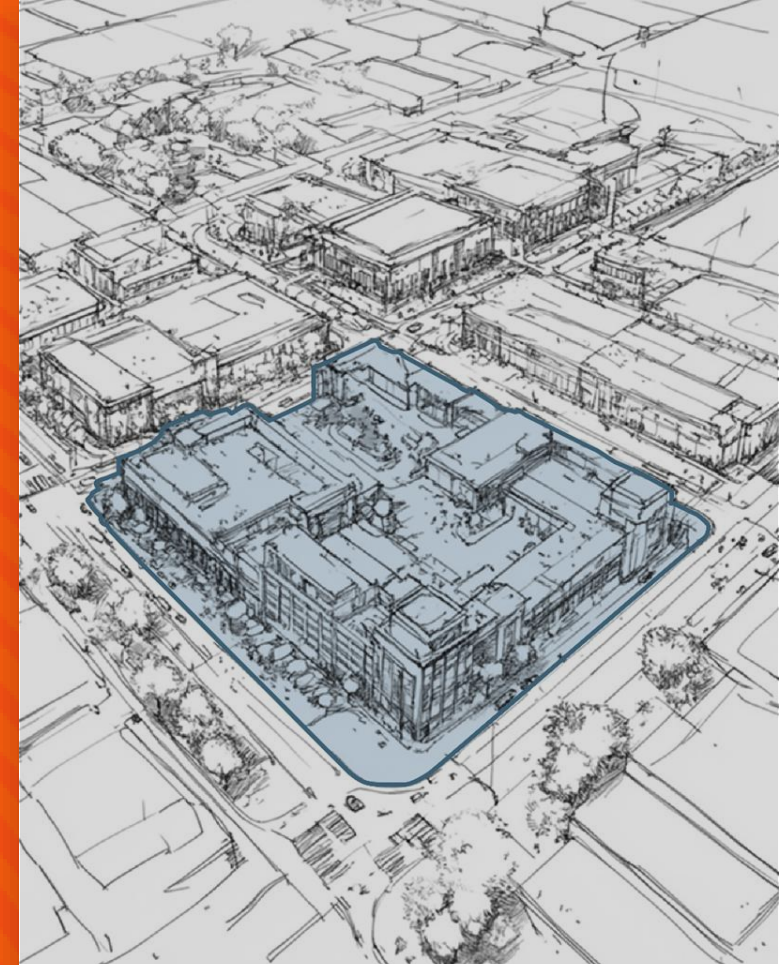




Advan Insights on the Consumer & Retail



PRESENTED BY

Thomas Paulson

Head of Market Insights, Advan Research

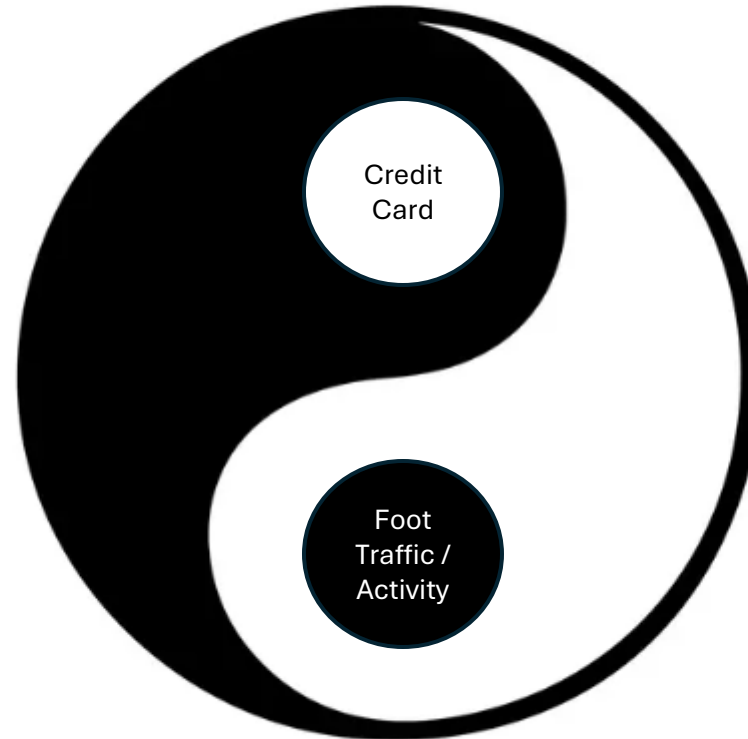
Delivered to UBS Clients

September 14th, 2026

Topics - Conclusions

- ❑ B2S / C 2026 Was a Success – The US consumer has been remarkable
- ❑ High-End Spending Shifts in July / August
- ❑ K-Shaped Economy – Cyclical vs. Secular
- ❑ A Secular K-Shape and Zero < 65-year-olds Population Growth –
What Does That Mean for Certain Retail & Restaurant Brands?

