385	\$1,285	\$554	\$584	\$581	\$1,479	\$650	\$776
Op Income %	11.8%	19.2%	11.4%	12.8%	10.1%	21.4%	13.4%	13.8%	1 4.1%	23.9%	14.9%	16.6%
EBITDA (\$MM)	\$612	\$1,248	\$578	\$693	\$551	\$1,404	\$676	\$753	\$753	\$1,586	\$775	\$961
EBITDA %	15.9%	21.2%	14.5%	16.8%	14.5%	23.4%	16.3%	17.8%	18.2%	25.7%	17.7%	20.5%
SG&A (\$MM)	\$1,325	\$1,783	\$1,434	\$1,451	\$1,406	\$1,875	\$1,495	\$1,517	\$1,479	\$1,864	\$1,562	\$1,614
SG&A % of Revenue	34.4%	30.3%	35.9%	35.2%	37.0%	31.2%	36.2%	35.9%	35.8%	30.2%	35.7%	34.5%
Inventory \$ (\$MM)	\$5,094	\$4,646	\$4,630	\$4,474	\$4,547	\$4,153	\$4,150	\$4,140	\$4,601	\$4,204	\$4,438	\$4,698
Inv Turns (annualized)	1.5x	2.2x	1.6x	1.7x	1.6x	2.4x	1.8x	1.8x	1.7x	2.3x	1.8x	1.8x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
\$453	_	\$564	_
10.7%	_	13.7%	_
\$322	_	\$464	_
151.3 BPS	_	345.8 BPS	_
0.07	_	0.40	_
\$192	_	\$249	_
276.6 BPS	A	377.6 BPS	_
\$208	_	\$268	_
272.2 BPS	_	369.7 BPS	_
\$97	▼	\$164	_
-140.3 BPS	A	-74.5 BPS	_
\$559	~	\$224	_
-0.05	•	0.08	_

				2-Years Same Period				Prior Year Period				Current Period
Office Supply	CQ3-2022	CQ4-2022	CQ1-2023	CQ2-2023	CQ 3-2023	CQ4-2023	CQ1-2024	CQ2-2024	CQ3-2024	CQ4-2024	CQ1-2025	CQ2-2025
Total Revenue (\$MM)	\$2,172	\$2,106	\$2,108	\$1,908	\$2,009	\$1,806	\$1,869	\$1,717	\$1,780	\$1,623	\$1,699	\$1,586
YOY % Change					-7.5%	-14.2%	-11.3%	-10.0%	-11.4%	-10.1%	-9.1%	-7.6%
Gross Profit (\$MM)	\$486	\$446	\$481	\$415	\$474	\$396	\$408	\$342	\$364	\$330	\$360	\$310
Margin %	22.4%	21.2%	22.8%	21.8%	23.6%	21.9%	21.8%	19.9%	20.4%	20.3%	21.2%	19.5%
GMROII	2.1x	2.1x	2.4x	2.0x	2.3x	2.0x	2.2x	1.8x	1.9x	1.7x	1.9x	1.7x
Operating Income (\$MM)	\$82	\$20	\$101	\$55	\$97	\$45	\$66	\$33	\$40	\$89	\$52	\$25
Op Income %	3.8%	0.9%	4.8%	2.9%	4.8%	2.5%	3.5%	1.9%	2.2%	5.5%	3.1%	1.6%
EBITDA (\$MM)	\$114	\$41	\$131	\$84	\$125	\$61	\$95	\$53	\$64	\$100	\$79	\$54
EBITDA %	5.2%	1.9%	6.2%	4.4%	6.2%	3.4%	5.1%	3.1%	3.6%	6.1%	4.6%	3.4%
SG&A (\$MM)	\$390	\$377	\$380	\$360	\$377	\$346	\$342	\$309	\$324	\$291	\$308	\$285
SG&A % of Revenue	18.0%	17.9%	18.0%	18.9%	18.8%	19.2%	18.3%	18.0%	18.2%	17.9%	18.1%	18.0%
Inventory \$ (\$MM)	\$890	\$828	\$793	\$836	\$782	\$765	\$733	\$778	\$760	\$770	\$750	\$745
Inv Turns (annualized)	7.3x	7.7x	8.0x	7.3x	7.6x	7.3x	7.8x	7.3x	7.4x	6.8x	7.0x	6.8x

Current vs. Previous Year	YOYTrend	Current vs. 2-Year Previous	YO2Y Trend
(\$131)	~	(\$322)	•
-7.6%	~	-16.9%	•
(\$32)	~	(\$105)	•
-37.2 BPS	~	-220.4 BPS	▼
-0.15	▼	-0.38	▼
(\$8)	▼	(\$30)	~
-34.6 BPS	•	-130.6 BPS	~
\$1	_	(\$30)	•
31.8 BPS	_	-99.8 BPS	•
(\$24)	_	(\$75)	•
-2.7 BPS	A	-89.8 BPS	_
(\$33)	A	(\$91)	•
-0.45	•	-0.50	-

U.S. Labor & Unemployment



U.S. Economic Outlook Summary (Federal Reserve)



LABOR AND PRICES: SOFT DEMAND, RISING COSTS

- **Labor Market Softening**: While employment is largely stable, demand for workers is subdued, with an increase in layoffs and headcount reductions via attrition.
- **Al-Driven Layoffs**: Some firms explicitly cited investment in Al technologies as a reason for lowering head counts.
- **Immigration Policy Strain**: Changes to immigration policies are leading to labor shortages in key sectors like hospitality, construction, and agriculture.
- **Input Cost Acceleration**: Input costs are rising at a faster pace, driven by tariffs and rising prices for key services (insurance, healthcare).
- Wage Growth Modest: Wages are growing at a modest to moderate pace, but overall labor cost pressures are intensifying due to outsized increases in employer-sponsored health insurance.

U.S. Economic Outlook – Summary of Key Recent Job Cuts



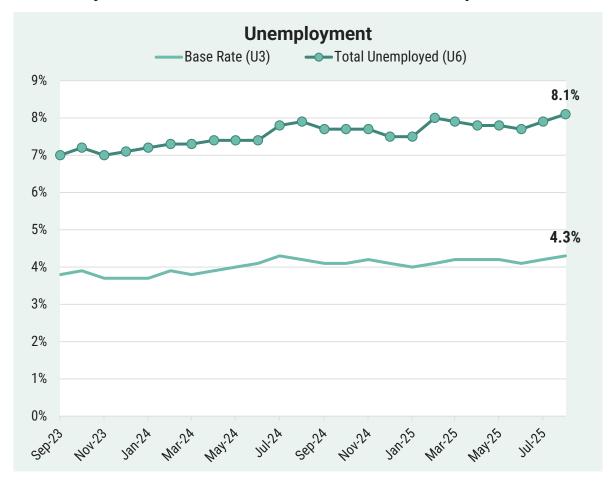
Summary of significant job cuts announced recently by major companies, primarily reflecting corporate shifts toward efficiency, automation, and a re-prioritization of resources, particularly toward Artificial Intelligence (AI).

