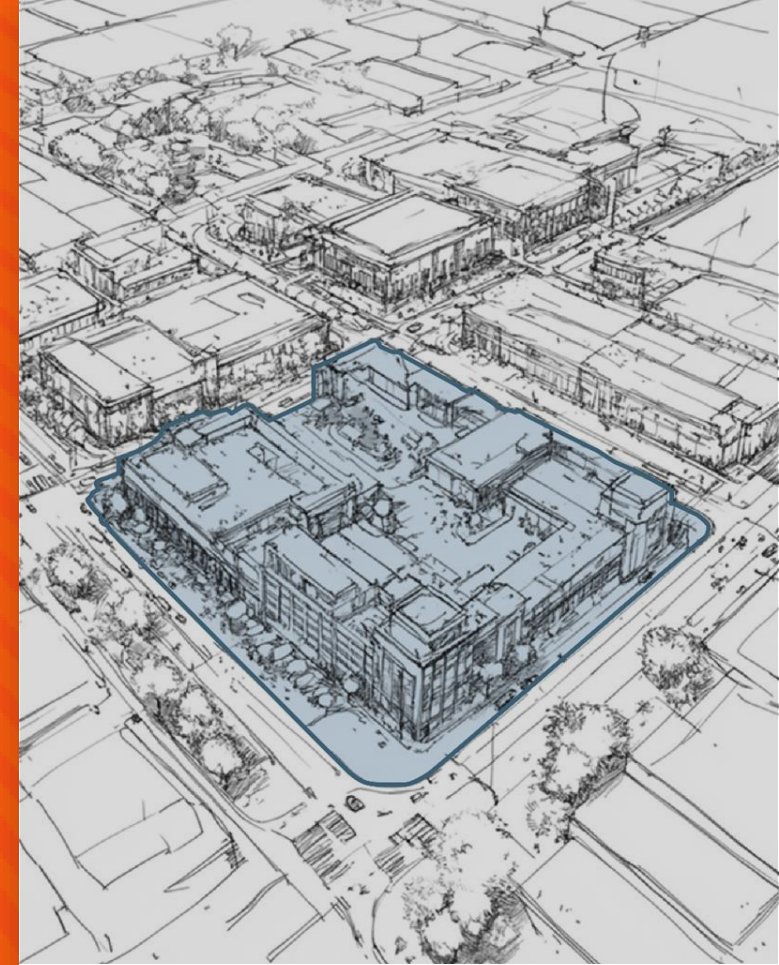




Advan Insights on the Consumer, Restaurants, & Hospitality Services



PRESENTED BY

Thomas Paulson

Head of Market Insights, Advan Research

Delivered to UBS Clients

October 8th, 2026

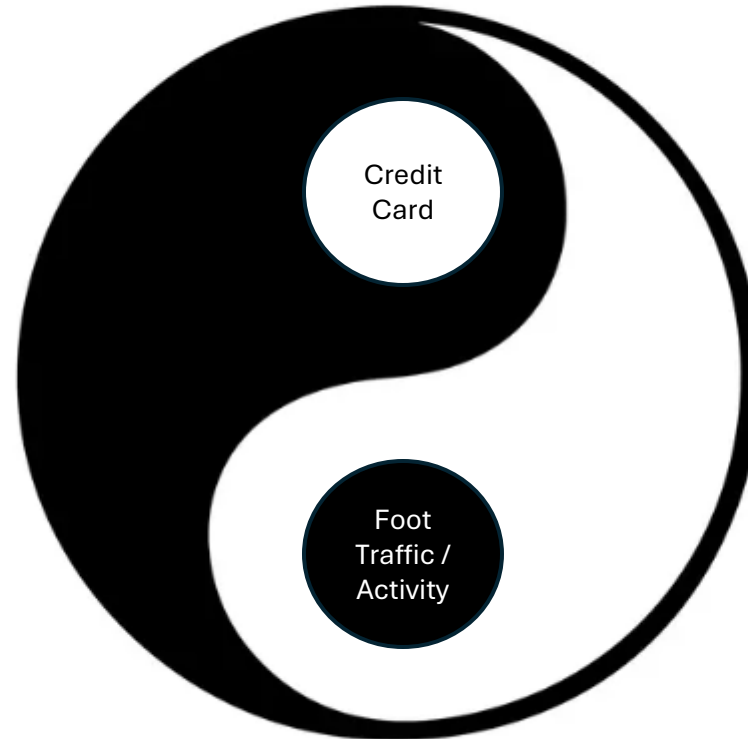
Topics - Conclusions

- ❑ Independents Full-Service Outperformed, Save During World Cup
- ❑ September Has Slowed, Both Full-Service and Limited-Service
- ❑ Taco Bell Still Recovering; Wingstop – Yikes!
- ❑ Coffee – Starbucks Resilient, Kiosk-Coffee More Impacted by High Gas

Why is the LS sector, which historically was more resilient, now more buffeted?

- ❑ Food's Crucible
- ❑ K-Shaped Economy – Secular, Not Cyclical
- ❑ A Secular K-Shape and Zero < 65-year-olds Population Growth

Data Synergy - Compliment



Credit Card Data

- Average check size
- Card transactions, approx. comp-trans

Both Provide

- Daypart and day-of-the-week activity
- Frequency
- Regional and consumer dynamics / changes
- Competitive encroachment / recission

Mobile Data

- Approx card + app transactions
- Avg length of stay as a proxy for table turns
- Avg length of stay as a proxy for lingered visit in café
- Visits by length of stay
- Stronger NSP / maturation / cannibalization analysis
- Distributor volume (SYY, USFD, etc.), for both independent and chain customers
- Booked experiences (theme park admissions, Vegas Sphere visits, car rental, etc.), B2B volume (MRO, Pro-home improvement, DIFM auto, etc.), etc.



RETAIL

The Eagles Tour – Staying in the Hotel California (i.e. the Las Vegas Sphere)



Thomas Paulson · September 23, 2026

LINK



LEISURE & ENTERTAINMENT

The End of the 2026 Theme Park Season: Disney won Florida, and Universal won California; SeaWorld is waiting for next year



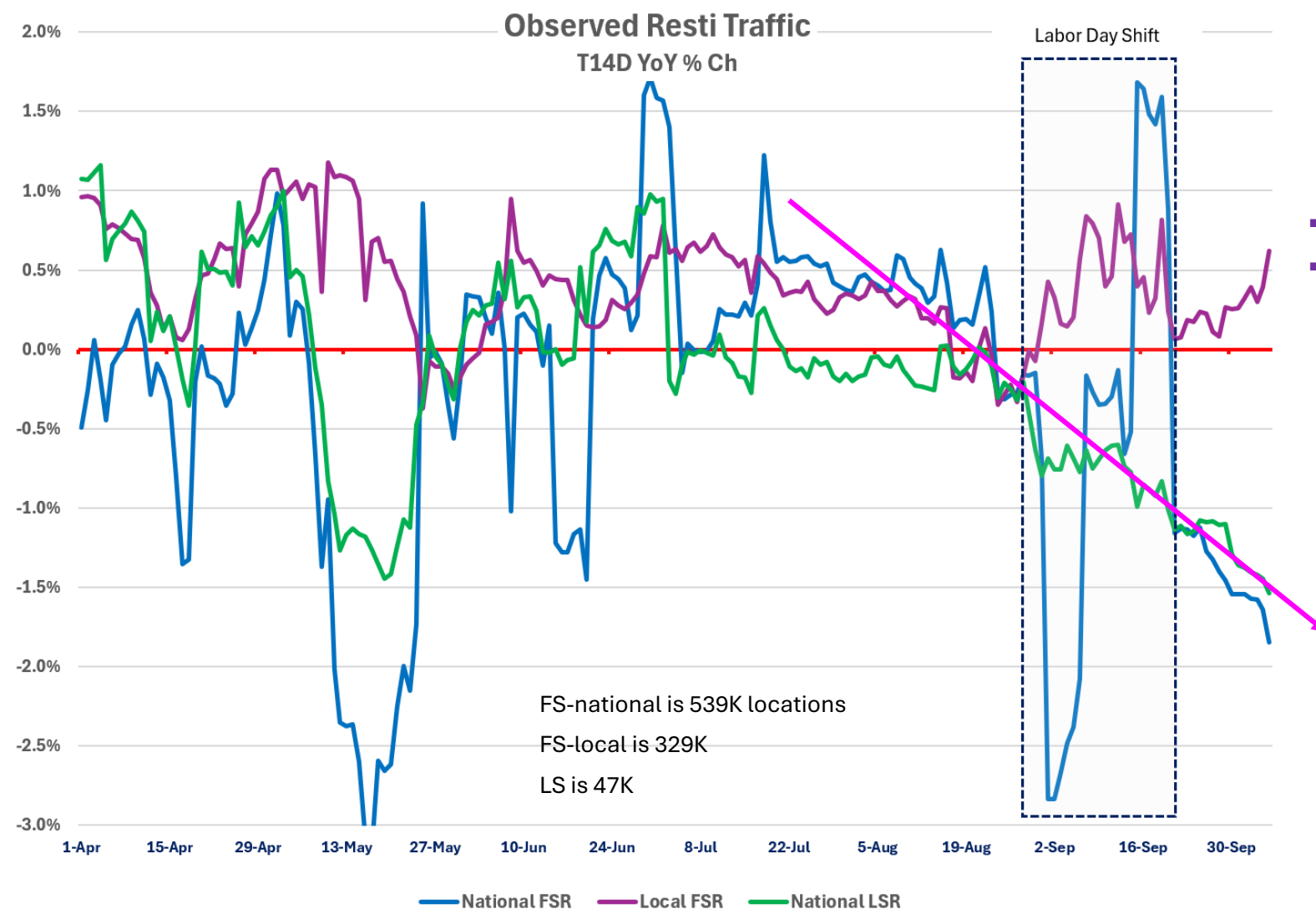
Thomas Paulson · September 10, 2026

LINK

Macro Traffic & Hospitality Services



National Traffic Has Eased w/ Higher Gas Prices for Both Full-Service & Limited-Service