Data Synergy - Compliment



The US consumer has
been remarkable



2026's B2S / C Season – Strong Success

❑ Why so strong?

- Wealth growth and stable employment. Little Jonnie deserves his pencils and Big Jonnie, a dorm fridge
- Little B2S during this year's Prime Day. That resulted in more dollars spent at physical retail.
- Less disruption from tariffs, allowing retailers to focus on the B2S execution and sharper price points (IEEPA refunds). 2026, no consumer pull-forward into June / July to get ahead of tariff pricing.

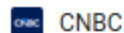
❑ General Merchants – traffic accelerated, TGT led (+310bps vs. FQ2's trend)

❑ Dollar Stores – steady trend, FIVE's comp transactions > traffic

❑ Sporting Goods – modest (ouch), ASO had a better B2S

❑ Off-Price – Marmaxx a touch better, Ross more so. Calendar helped.

❑ Family Apparel – modestly better



CNBC

Trump tariffs, inflation have some parents worried about back-to-school shopping costs

Some key back-to-school essentials such as backpacks cost more this year due to a recent uptick in inflation.

Jul 23, 2025



Center for American Progress

Trump's Tariff Policies Are Putting a Strain on Back-to-School Budgets

This column is part of a series from the Center for American Progress examining the challenges that parents, educators, and students face as...

Aug 19, 2025



ABC11 News

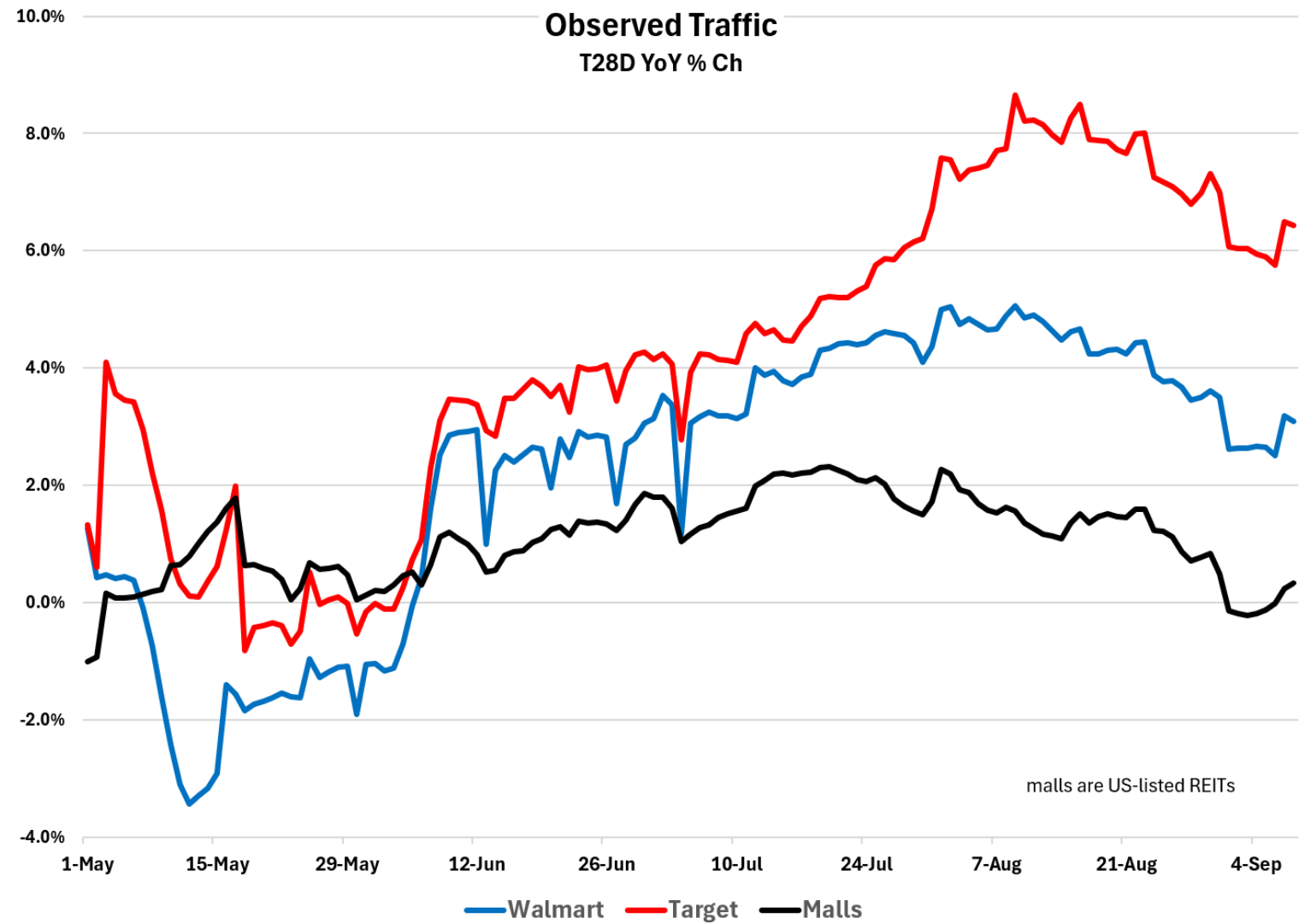
North Carolina parents brace for potential tariff impacts on school supplies, back-to-school shopping prices