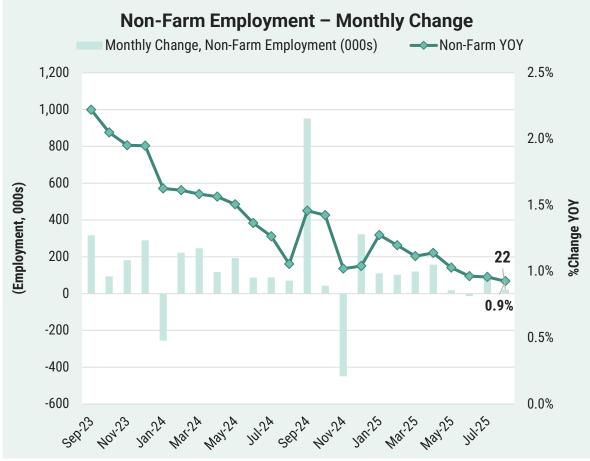
- Massive Cuts in Tech and Logistics: U.S. companies announced over 153,000 job cuts in October 2025, the highest total for that month since 2003. Year-to-date cuts have now surpassed 1 million. (Source: Challenger, Gray & Christmas Report, November 6, 2025)
- Al and Automation-Driven Restructuring: Layoffs are frequently attributed to a strategic shift toward Al and automation. For example, Salesforce cut 4,000 customer support jobs, explicitly linking the reduction to the implementation of Al-driven services. (Source: The Economic Times, The Times of India, NerdWallet, Various dates, referencing September 2025 cuts)
- Major Corporate Reductions: Key announcements include Amazon cutting 14,000 corporate roles and UPS reducing its operational workforce by 34,000 roles this year, often citing efficiency gains and automation. (Source: Intellizence, Business Report, The Washington Post, Various dates, referencing October 2025 cuts)
- **Sector-Wide Realignment**: The semiconductor industry is undergoing a massive restructuring, exemplified by Intel's plan to cut 24,000 jobs, bringing its core headcount down by roughly 22%. (Source: The Times of India, Intellizence, Various dates, referencing 2025 restructuring)
- **Broad Industry Impact**: Job cuts are not limited to tech; General Motors is laying off thousands of workers in its electric vehicle and battery plants, and the hospitality sector saw cuts, with Starbucks laying off 900 non-retail employees as it closes hundreds of stores. (Source: Intellizence, The Economic Times, Various dates, referencing October 2025 and 2025 restructuring plans)

Labor – U.S. Employment (through Aug 2025)



U.S. labor market continued to show signs of cooling, with job growth nearly stalling at only +22,000 jobs added, well below expectations. Significant downward revisions to July's data and an additional preliminary revision for the year through March 2025 of -911,000 jobs further underscored that the economy has been adding workers at a much slower pace than previously reported.

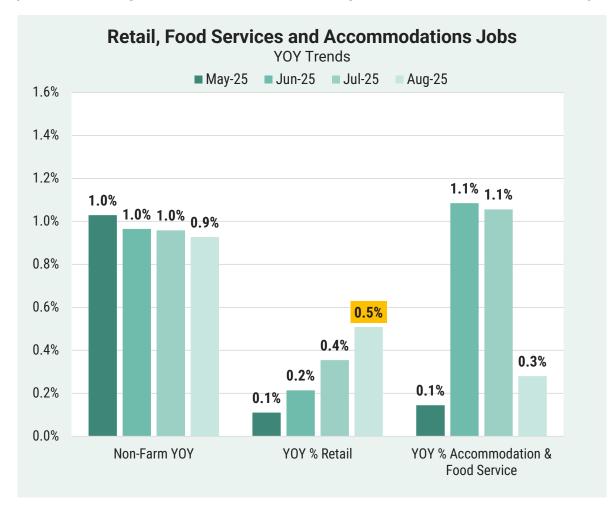


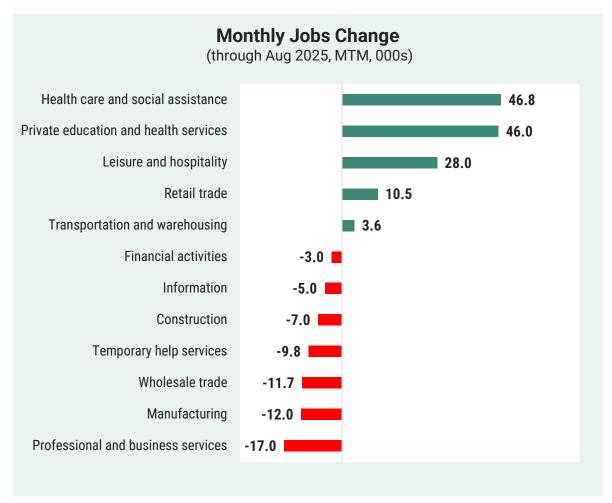


Labor – Industry Employment Trends



August 2025 job gains were almost entirely concentrated in the healthcare and social assistance sectors. These gains were partially offset by job losses in government, manufacturing, and wholesale trade, while professional and business services showed little change.





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Wages - YOY % Change vs. Inflation (through Aug 2025)

Both hourly and weekly wage rate increases continue to exceed the change in inflation.



Consumer Prices & Inflation



Inflation - Consumer Price Index (non-seasonally adjusted)



CPI for September 2025 rose slightly to 3.0%, while the Core Inflation rate (excluding food and energy) declined to 3.0% (down from 3.1% in August), driven in part by a decline in used cars and trucks, which offset increases in airline fares and medical care services.

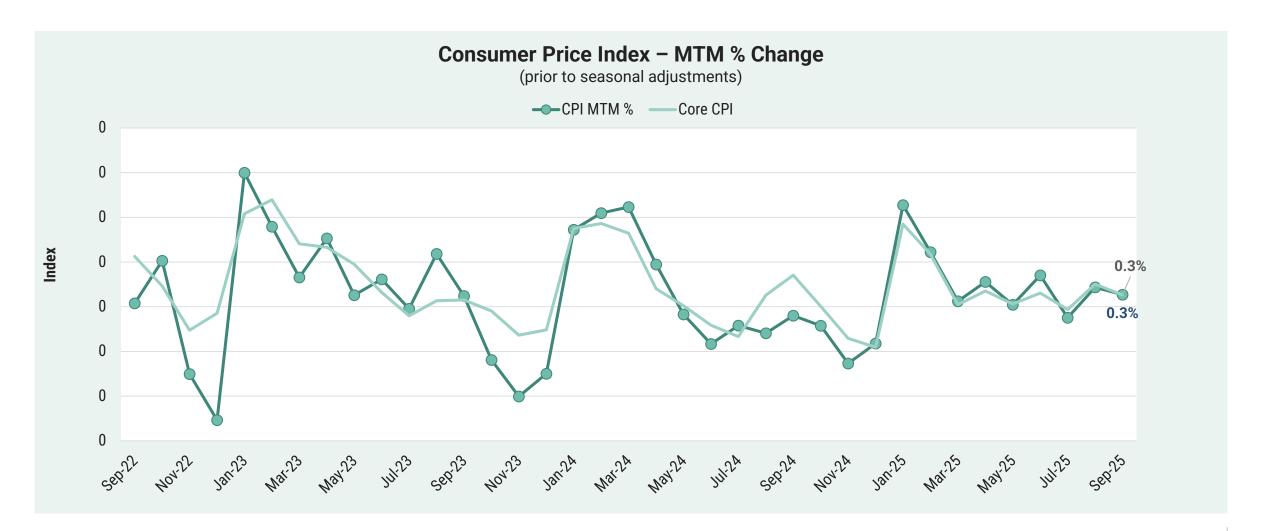
- Food Away From Home +3.7%
- Housing +3.9%
- Education +3.1%
- Air Fare +3.2%
- Motor Fuel (0.4%)
- Apparel (0.1%)