- Local / independents stronger
- Local / independents have gotten choppy as well

NATIONAL RESTAURANT ASSOCIATION SHOW

RETAIL

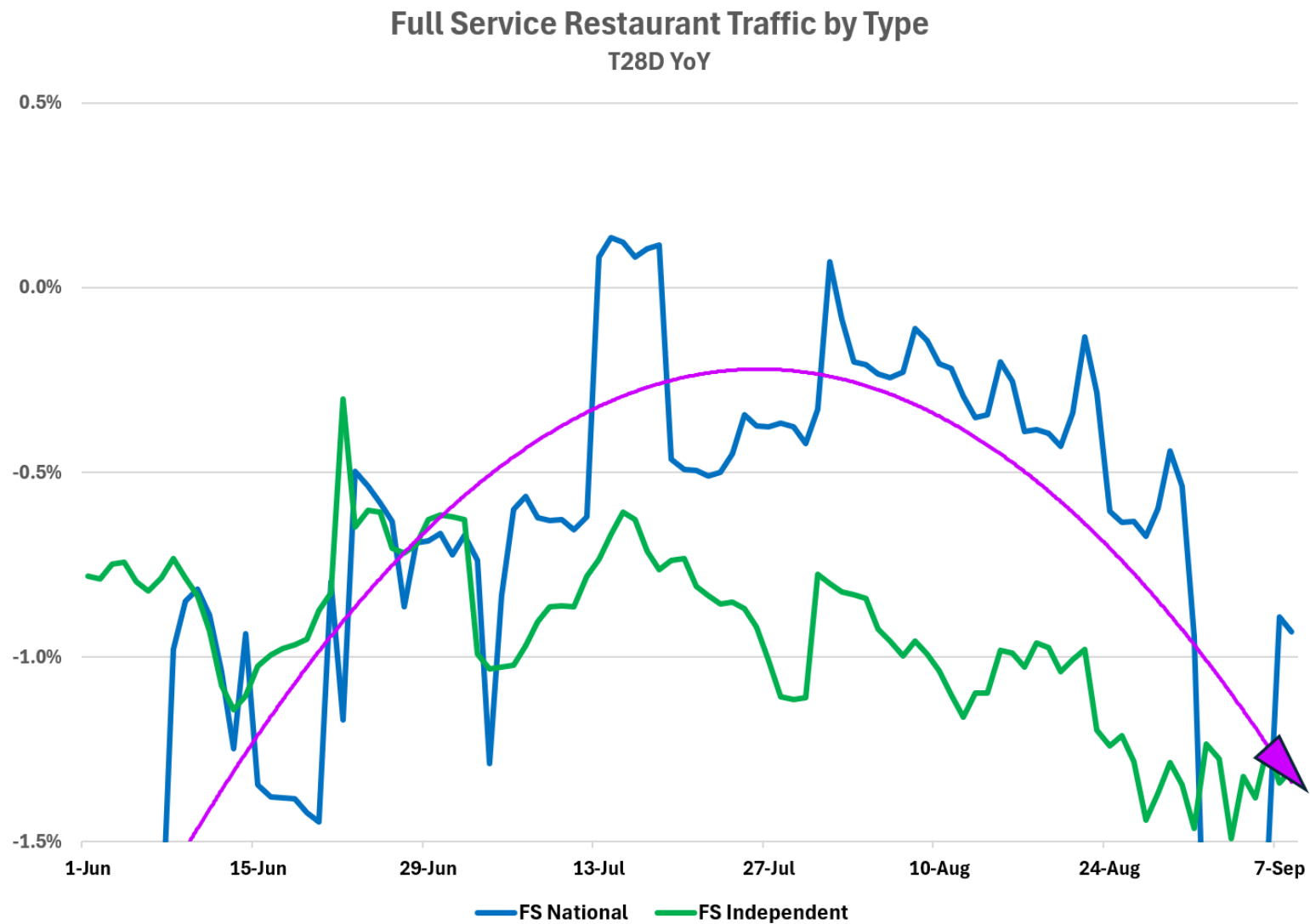
Learnings from the Restaurant Show Making it special and local matters

Thomas Paulson · May 22, 2025

[LINK](#)

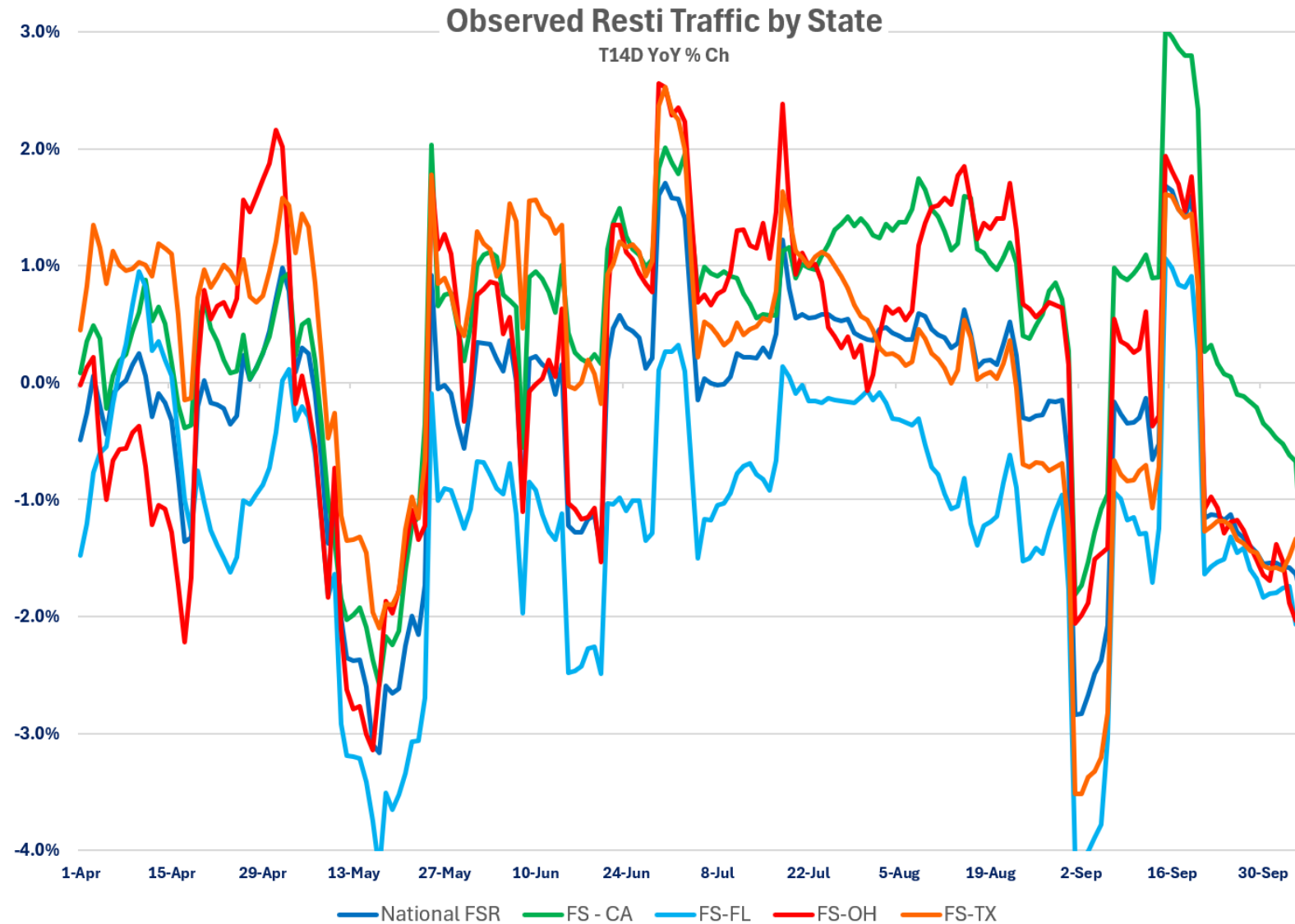
	BBI SSS	
	Jul	Aug
Casual	2.2%	4.1%
Fast Casual	1.7%	-0.2%
QSR	1.8%	1.1%

What's Surprised Us -- *The World Cup Lifted Chains > Independents*



National: +30bps
Independents: -30bps

Traffic Slide Also In Big States – *i.e. its macro in nature*



Potential Causes:

- High gas prices
- Economic uncertainty & inflationary fears
- Post B2S / summer-splurge air pocket

For more details:
Press Release: Short- and Medium-Term Inflation Expectations Increase; Labor Market Expectations Improve