Some parents in North Carolina are bracing for the potential impact that tariffs could have on school supplies and back-to-school shopping...

Aug 1, 2025



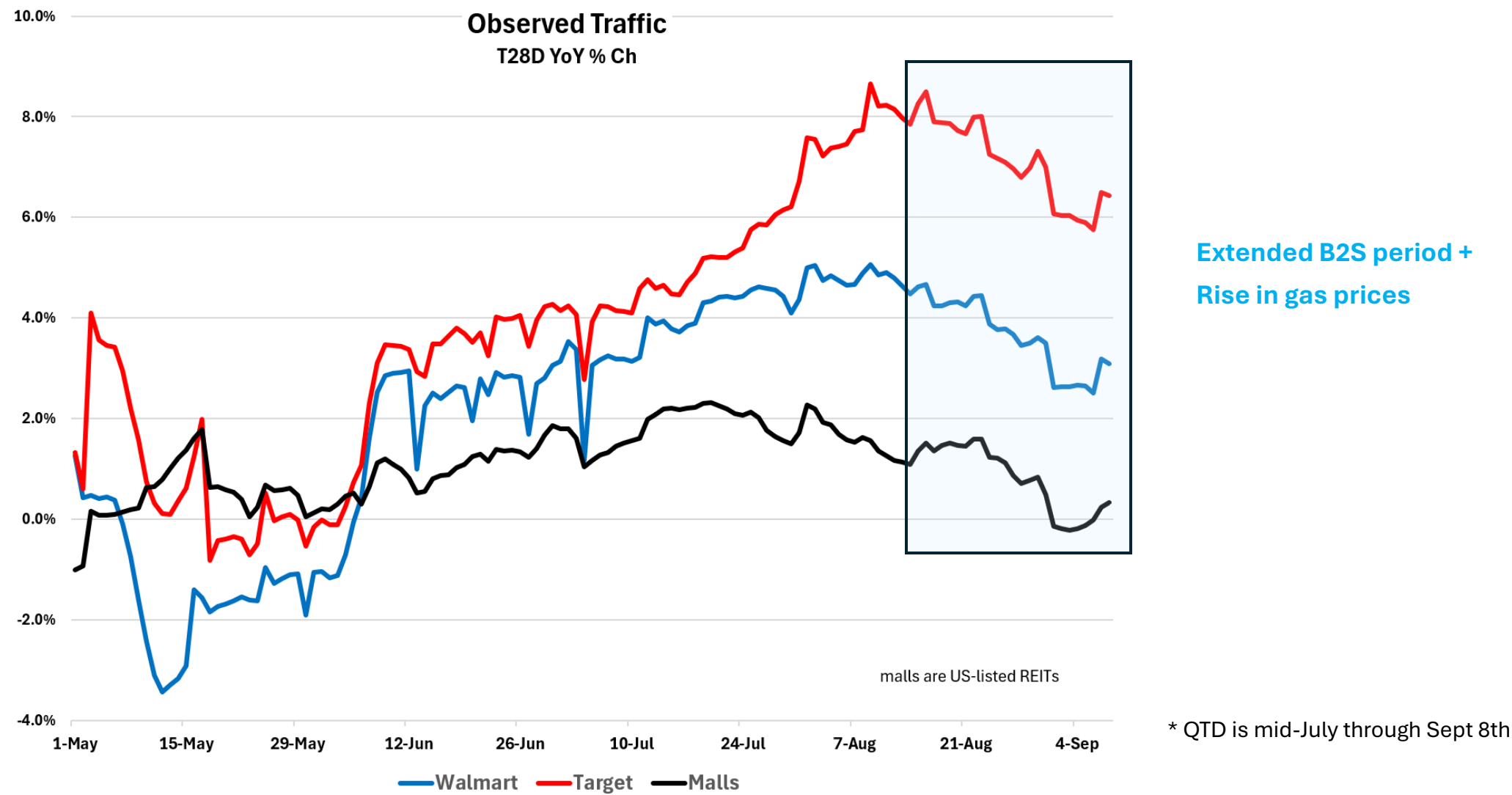
General Merchants – Target stormed August