	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Total CPI	2.3%	2.4%	2.7%	2.7%	2.9%	3.0%
All Items Less Food & Energy (Core CPI)	2.8%	2.8%	2.9%	3.1%	3.1%	3.0%
Food at Home	2.0%	2.2%	2.4%	2.2%	2.7%	2.7%
Food Away From Home	3.9%	3.8%	3.8%	3.9%	3.9%	3.7%
Motor Fuel	-11.7%	-11.9%	-8.2%	-9.3%	-6.5%	-0.4%
Apparel	-0.7%	-0.9%	-0.5%	-0.2%	0.2%	-0.1%
Housing	4.0%	4.0%	4.0%	3.9%	4.0%	3.9%
Education	3.8%	3.6%	3.6%	3.7%	3.5%	3.1%
Medical Care	2.7%	2.5%	2.8%	3.5%	3.4%	3.3%
Transportation	-1.5%	-1.3%	-0.1%	0.0%	0.9%	1.7%
Air Fare	-7.9%	-7.3%	-3.5%	0.7%	3.3%	3.2%

Inflation – Consumer Price Index – Month-to-Month Trends



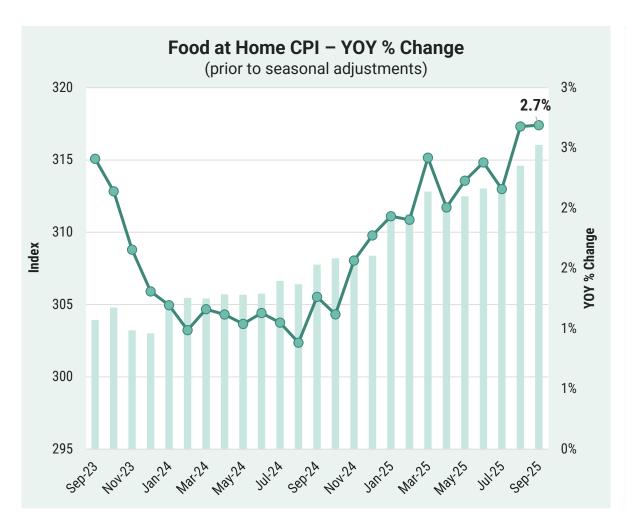
Compared to the previous month, CPI for All Urban Consumers (CPI-U) and Core CPI rose .3%

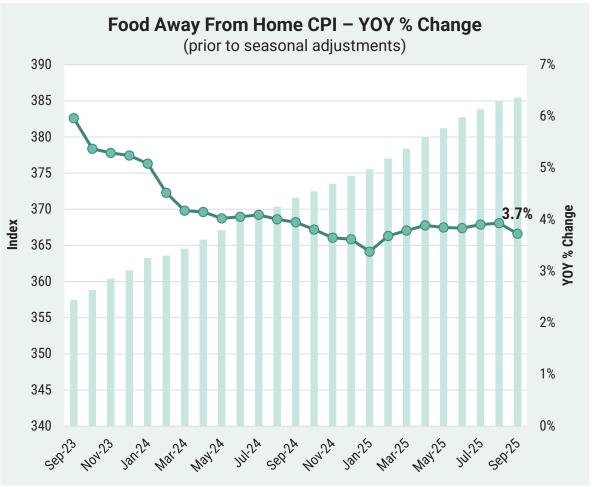


Inflation – U.S. Food Prices



In September 2025, the CPI for food at home rose 2.7% over last year; food away from home rose 3.7%

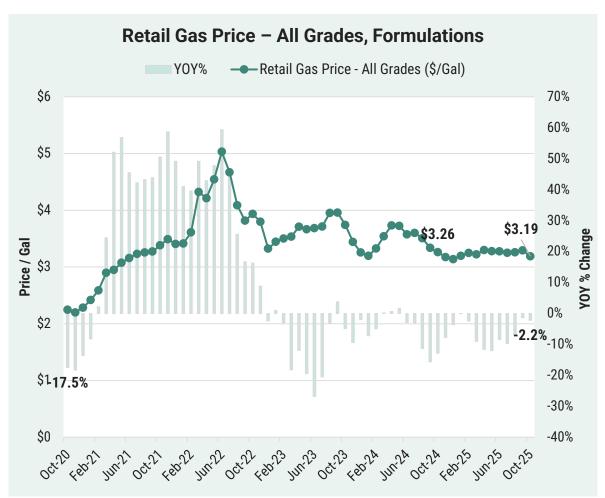


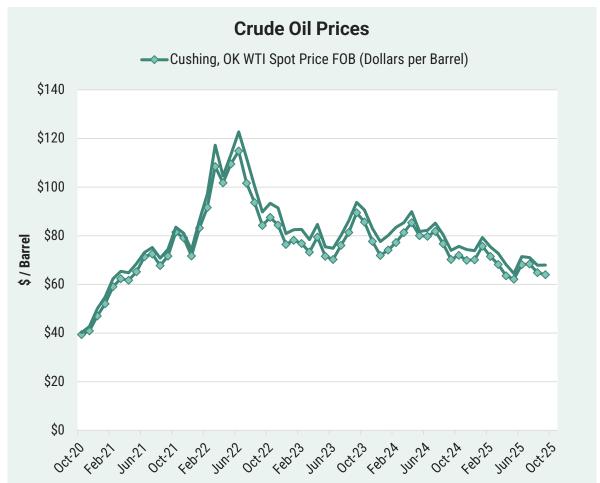


Consumer Prices - Gasoline (Avg. Retail) & Crude Oil



National average gasoline prices are down 2.2% YOY and average \$3.19/gallon nationwide.