MAIN SURVEY RESULTS

INFLATION

Inflation Expectations

Inflation Uncertainty

Probability of Different Inflation Outcomes

Home Price Change Expectations

Home Price Change Uncertainty

Commodity Price Change Expectations

LABOR MARKET

HOUSEHOLD FINANCE

SURVEY MODULES

SCE CREDIT ACCESS SURVEY

SCE HOUSEHOLD SPENDING SURVEY

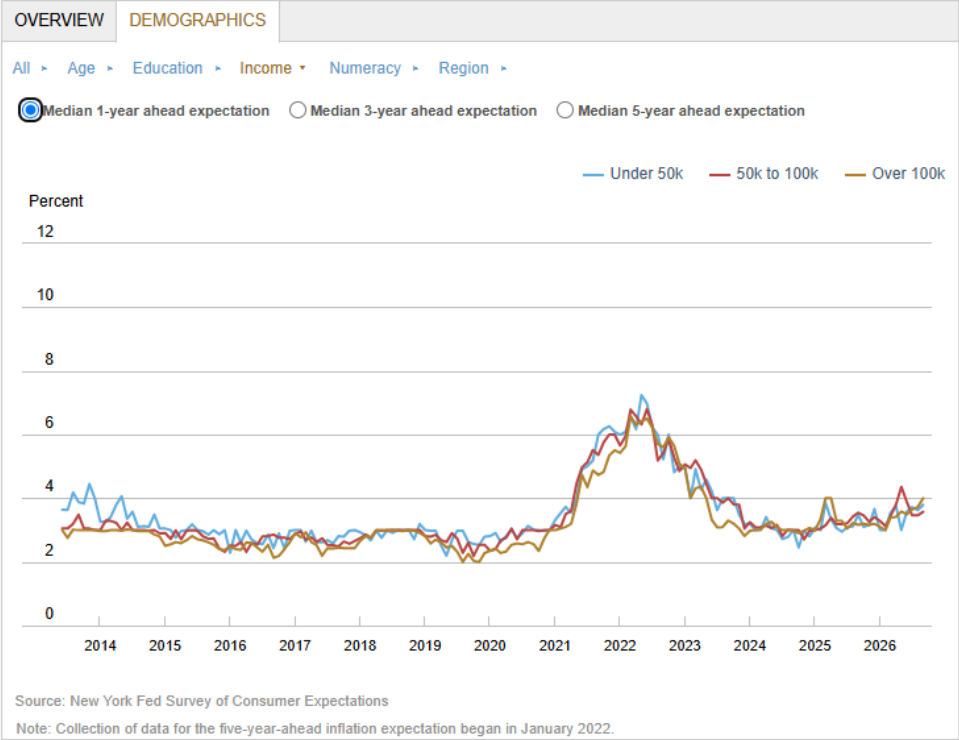
SCE HOUSING SURVEY

SCE LABOR MARKET SURVEY

SCE PUBLIC POLICY SURVEY

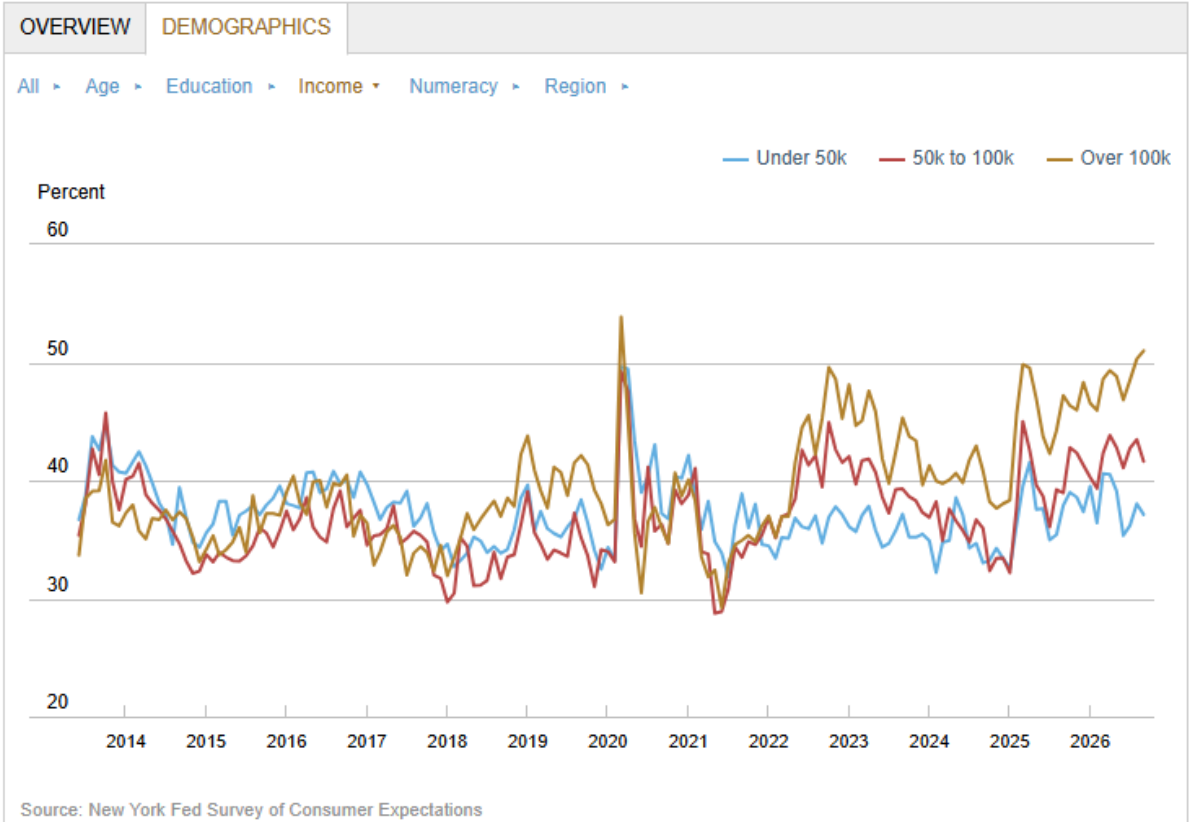
Inflation expectations

Median one-year ahead expected inflation rate

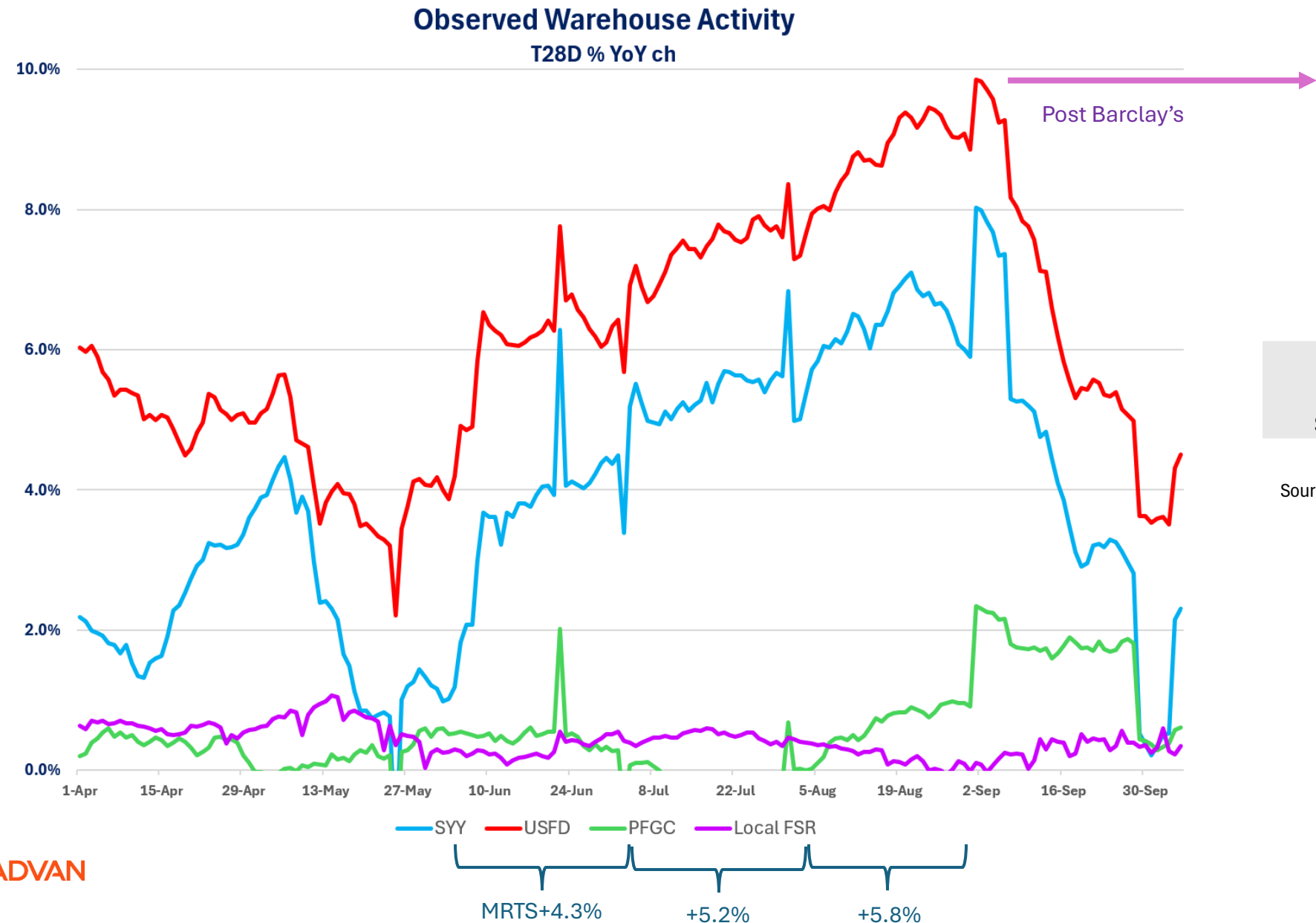


Expectations of higher unemployment

Mean probability that U.S. unemployment rate will be higher one year from now



Distributors Also Slowed in September, Q3 Stronger Than Q2



Observed Activity YoY % Ch

	<u>SYY</u>	<u>USFD</u>	<u>PFGC</u>	<u>Local FSR</u>
Q2	3.1%	5.2%	0.4%	0.5%
Q3	4.8%	7.1%	0.8%	0.3%
July	5.1%	7.4%	-0.8%	1.5%
Aug	6.4%	9.1%	1.5%	-1.2%
Sept	2.8%	5.0%	1.8%	0.7%