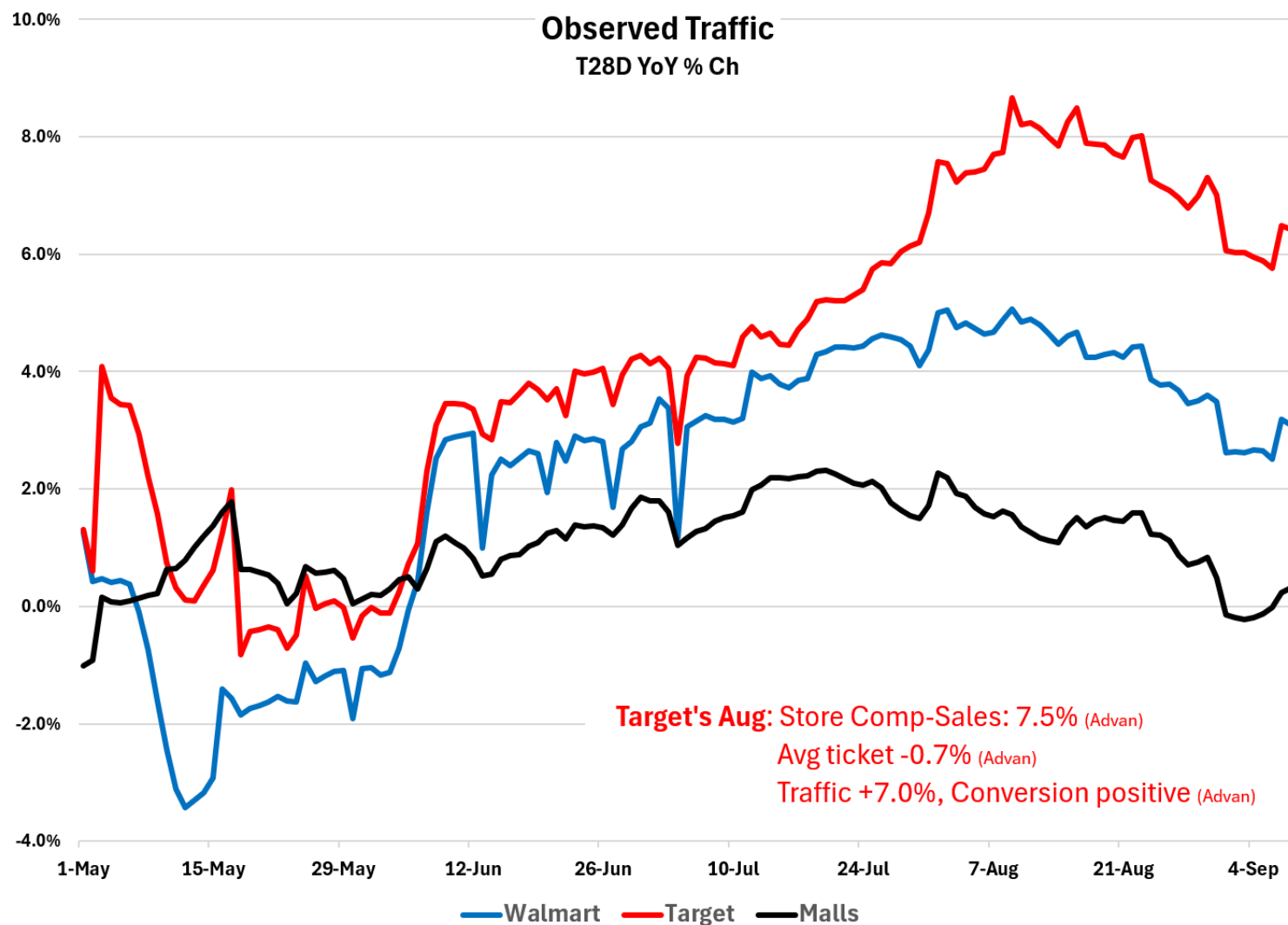
QTD* vs. FQ2
TGT: +310bps
WMT: +170bps

* QTD is mid-July through Sept 8th