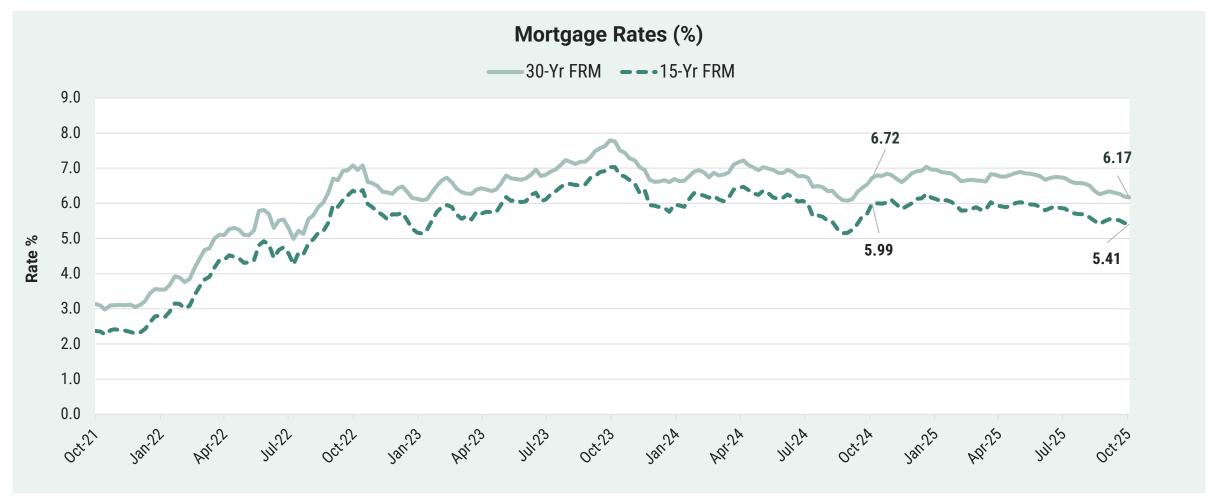
U.S. Housing



Mortgage Rates



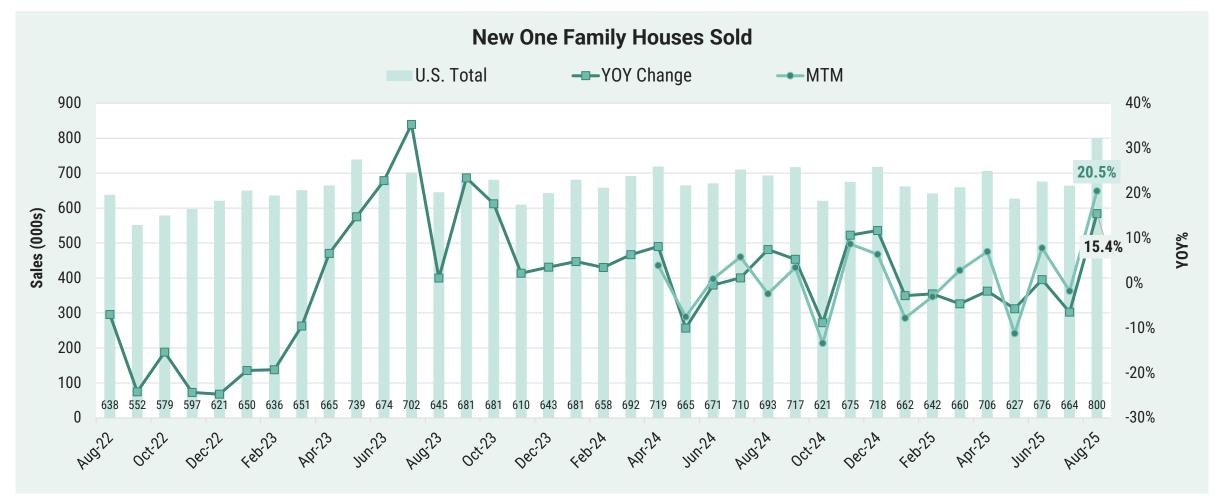
The average rate for a 30-year fixed-rate mortgage has recently decreased for four consecutive weeks, falling from the 6.34% mark you cited to 6.17% as of the last week of October 2025.



Housing - New Home Sales (2-month lag)



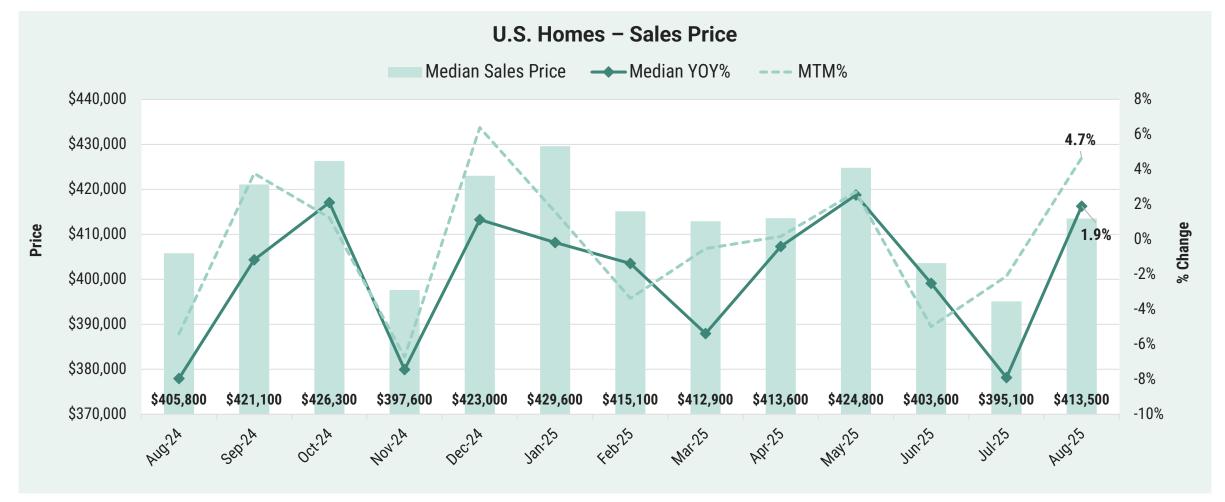
Sales of new single-family houses surged to a seasonally-adjusted annual rate of 800,000 in August 2025, a 20.5% jump from the previous month and a 15.4% increase from a year ago, while the months' supply of new houses for sale dropped to 7.4 months.



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U.S. Housing - New Home Prices (2-month lag)

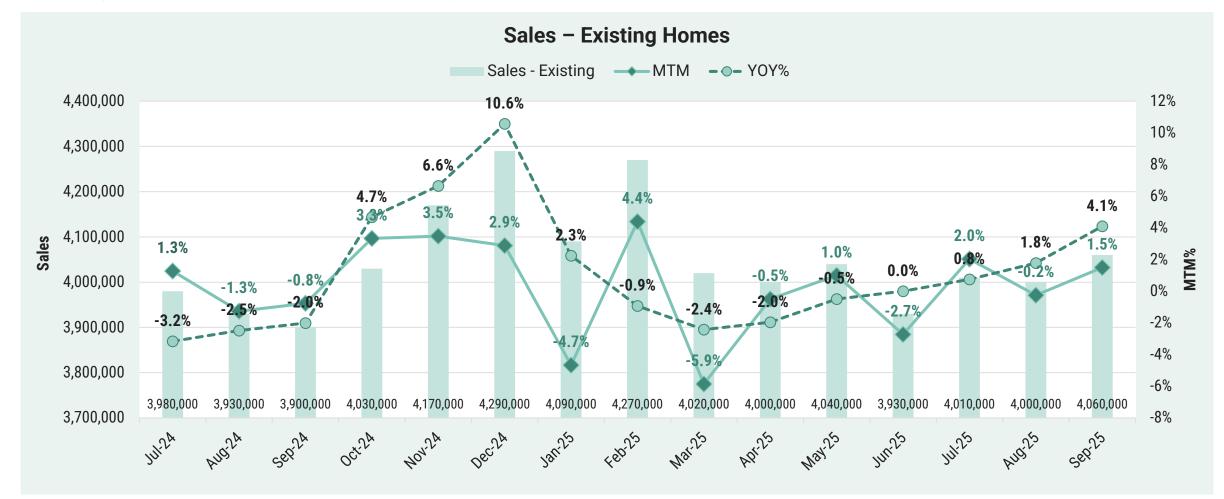
The median sales price stood at \$413,500, up 4.7% from July and 1.9% higher than a year prior; average sales price for new homes in the U.S. in August 2025 was \$534,100, reflecting a significant 11.7% increase from the previous month.