Source: Advan Research

Full-Service / Casual



Despite Industry Slowdown – Chili's and Cheesecake Accelerated

	Check (Advan)					Transaction Traffic (Advan)					Comp Advan	Comp Rpt	Comp-Sales (Advan)				QoQ
	Q2	Jul	Aug	Sep	Q3	Q2	Jul	Aug	Sep	Q3	Q2	Q2	Jul	Aug	Sep	Q3	
Chili's*	4.0%	3.5%	3.1%	2.1%	2.9%	1.9%	9.5%	3.5%	3.6%	6.5%	5.9%	5.6%	12.0%	7.6%	5.7%	9.4%	380 bps
Olive Garden*	2.0%	2.7%	2.9%	2.9%	2.8%	-0.1%	0.0%	-2.9%	-2.1%	-2.1%	1.9%		2.7%	0.0%	0.8%	0.7%	-120 bps
TXRH	3.9%	4.2%	4.5%	4.4%	4.4%	2.7%	6.5%	0.8%	-1.5%	2.0%	6.6%	6.5%	10.7%	5.3%	2.9%	6.4%	-10 bps
CAKE	1.5%	2.4%	3.1%	5.1%	3.5%	2.5%	6.3%	4.5%	6.4%	5.7%	4.0%	5.8%	8.7%	7.6%	11.5%	9.2%	340 bps
Simple Avg																	148 bps

For Chili's and Olive Garden, these are calendar periods, not fiscal periods

Potential Explanations:

- Chili's lapping easier comp
- Chili's and CAKE also "caught" the World Cup Americana wave
- Chili's \$6 margaritas during July and September delivered.
- Cheesecake's fall menu change appears to have lifted September



RETAIL

Suite of Hospitality Earnings: Brinker and Aramark beat as expected, VSTS missed as expected

Thomas Paulson · August 14, 2026

LINK

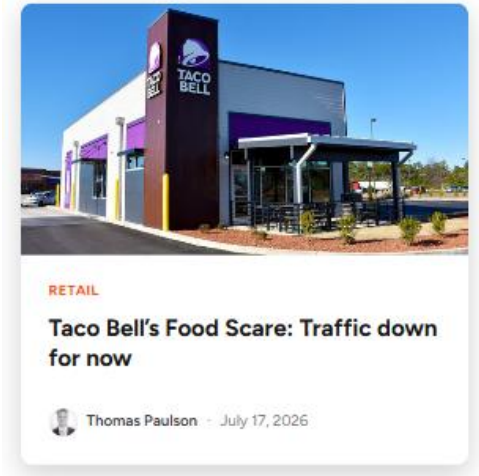
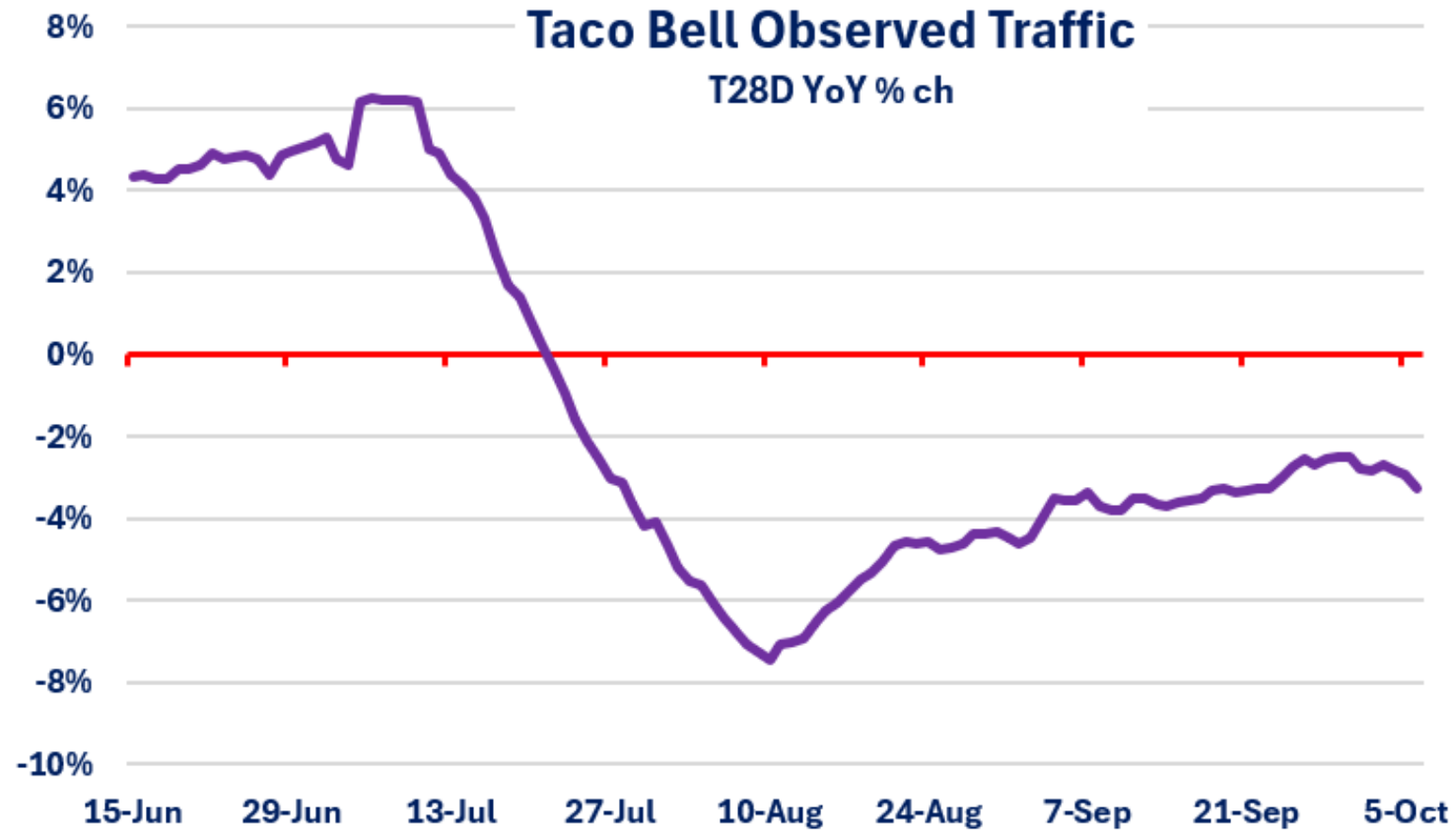
Operational Excellence – Table Turns / Throughput, Chili’s Excels

Average Restaurant Stay (minutes)			
August			
	<u>2025</u>	<u>2026</u>	<u>YoY ch</u> 
Chili's	60.2	59.8	-0.7%
Olive Garden	59.1	58.8	-0.5%
Texas Road	62.6	62.9	0.5%
Cheesecake	66.5	67.0	0.8%

Source: Advan Research, Visits lasting between 15 - 120 minutes

Limited Service





[LINK](#)

Q3 / September Were Slower

	Check (Advan)					Transactions / Traffic (Advan)					Advan	Rpt	Comp-Sales (Advan)				QoQ
	Q2	Jul	Aug	Sep	Q3	Q2	Jul	Aug	Sep	Q3	Q2	Q2	Jul	Aug	Sep	Q3	
Taco Bell	4.5%	2.2%	2.4%	3.5%	2.7%	3.2%	-2.9%	-5.3%	-2.3%	-3.5%	7.7%	7%	-0.7%	-2.9%	1.2%	-0.8%	-780 bps
McDonald's	2.5%	2.7%	0.7%	3.2%	2.2%	-1.7%	-1.6%	-1.2%	-3.1%	-2.0%	0.8%	0.8%	1.1%	-0.5%	0.1%	0.2%	-60 bps
Chipotle	1.6%	2.2%	1.5%	1.2%	1.7%	1.3%	1.7%	0.2%	0.5%	0.8%	2.9%	2.2%	3.9%	1.7%	1.7%	2.5%	30 bps
Wingstop	2.4%	3.7%	2.0%	0.1%	2.0%	-9.8%	-8.6%	-12.7%	-12.2%	-11.2%	-7.4%	-7.5%	-4.9%	-10.7%	-12.1%	-9.2%	-170 bps
Chick-fil-A	0.4%	1.3%	1.4%	1.8%	1.5%	1.9%	2.4%	0.7%	0.0%	1.1%	2.3%	na	3.7%	2.1%	1.8%	2.6%	30 bps
Avg ex. TB					13 bps		-1.5%	-3.3%	-3.7%	-75 bps			1.0%	-1.9%	-2.1%	-1.0%	-43 bps

We are aware that McDonald's said that July was negative. They may be using a fiscal month.