General Merchants – Target stormed August



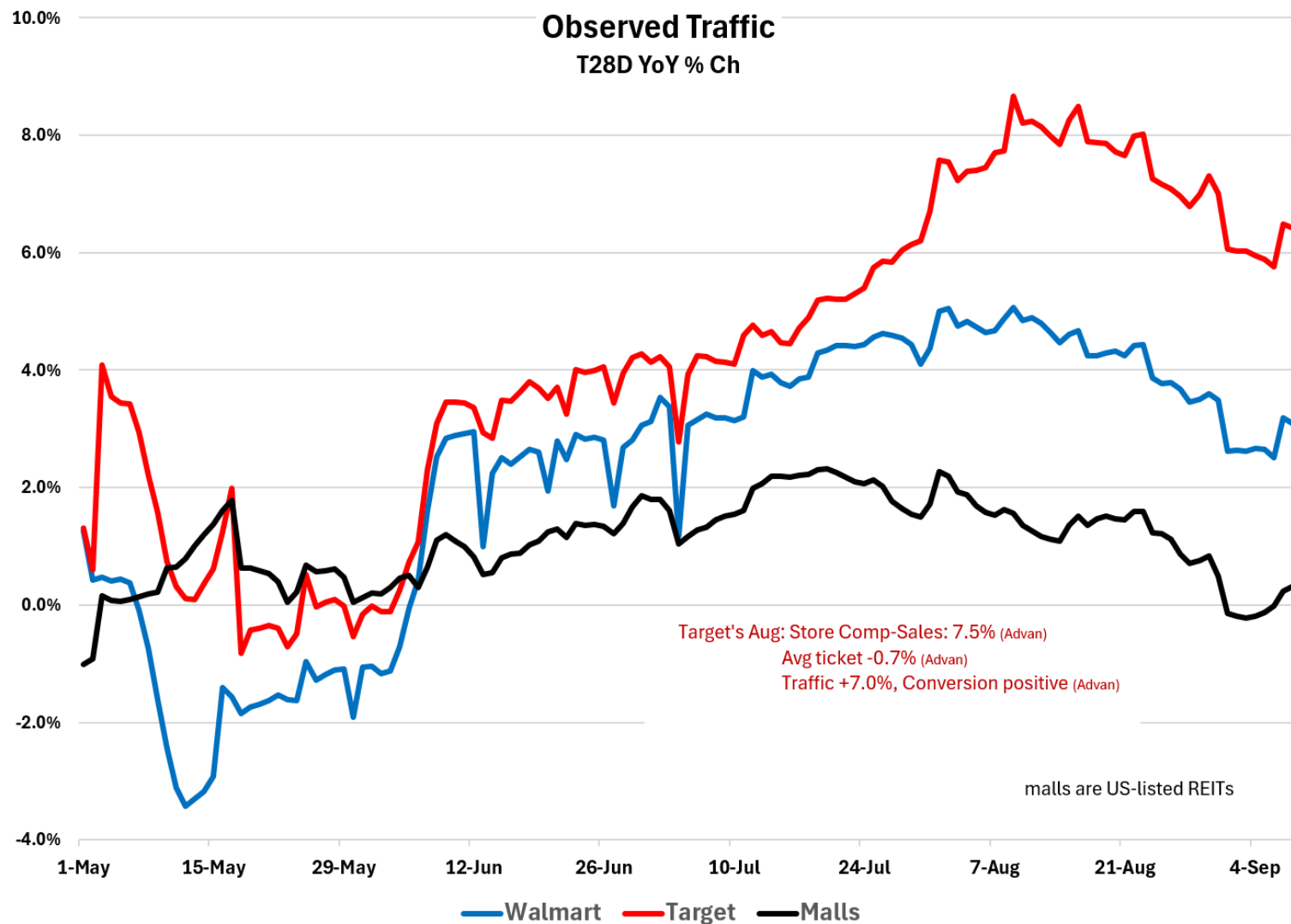
General Merchants – Target stormed August