Housing – Existing Home Sales (2-month lag)



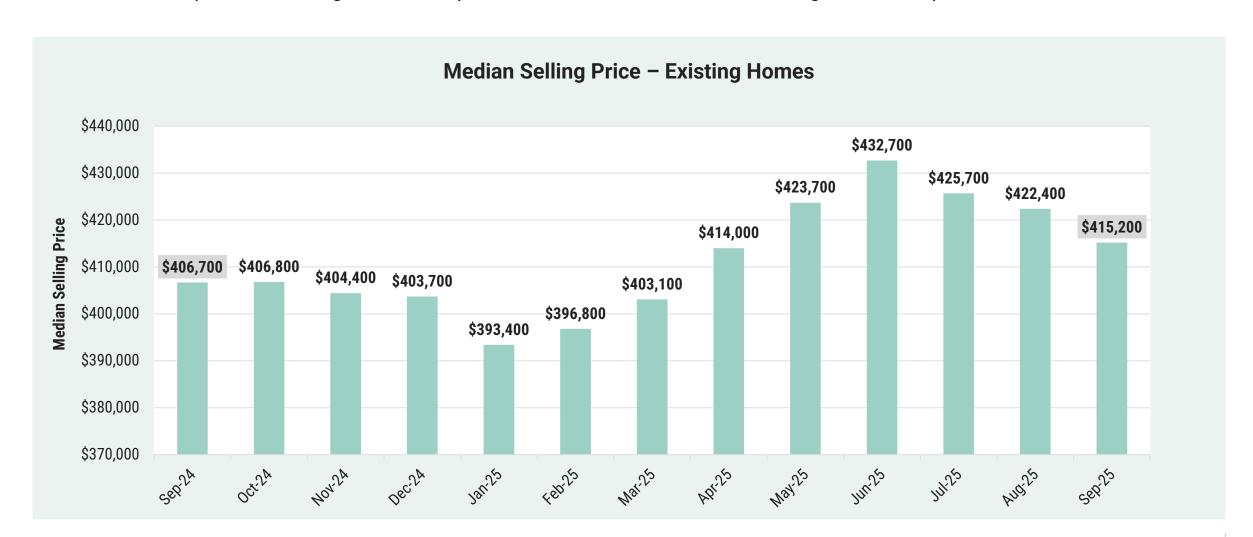
U.S. existing home sales in September 2025 were at a seasonally-adjusted annual rate of 4.06 million, marking an increase of 1.5% from the previous month and 4.1% from a year ago.



Housing – Existing Home Median Sales Price (2-month lag)



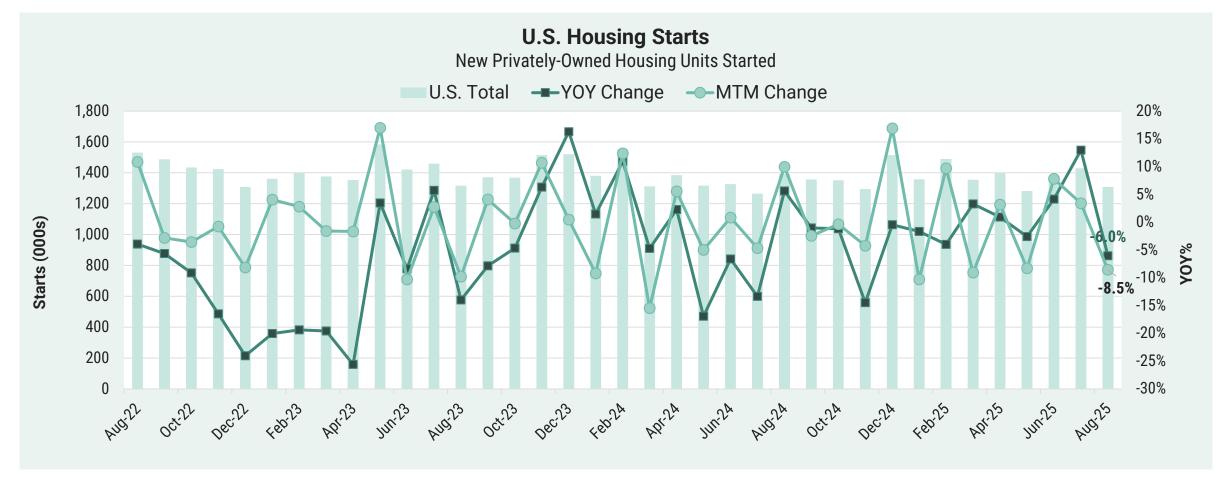
The median sales price for existing homes in September was \$415,200, which is 2.1% higher than the price recorded in 2024.



U.S. Housing Starts (2-month lag)



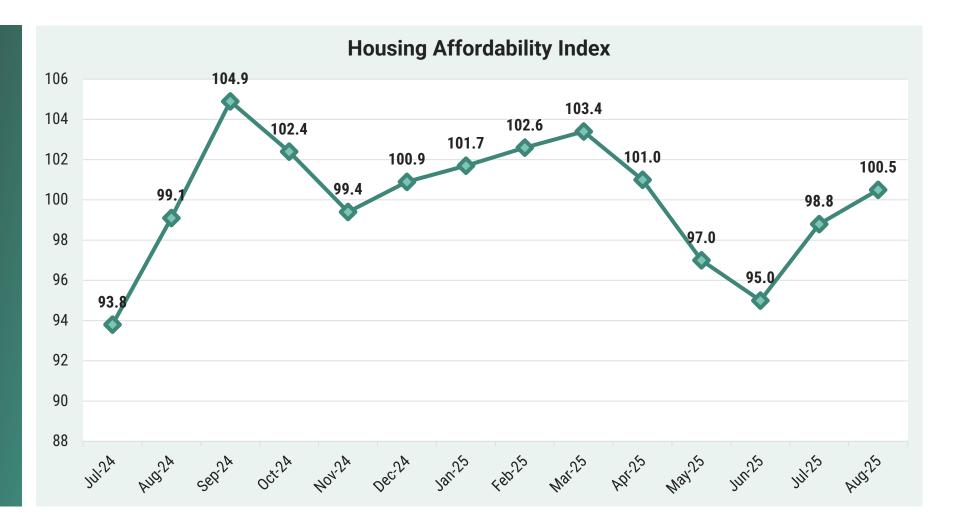
U.S. housing starts declined in August 2025, falling 8.5% from the previous month to a seasonally-adjusted annual rate of 1.307 million units. This slowdown reflects a drop in both single-family starts (down 7.0%) and multi-family starts (down 11.7%), with builders pulling back on future projects as indicated by a 3.7% drop in new residential building permits.