We only observe 72% of CMG's locations, missing urban canyons, indoor malls, airports, etc. For WING, we only observe 68%; Chick-fil-A (66%)

Potential Explanations:

- Gas prices & inflation fears bit
- Chick-fil-A not driving faster throughput. 15.4 minutes for August (vs 15.3 LY)



RETAIL

McDonald's NEXT move - the September investor day: More protein in the patty, more chicken, more caffeine, more smiles, and upgraded stores

LINK

Thomas Paulson · September 24, 2026

Wingstop In Texas

Contraction:

- Losing frequency
- Trade area shrinking
- No specific customer segment dropping out
- Some cannibalization



ADVAN

Research through Technology

Date Range : August 2025



Trade Area : Closes

Location Overview



Download

Total Visits	10.39K
Total Visits 2024 % Change	-1.44%
Unique Visitors	7.46K
Average Frequency	1.39
Average Dwell Time (Minutes)	15

Trade Area Demographics

Download

Total Population	148.61K
Total Households	53.91K
Median Household Income	\$99.5K



ADVAN

Research through Technology

Date Range : August 2026



Trade Area : Closes

Location Overview

Total Visits

9.92K

Total Visits 2025 % Change

-4.47%

Unique Visitors

7.23K

Average Frequency

1.37

Average Dwell Time (Minutes)

16

 Download

Trade Area Demographics

Total Population

139.93K

Total Households

51K

Median Household Income

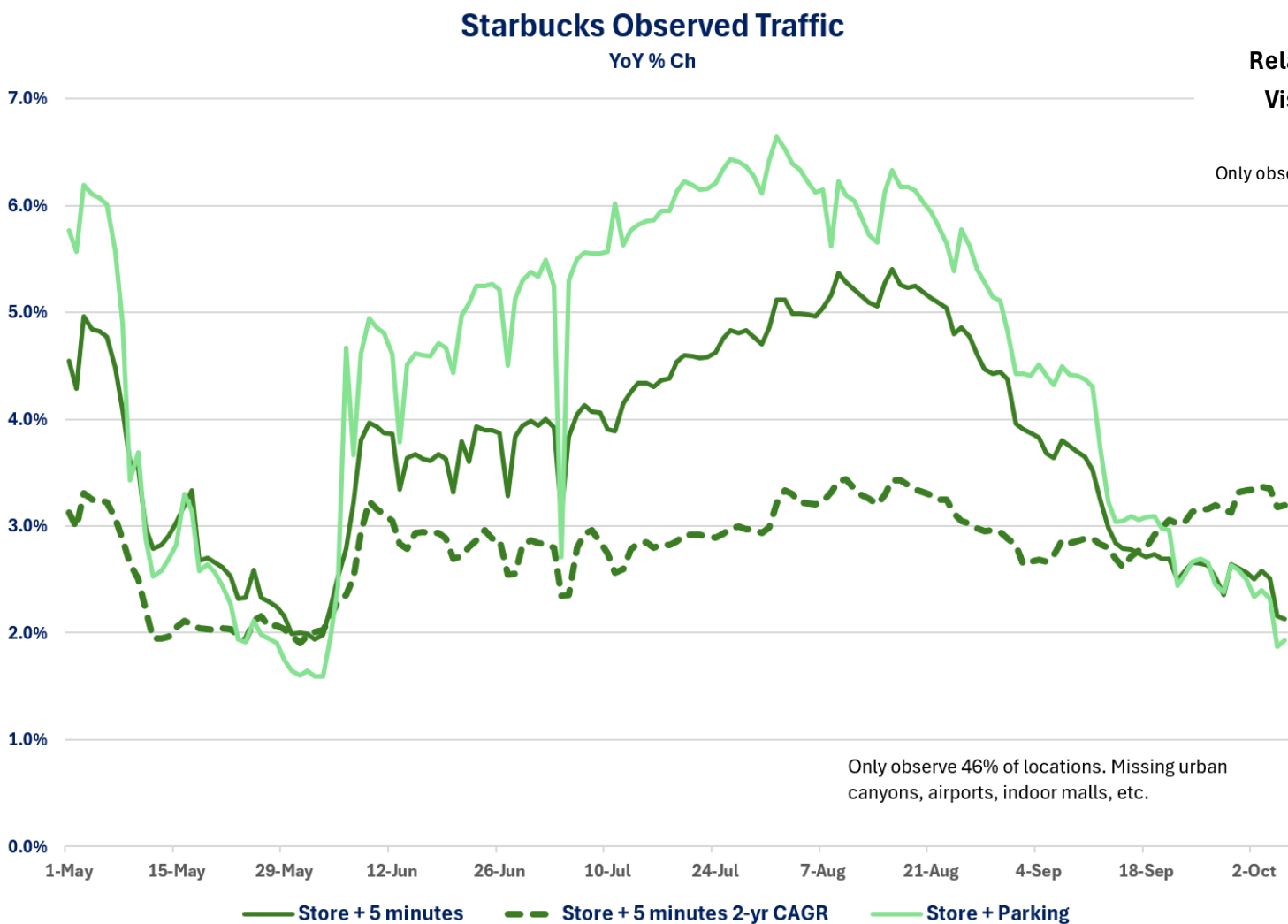
\$99.5K

 Download

Coffee



Starbucks -- Resilient



Starbucks Traffic by Daypart, August 2026

	5am - 10am	10am - 2pm	2pm - 6pm
Relative Traffic	+500bps	even	-330bps
Visit Duration			4.8%

Only observe 46% of locations. Missing urban canyons, airports, indoor malls, etc

Callouts:

- Sept's 2-yr CAGR undiminished despite the spike in gas prices
- Drive-through more sensitive
- Morning daypart strongly outperforming
- Afternoon lingering growing



RETAIL

Starbucks FQ3 The growing 3rd Place



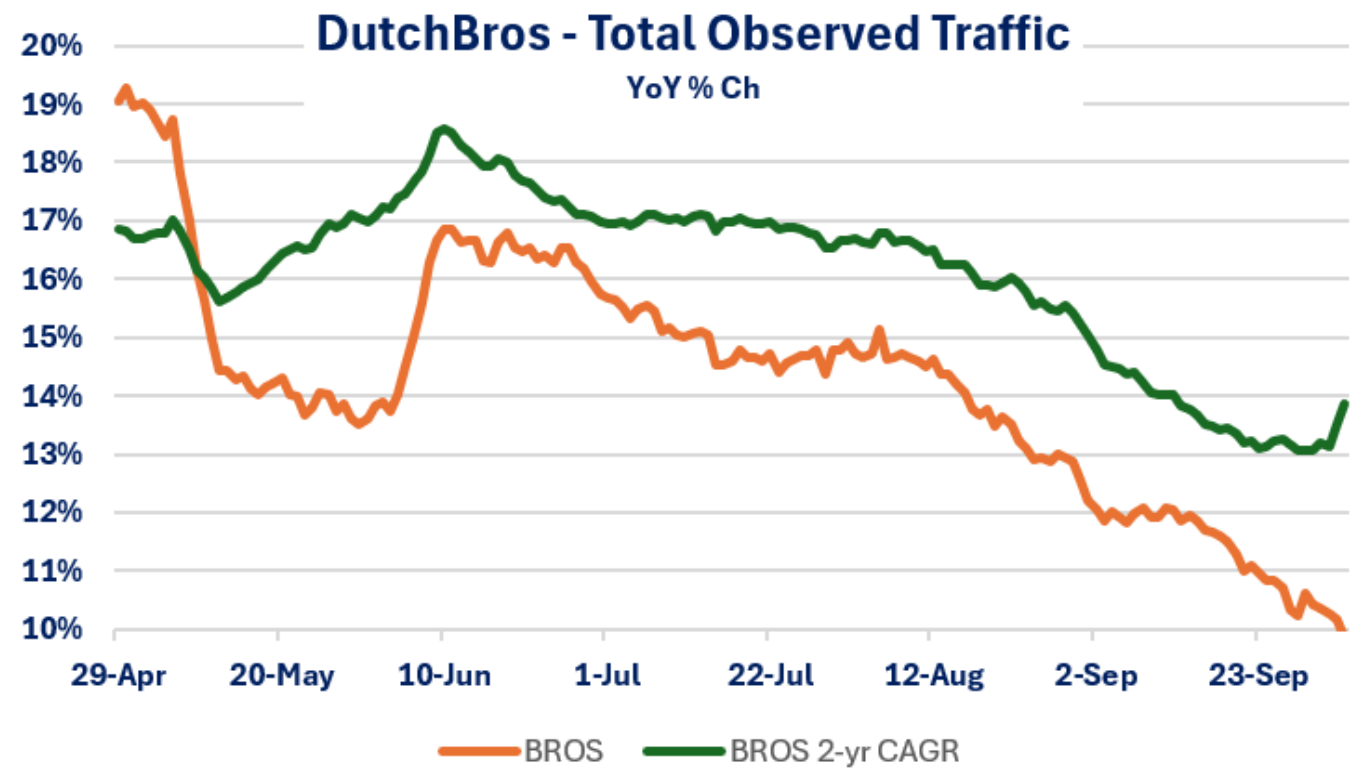
Thomas Paulson · July 30, 2026

LINK

Kiosk Coffee — *More Sensitive to Gas Prices*

Total Traffic Growth YoY

	<u>7 Brew</u>	<u>BROS</u>
Qtr2	80%	16%
Qtr3	67%	13%
Jul	76%	15%
Aug	64%	12%
Sep	63%	11%



Remainder of 2026?



Easier Comps?