QTD* vs. FQ2
TGT: +310bps
WMT: +170bps

Target's Aug: Store Comp-Sales: 7.5% (Advan)
Avg ticket -0.7% (Advan)
Traffic +7.0%, Conversion positive (Advan)

General Merchants – Target stormed August



RETAIL

Tarjay is Back: With more to go in the 2H

[link](#)

Thomas Paulson · August 19, 2025



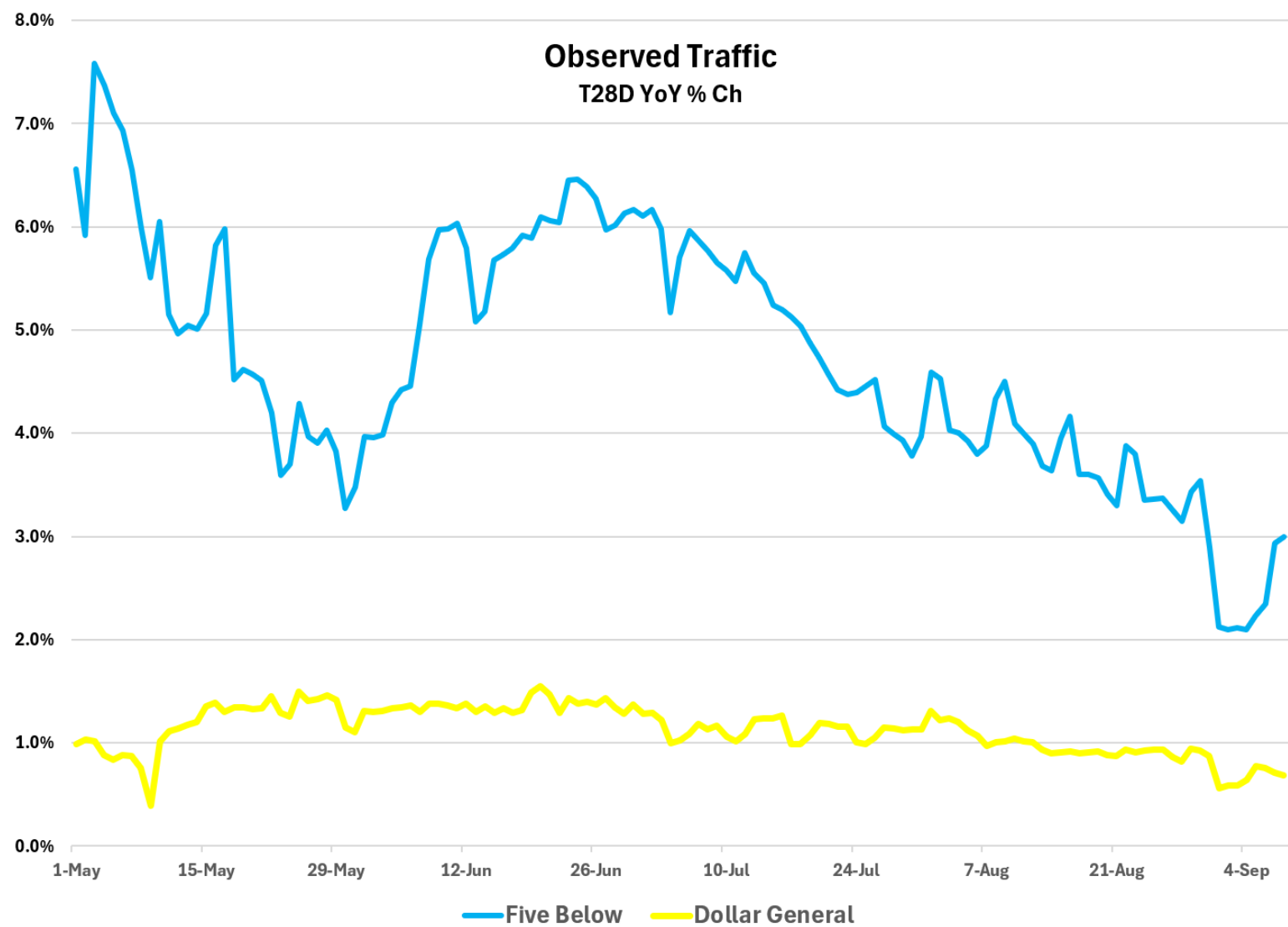
RETAIL

Sam's Club – Outperformance by Walmart's stepchild

[link](#)