National Association of Realtors: Housing Affordability Index



The Housing Affordability Index (HAI) reached 100.5 in August 2025 (up from 98.8 in July), meaning the typical family with median income now qualifies for a mortgage on a median-priced home, driven by a slight decrease in the median home price and continued easing of mortgage rates.



Supply Chain



Tariffs are Having Significant Impact on Supply Chains



Evolving trade policy has created significant economic uncertainty



Summary of Current State

- **Baseline Tariffs:** A 10% tariff applies to most imported goods, effective since April 5, 2025. The implementation of higher "reciprocal" tariffs targeting countries with U.S. trade commenced in earnest on August 7, with the 10% minimum imposed on most countries, while others such as Brazil (50%), India (50% as of August 27), and for non-USMC compliant goods, Canada (35%), and Mexico (30%). Over the past month there has been a "pause" on new trade actions by the U.S. but expect this to change in October and November.
- **U.S.-China Trade Relations:** The U.S. and China announced a framework agreement that will result in the U.S. reducing fentanyl related tariffs from 20% to 10% on Nov. 10, 2026, and establishes reciprocal tariffs at 10% for 12 months, avoiding a planned increase to 34%. China has removed its reciprocal tariffs on U.S. goods, and committed to begin purchasing U.S. soybeans, sorghum, hardwood, and softwood.
- Framework Agreements Reached Across Southeast Asia: The administration reached framework agreements across Southeast Asia, including an agreements on critical minerals with Australia and Japan, setting tariffs at 19% for Malaysia, Cambodia, and Thailand, 20% on Vietnam (Vietnam eliminated most tariffs on U.S. goods)
- De Minimis Exemptions: Elimination of the de minimis adjustments in August has left importers struggling to adjust. UPS reportedly has had challenges effectively calculating and collecting tariffs on small packages, and more than 30 countries including most of the EU, the UK, and Mexico have paused or restricted parcel shipments to the U.S. while they determine how to meet the requirements.
- Pharmaceutical Exemptions: While announcing a reduction in cost of GLP-1 weight loss drugs Ozempic and Wegovy made available to Americans through TrumpRx, further tariff exemption from the 100% tariffs were announced based on proposed investments in U.S. manufacturing by Eli Lilly and Novo Nordisk.
- Supreme Court Hearings: On Nov. 5 the Supreme Court heard oral arguments regarding the use of IEEPA authority to impose tariffs. Should the plaintiff be successful, all tariffs collected under this authority may need to be refunded. Some investment banks and hedge funds are now taking a gamble and buying potential tariff refunds at a discount.



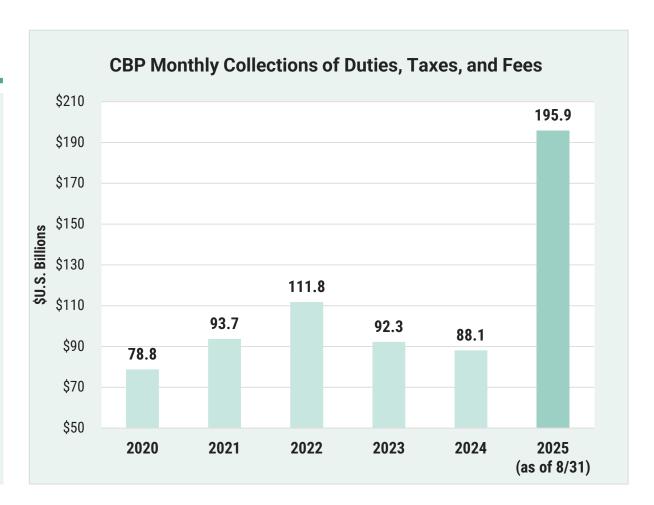
Pending Tariff Milestones and CBP Revenue (from Duties, Taxes, and Fees)

As of August 2025, CBP has estimated that it has already collected \$196B in duty, taxes, and fees which more than double the \$88B collected in all of 2024



PENDING DEVELOPMENTS

- Nov. 10: Reciprocal tariffs on China are reduced from 20% to 10%, with the imposition of 34% tariffs delayed until late 2026. Fentanyl related tariffs are also reduced.
- November to December: Details are being worked out within the framework agreement between the U.S. and Japan on critical minerals and investment cooperation
- **Prior to December 31:** Though not guaranteed, the Supreme Court is expected to rule on the legality of using IEEPA authority to implement tariffs before the end of the year. If they rule against the administration, all tariffs collected under IEEPA may need to be refunded



New Tariff Policies Announced



To be implemented through Q3 and Q4

Product Category	New Tariff Rate(s) and Authority	Effective Date/Status		
Pharmaceutical Products	100% tariff on all branded and patented drugs (with domestic manufacturing and generic drug exemptions). Active ingredients from China are subject to tariffs of up to 245%	Announced Sept. 25, and effective Oct. 1 , but implementation has been delayed		
Heavy Trucks	25% tariff on all medium and heavy-duty commercial vehicles imported from abroad under IEEPA	Announced Sept. 25, with an additional 25 % tariff set to begin Nov. 1 .		
Furniture	25% tariff on kitchen cabinets and bathroom vanities rising to 50% on Jan. 1, 2026; 25% tariff on upholstered furniture under Section 232, rising to 30% on Jan. 1, 2026	Announced Sept. 25, and effective Oct. 14 .		
Wood Products	New Section 232 tariffs on softwood timber, lumber, and certain wooden furniture	Initial effective date of Oct. 14 , with a further increase on Jan. 1, 2026.		
Japan-Origin Products	New 15% IEEPA reciprocal tariff	Effective Sept. 16 .		

The GSCPI tracks the state of global supply chains using data from the transportation and manufacturing sectors.

The GSCPI is not an official estimate of the Federal Reserve Bank of New York, its President, the Federal Reserve System, or the Federal Open Market Committee.