Estimates of Monthly Retail and Food Services Sales by Kind of Business: 2025

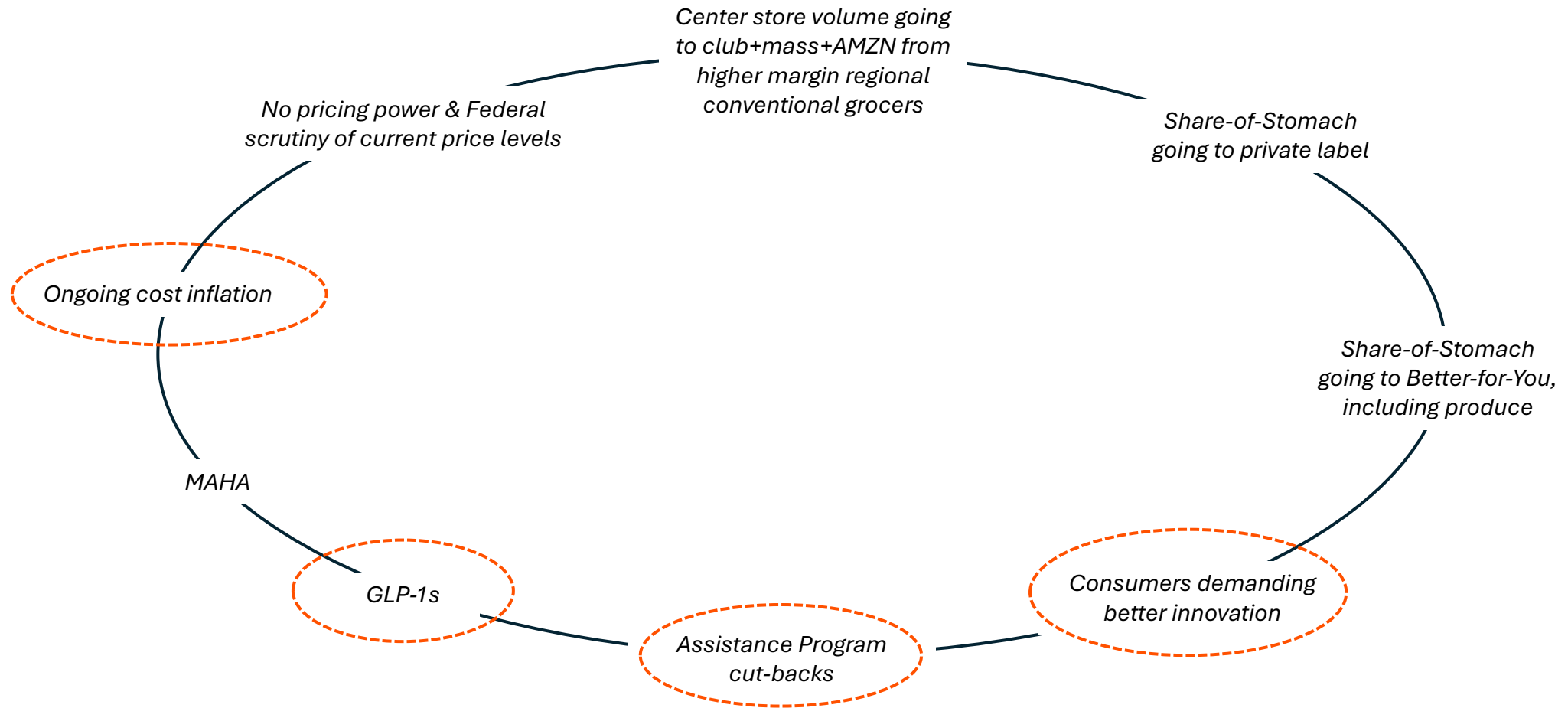
[Estimates are shown in millions of dollars and are based on data from the Monthly Retail Trade Survey, Annual Integrated Economic Survey, and administrative records]

	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025	Oct. 2025	Nov. 2025	Dec. 2025
Full service restaurants	7%	-1%	7%	7%	10%	8%	9%	10%	7%	7%	7%	6%
Limited service eating places	3%	-3%	4%	4%	4%	3%	4%	4%	5%	4%	2%	3%

Why More Buffeted



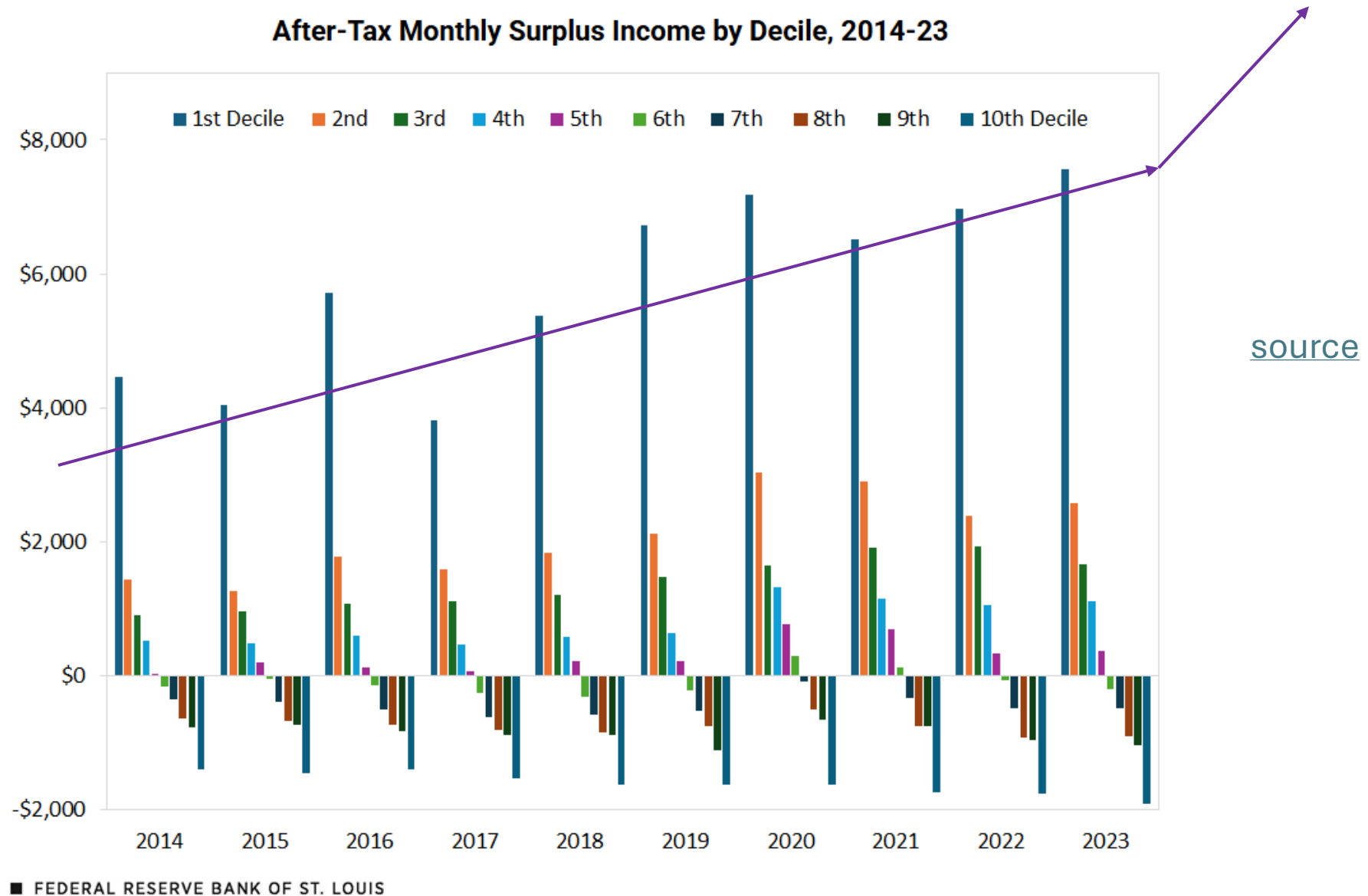
National Brand's Crucible –



The K-Shaped Consumer

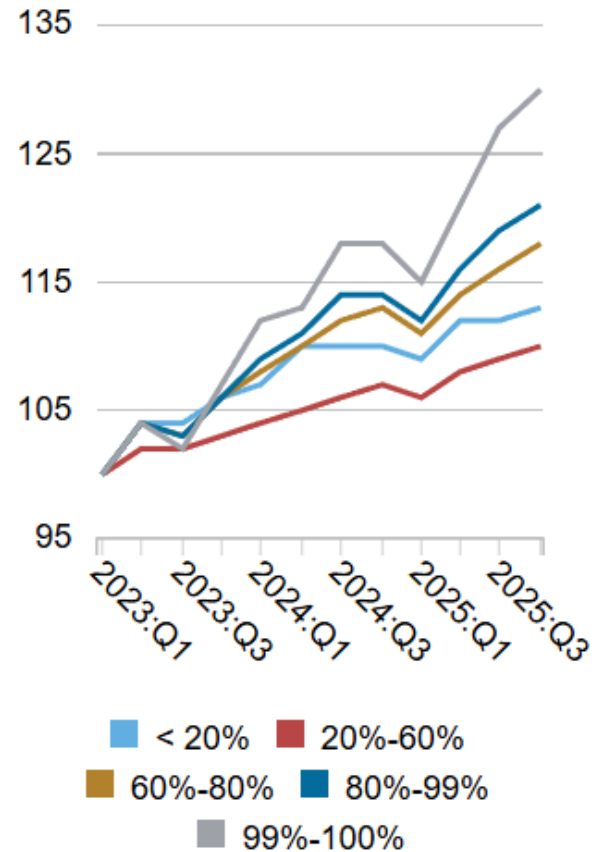


K-Shaped Consumer –Secular vs Cyclical

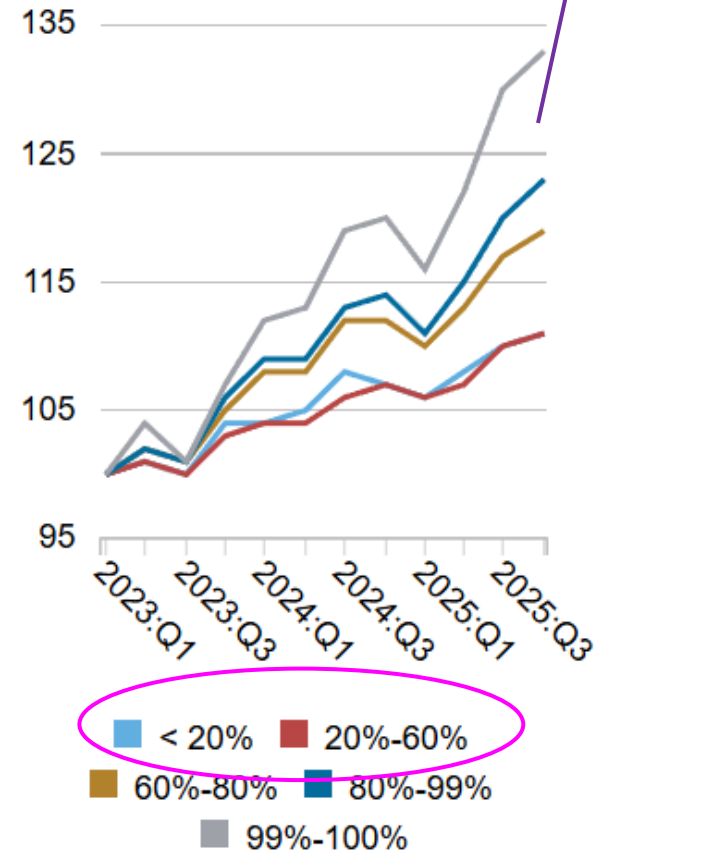


K-Shaped Patterns Exist in Wealth and Financial Assets Growth

Real net worth
(2023:Q1 = 100%)



Real financial assets
(2023:Q1 = 100%)



[source](#)

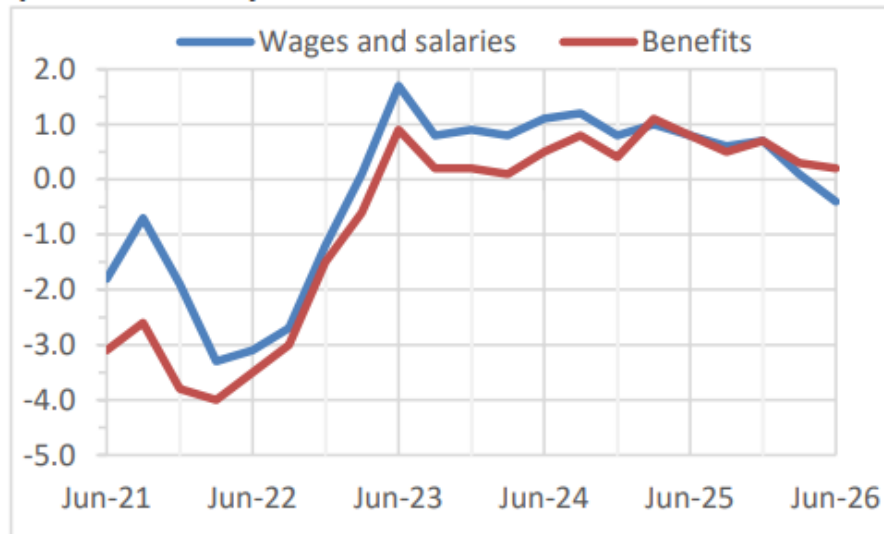
Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations.

Notes: Real spending uses corresponding demographic prices.

Plus:

- Limited job growth
- Low promotions
- Little real wage growth in 2026+

Chart 4. Twelve-month percent change, constant dollar, private industry workers



**Is “real” discretionary consumer spending growth
transitioning from being income-driven to
wealth-driven?**

w/ “real” meaning constant-currency and not nominal

Population Growth

Projected Population by Five-Year Age Group

Projections for the United States: 2022-2100

(Resident population as of July 1. Numbers in thousands)

	2022	2025	2030	2035	2040	CAGR	Delta	
Census Projection	333,288	338,016	345,074	350,861	355,309	0.3%		
Immigration			4,500	4,500	4,500			
Net		338,016	340,574	341,861	341,809	0.1%	-13,500	-4%
Age Cohorts								
Under 20 years	81,073	79,775	77,427	76,187	75,520		B2S	
Adjusted		79,775	76,527	74,387	72,820	-0.6%		
20 - 29 years	44,899	45,102	45,529	44,519	42,925		On the town	
Adjusted		45,102	44,629	42,719	40,225	-0.8%		
30-54 years	107,435	108,671	112,024	115,791	118,160		Building a household	
Adjusted		108,671	109,999	111,741	112,085	0.2%		
55-64 years	42,085	41,144	38,910	38,535	40,410		Sandwiched	
Adjusted		41,144	38,460	37,635	39,060	-0.3%		
65+	57,796	63,324	71,184	75,829	78,294		Viking Cruises	
Adjusted		63,324	71,184	75,829	78,294	1.4%		

Source: U.S. Census Bureau, Population Division

Release Date: November 2023

Wealth Generation Becoming The Primary Driver of Real Growth –

What's that mean over the next ten years for:

- ☐ Limited Service / Large National Brand CPG
- ☐ B2S / C
- ☐ Teen & Family Footwear & Apparel
- ☐ Walmart / Target
- ☐ Lowe's / Home Depot

Thank You



RETAIL & CONSUMER



Holiday season-to-date foot traffic and spend:

Dec 17, 2025 3 minutes

The positive trend in foot traffic has held since Black Friday Weekend. Amazon, Walmart, Five Below, ...

Thomas Paulson



The Latest from the Grocery Aisle - Not More of the Same: Results from Kroger, Costco, and ...

Dec 16, 2025 8 minutes

The grocery industry is becoming more dynamic with lots of announcements of new partnerships with ...

Thomas Paulson



The Dollar Stores – Raking in more after going back to the basics

Dec 5, 2025 7 minutes

Dollar store results for the 2H are coming in strong despite pressure on the lower-end consumer. The ...

Thomas Paulson



Black Friday Weekend Traffic

Dec 2, 2025 2 minutes

Black Friday Weekend traffic was softer YoY due to adverse weather, a softer weekend box office, ...

Thomas Paulson

CPG



Target – Updated views on Target's performance, any good news?

Nov 4, 2025 3 minutes

INDUSTRIALS



Tesla – Still making desirable vehicles with a pick up expected ahead

Oct 24, 2025 3 minutes

LEISURE AND ENTERTAINMENT



Casino Gaming and Theme Parks – What's happening in Vegas, isn't staying in Vegas

Nov 10, 2025 4 minutes

HEALTHCARE



Medtronic – Management commits to faster organic sales growth, will they deliver?

Aug 20, 2025 2 minutes



Thomas Paulson
Head of Market Insights, Advan Research

Thomas has been Head of Market Insights since January 2025. Previously, he served as Director of Research and Business Development at Placer.ai, where he was instrumental in providing actionable insights derived from location analytics and the path for expansion into new verticals. His extensive background also includes two decades as a buy-side analyst and portfolio manager at AllianceBernstein, Cornerstone, and others. Prior to that tenure, he worked as an economist. Thomas also currently serves as the Co-Chair of the National Association for Business Economics Retail / Consumer Roundtable.

thomas@advanresearch.com [LinkedIn](#)

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Advan's Data



McDonald's US

2750 Taylor Rd Montgomery, AL



- ❑ Aggregated foot traffic data sourced from mobile phones (lat/long/ID), about 12% of the US population.
- ❑ Overlaid on millions of locations in the US. (We also have Canada.)
- ❑ Phones overlaid and tagged with Census data + other pattern data providing demographic and psychographic profiles of the activity aggregated at the CBG level.
- ❑ Advan is Manhattan-based and has been in market since 2016, and is focused on the investment-finance vertical, i.e. we protect our data's scarcity, i.e. your Alpha

A Place can be a:

- Shopping Mall
- Warehouse
- Self Storage
- Fulfillment Center
- Hospital
- Office Building
- Steel Mill
- Open Pit Mine
- Manufacturing Plant
- National Park
- Business District
- City
- State

➤ Any Place

Advan's Data

- ❑ Manufacturing, materials, warehouses, fulfillment, treatment centers, B2B commercial billed business, etc
- ❑ Organized into ticker-level estimates, cohorts, and NAICS codes (800+).