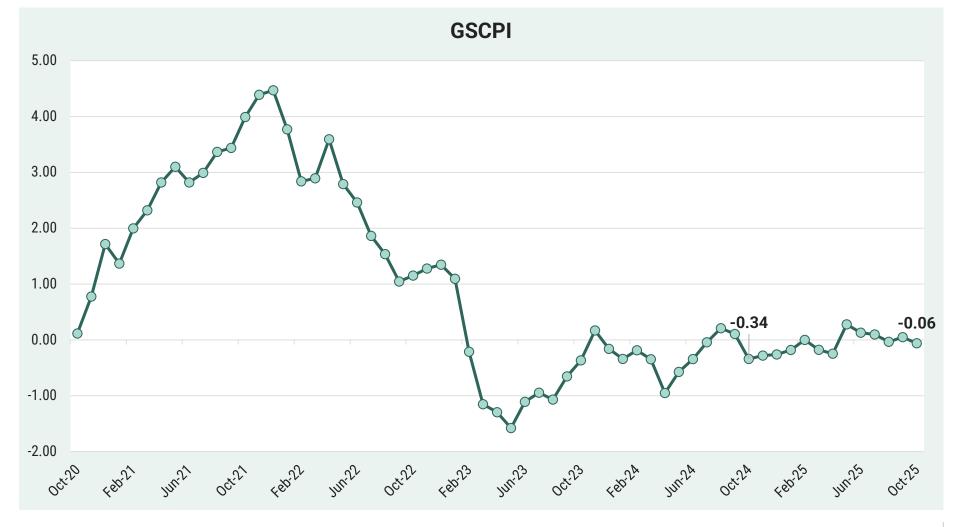
The GSCPI is a product of the Applied Macroeconomics and **Econometrics Center** (AMEC).

https://www.newyorkf ed.org/research/policy /gscpi#/overview

Global Supply Chain Pressure Index



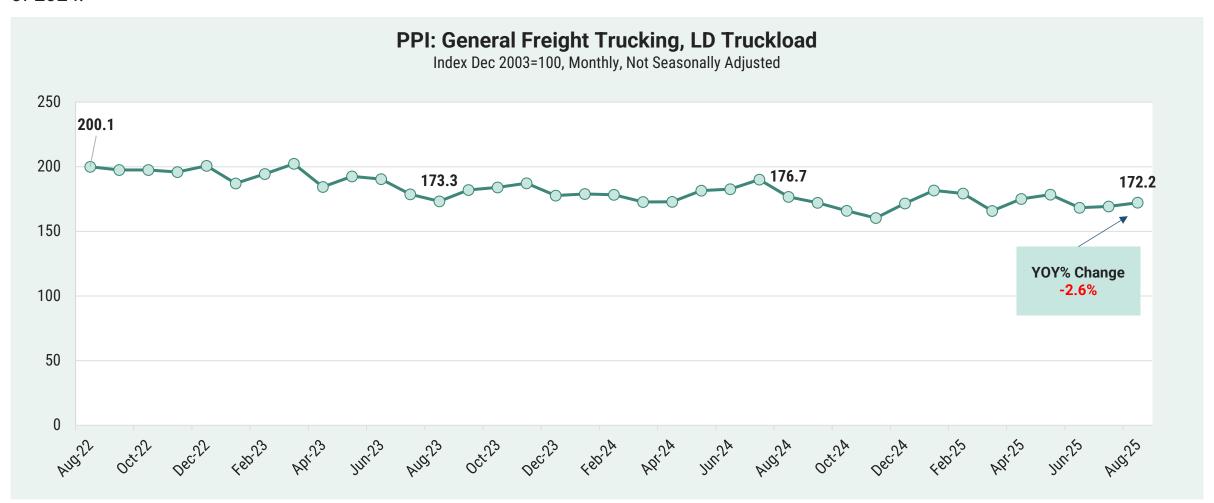
The GSCPI fell to -0.06 in October, down from 0.05 in September (revised from initial reading of 0.03).



Freight Inflation - Trucking



The general freight trucking index decreased 2.6% YOY through August 2025, with prices remaining subdued compared to the peaks of 2024.



Deep Sea Freight - Drewry WCI



The Drewry World Container Index (WCI recently increased for the third straight week to \$1,822 per 40-foot container as of Oct. 30, a 4% rise driven by carriers implementing new General Rate Increases (GRIs) on key trade lanes to lift prices.



Source: https://www.drewry.co.uk/

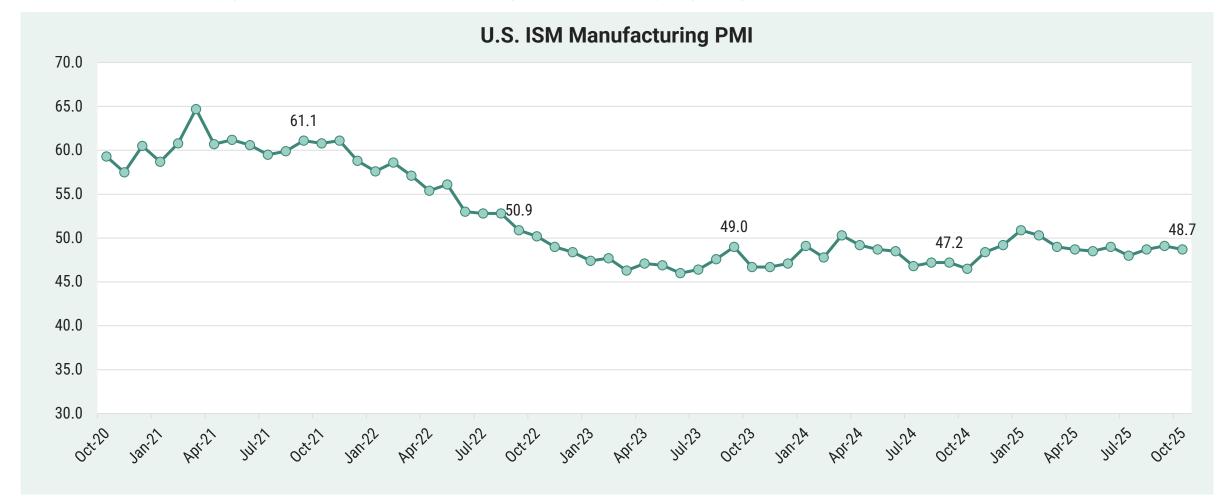
U.S. Manufacturing



Manufacturing PMI (Purchasing Managers' Index)



The ISM Manufacturing PMI contracted for the eighth consecutive month, registering 48.7, indicating U.S. factory activity weakened further due to shrinking production and inventories, despite some easing of price pressures.