◆ AI Overview

Medtronic's Danvers plant produces a wide range of cardiovascular and neurological devices, including components for **Deep Brain Stimulation (DBS)**, **Spinal Cord Neurostimulation**, Drug Infusion Systems (like SynchroMed), ablation systems (CryoCath), and various catheters (Guidewire, TrailBlazer), supporting many of Medtronic's business units with finished goods and parts for complex medical technology. [@](#)

Key Products & Technologies (Danvers Focus)

- **Neurostimulation:** Systems for pain management and movement disorders, including DBS and Spinal Cord Stimulation.
- **Cardiovascular:** Products like Guidewire, TrailBlazer catheters, and components for advanced cardiovascular therapies, as highlighted in job descriptions.
- **Surgical Tools:** Equipment support for various lines, including Midas Rex drills for precision bone cutting.
- **Drug Infusion:** Systems for managing chronic pain and spasticity (SynchroMed).
- **Microelectronics:** Manufacturing and technology center for components used in implantable devices. [@](#)

Activity can be a visit, or total hours in a day / week / month / year:

- Shopping a mall
- Working at a warehouse
- Working at a cold storage facility
- Working at a office building
- Working at a steel mill
- Having fun at a theme park

Total Hours = Visits x Avg Stay

Total Hours $\propto$ Real Economic Output of Location

A More Complete Measure of an Asset's Utilization

Starbucks' Investor Day (January 29th)

Global Chief Brand Officer Tressie Lieberman:

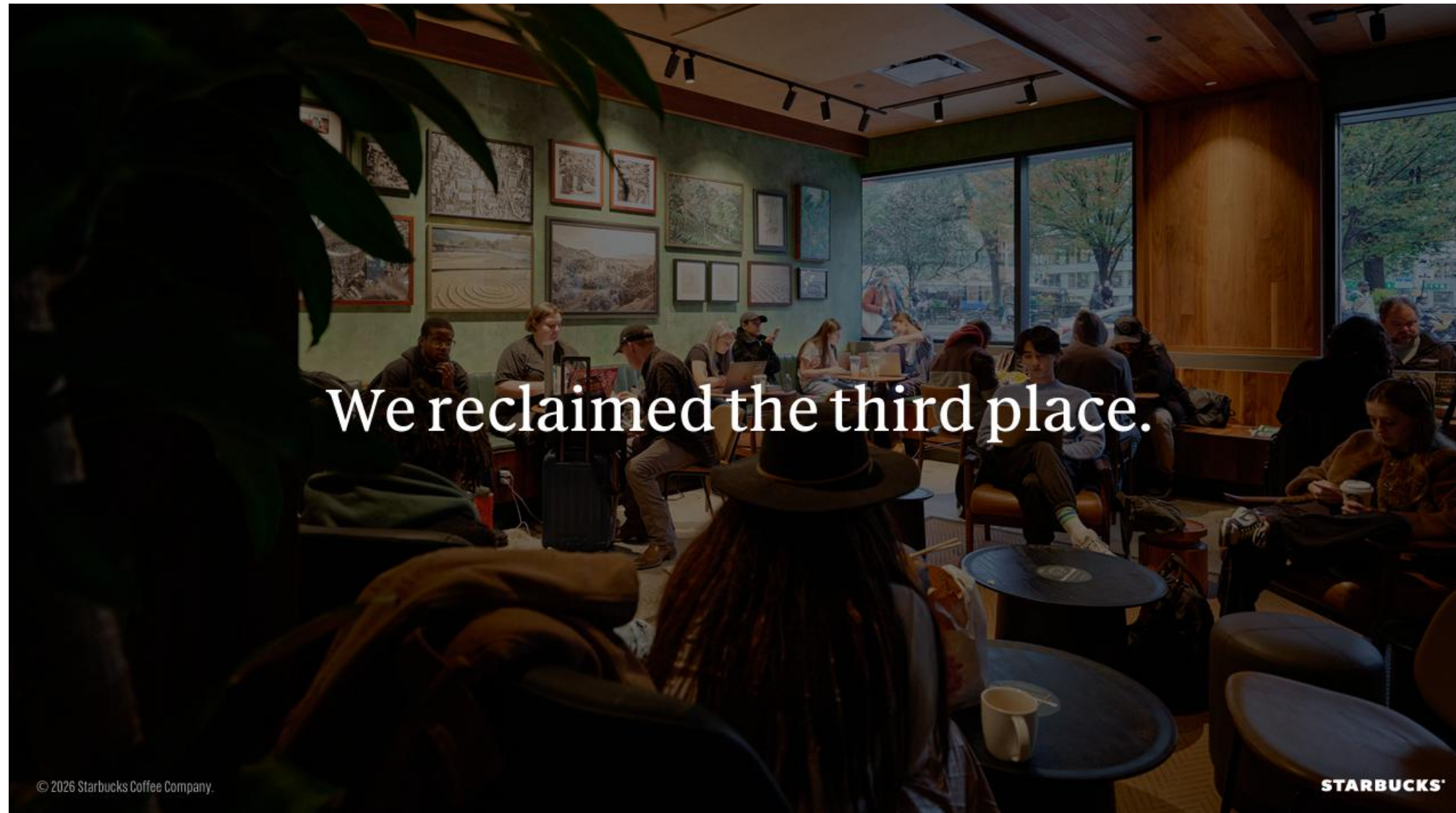
Starbucks is more than a coffee brand. It's a global ritual. It's your third place to sit and stay a while, where your partner knows you by name.

Before the [Starbucks'] flywheel could truly gain momentum, we had to reclaim our narrative last year. And we grounded ourselves in a simple, powerful objective: to be visible, relevant, and loved everywhere

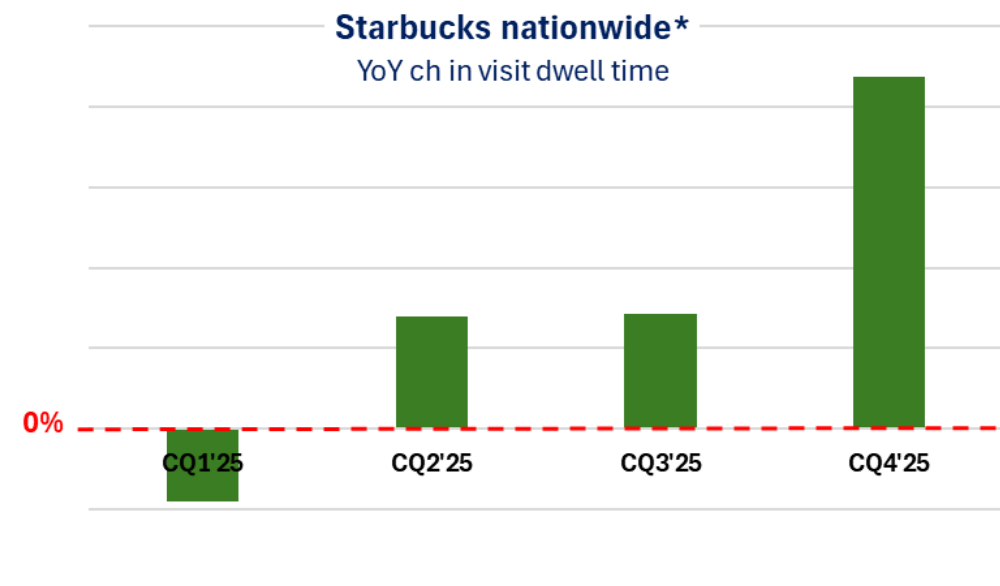
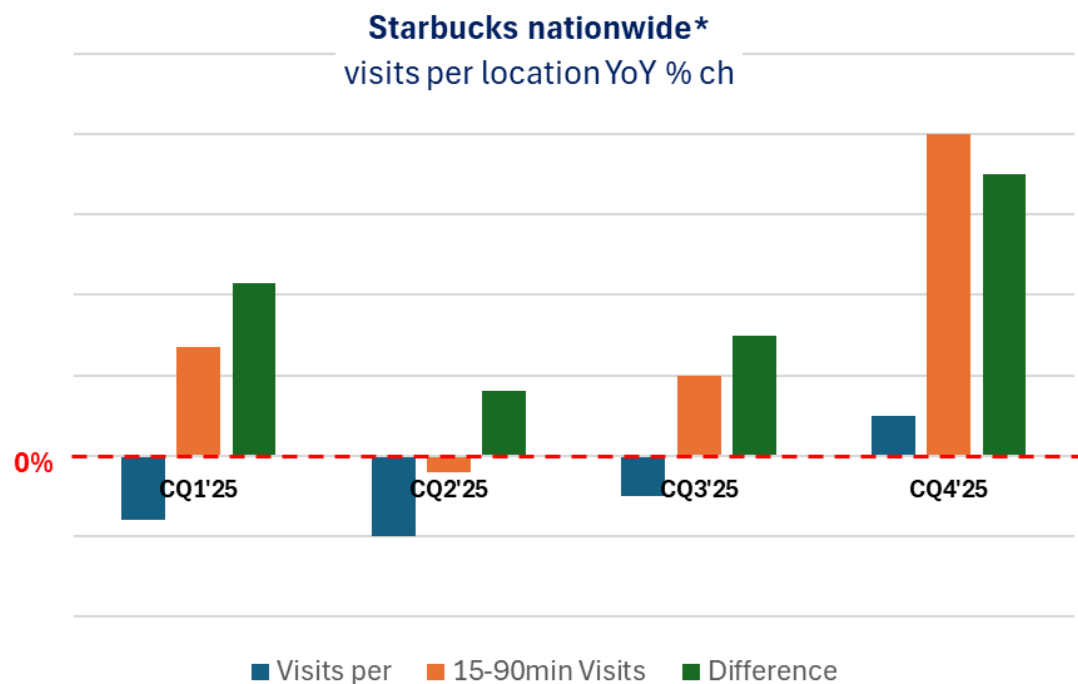
How Do You Monitor / Measure Love?



How Do You Monitor / Measure This?



The Answer -- Geolocation / Mobility Data



Source: Advan Research Data

* Excludes locations in airports, grocery stores, indoor malls, and urban canyons

What Success / More Enjoyment Looks Like

Starbuck's Dwell Mix

YoY Ch (bps) in Visit Mix by Dwell

	<u>2025-Q2</u>	<u>2025-Q3</u>	<u>2025-Q4</u>	<u>2026-Q1</u>
5-20 min	-211	-215	-66	66
21-60 min	-128	-95	-53	-1
61-240 min	-54	-35	-22	0

Source: Advan Research Data

* Excludes locations in airports, grocery stores, indoor malls, and urban canyons