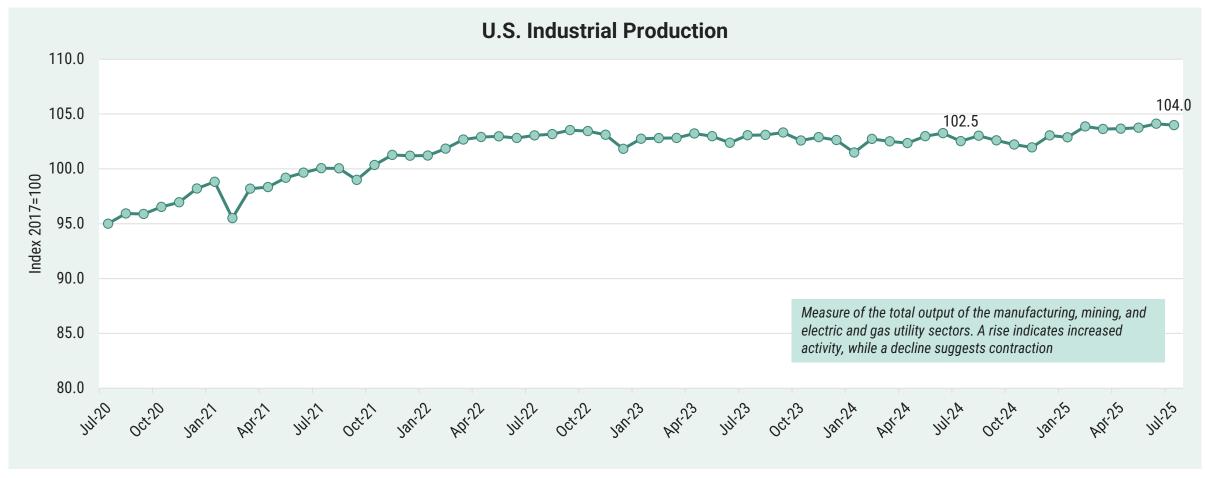


Source: https://www.drewry.co.uk/

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Industrial Production and Capacity Utilization - G.17 (2-month lag)

The U.S. Industrial Production Index unexpectedly grew by 0.1% in August, with the total index reaching 103.9% of its 2017 average, an increase that reverses the previous month's drop. This slight gain was supported by increases in both manufacturing and mining output, which managed to overcome a decline in the utilities sector.



Durable Goods Manufacturers' Orders (2-month lag)



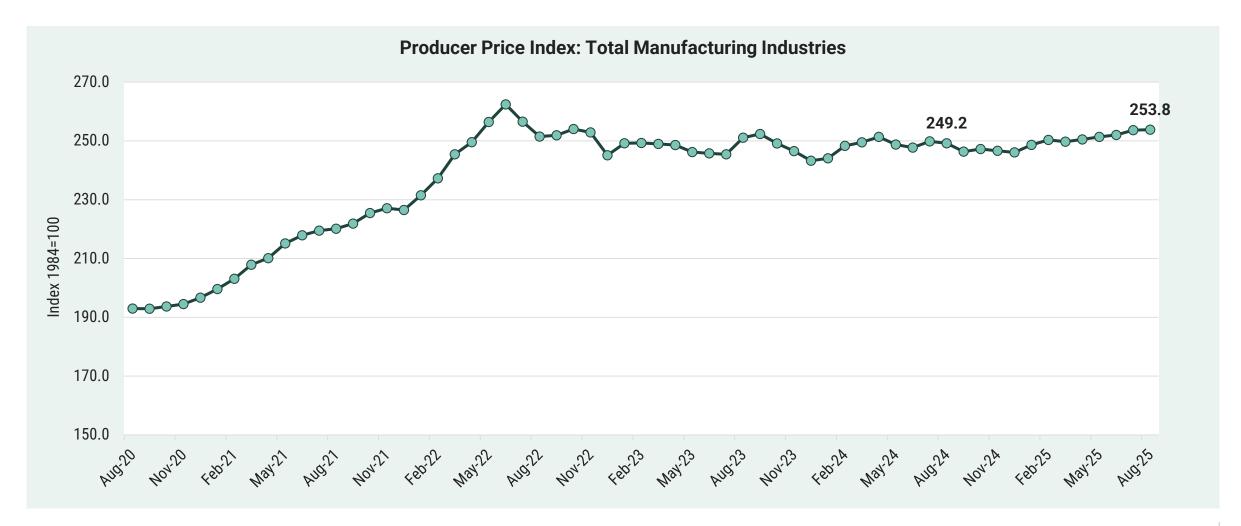
New orders for U.S. manufactured durable goods unexpectedly rebounded in August, rising 2.9% to \$312.1 billion after two months of decline, significantly beating economist forecasts. This increase was primarily driven by a 7.9% surge in the volatile transportation equipment sector, particularly aircraft, while orders excluding transportation still posted a modest 0.4% increase.



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Producer Price Index by Industry: Total Manufacturing (2-month lag)

The PPI for final demand fell 0.1%, driven by a drop in services prices, which offset a small increase in goods prices.



About Ankura





Global Advisory Firm

Ankura Is a Global Expert Firm Offering Tailored Solutions and Services to Effectively Address Diverse Challenges

WE DELIVER DEEP & WIDE RANGING OPERATIONAL EXPERTISE

Ankura Al | Ankura Office of the CFO™ | Construction & Infrastructure | Cryptocurrency & Blockchain

Data & Analytics | Energy, Mining, & Natural Resources | Financial Services | Government & Public Sector

| Healthcare & Life Sciences | Hospitality, Gaming, & Leisure | Human Capital & Labor Strategies

| Manufacturing, Chemicals, & Industrials | **Performance Improvement**

| Real Estate | **Retail** | Sports | Technology, Media, & Telecommunications

| Technology, Media, & Telecommunications | Transaction Advisory

| Transportation & Logistics | Turnaround & Restructuring



Ankura at a Glance



GLOBAL COVERAGE. TARGETED IMPACT.

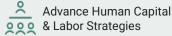
EXPERIENCE IN 2,000+ 115 +PROFSSIONALS WORLDWIDE COUNTRIES

36 OFFICES LINES OF **GLOBALLY** BUSINESS

450+ ~50 SENIOR LEVEL LANGUAGES **PROFESSIONALS SPOKEN**

Where industries, disciplines, technologies, and trends intersect and when transformational moments and events overlap -Ankura is there. Every solution, service, and offering we provide is built to Protect, Create, and Recover Value for our clients.













Litigation Arbitration and Disputes



Economics & Statistics

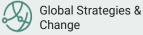


Capital Projects Advisory and Forensic Services



Construction, Disputes











ANKURA PERFORMANCE IMPROVEMENT

Delivering End-to-End Solutions to Companies at Critical Inflection Points

The Performance Improvement team partners with private equity, lenders, and management to drive rapid EBITDA and cash flow improvement. Using our 3D (Diagnose, Define, Deliver) framework, we assess opportunities, develop sustainable goals and operating plans, and implement solutions.

Our expertise spans diverse industries, including Retail, Direct-to-Consumer, Healthcare, CPG, Services, Education, Manufacturing, and Logistics.

Our experienced operators and consultants address strategic and operational challenges, delivering data-driven, transformative results quickly and efficiently.

Visit Us at: Ankura Performance Improvement email: performanceimprovement@ankura.com



Contact Us

Ankura Consulting Group, LLC is an independent global expert services and advisory firm that delivers services and end-to-end solutions to help clients at critical inflection points related to conflict, crisis, performance, risk, strategy, and transformation.

The Ankura team consists of more than 2,000 professionals serving 3,000+ clients across 55 countries who are leaders in their respective fields and areas of expertise. Collaborative lateral thinking, hard-earned experience, expertise, and multidisciplinary capabilities drive results and Ankura is unrivalled in its ability to assist clients to Protect, Create, and Recover Value.

For more information, please visit: ankura.com.



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