Thomas Paulson · August 20, 2025

Dollar Stores – A touch lighter but comps are steeper



INSIGHTS

Dollar General FQ2 Review

Thomas Paulson · August 31, 2023

[Link](#)

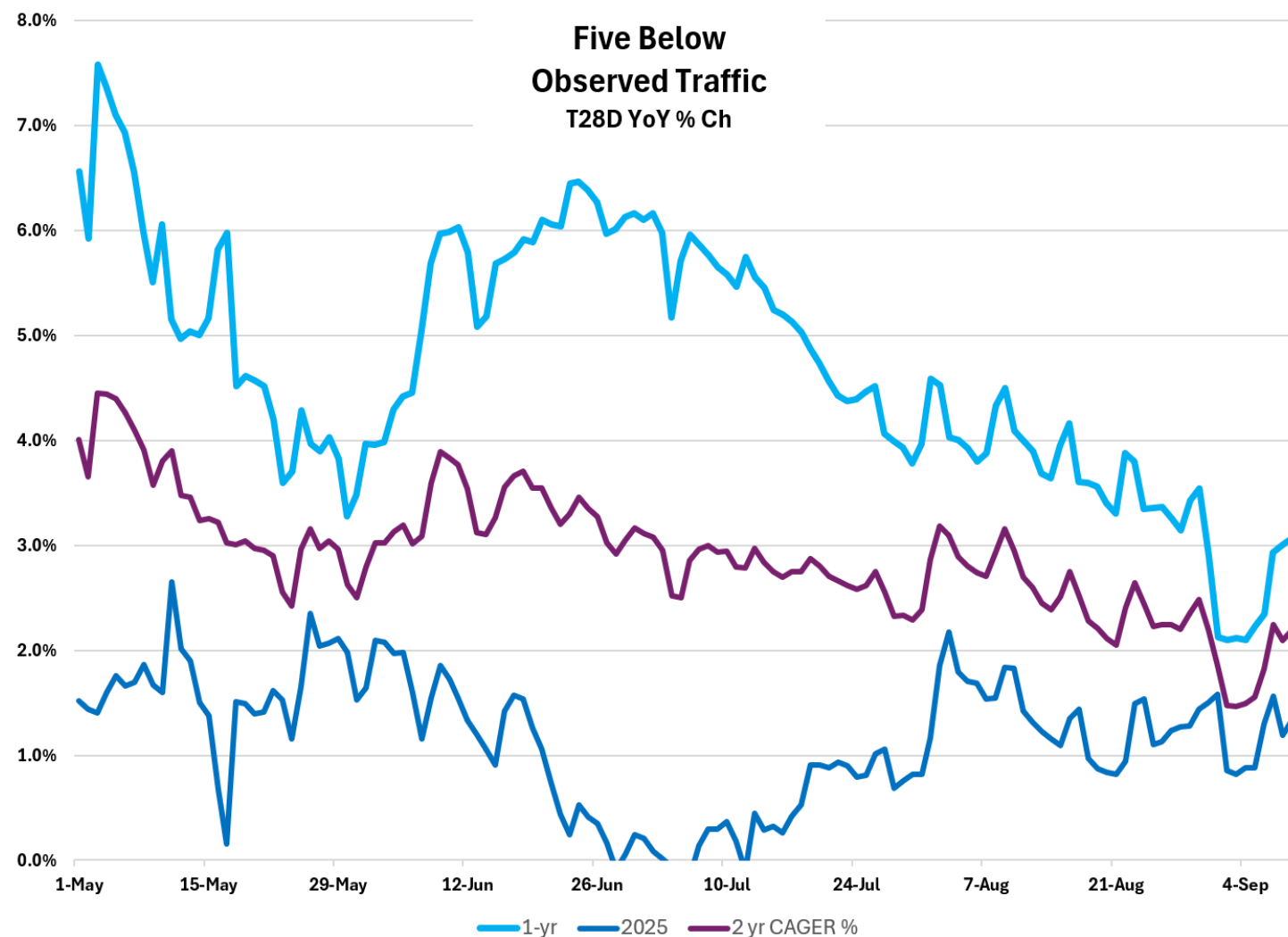
QTD* vs. FQ2

FIVE: -140bps

DG: -40bps

* QTD is mid-July through Sept 8th

Five Below's FQ3'25 -- +14% comp, half ticket, half transactions



Dwell Time

August +3.8% YoY

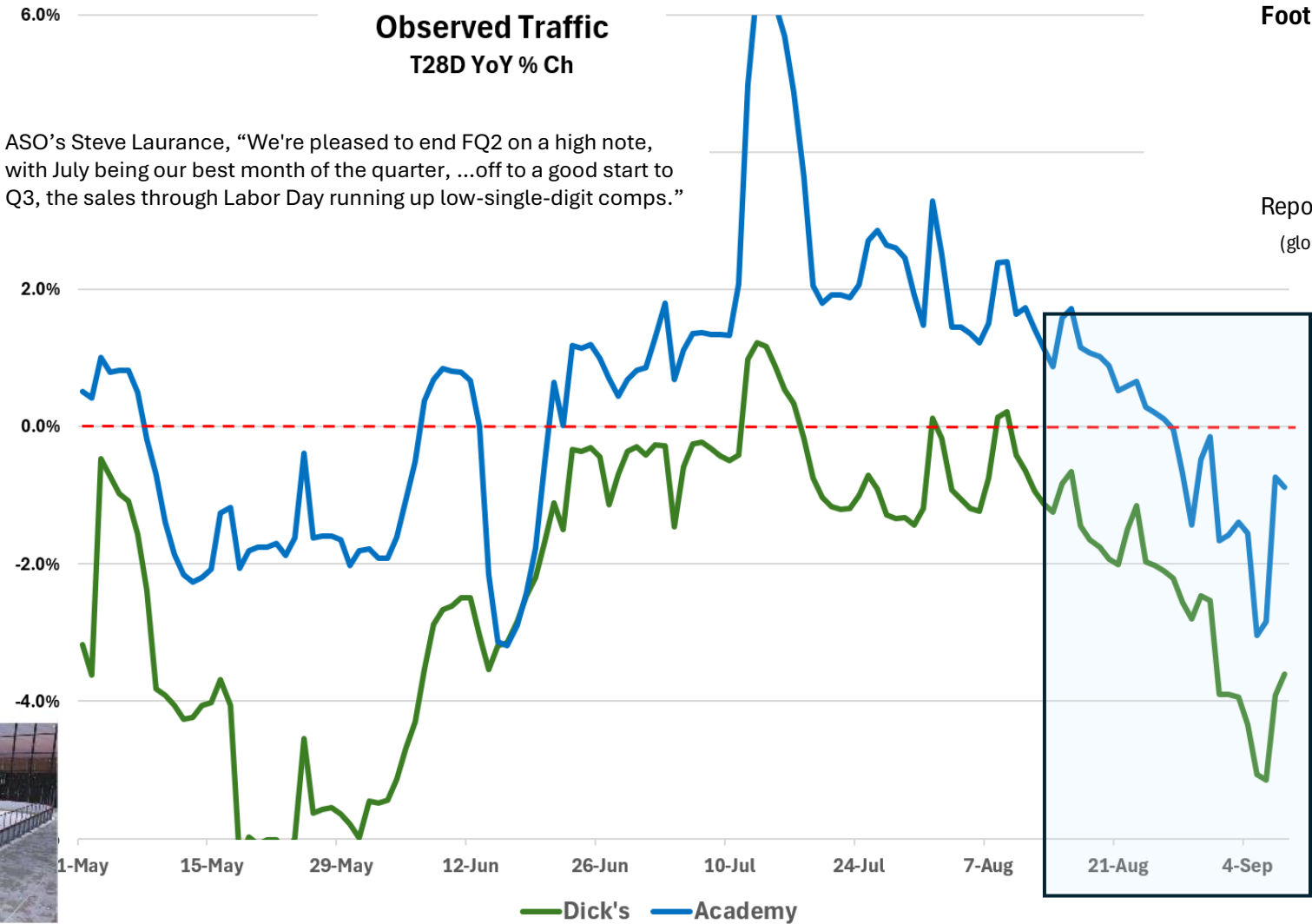
→ **Higher conversion
rate & more UPT**

→ **Spend & Trans + 400-
500 bps to FQ2**

The US consumer is
also more discerning



Sporting Goods – Highly promotional at the moment, setting up 2027 for easy comps



Foot Locker US Total Spend Trend

May	June	July	Aug
-7%	-6%	-11%	-2%
-7%			
Reported (global)			
-6.5%			

Extended period +
Rise in gas prices

➤ DKS.com also softer, both
spend & transactions

August .com Sales	
Adidas	6%
HOKA	-7%
Nike	-11%
Lululemon	-19%

September 4, 2026 - 7 min read

Lululemon – On the hunt for sustainable growth
How much of the prior growth needs to be written off?

By Thomas Paulson

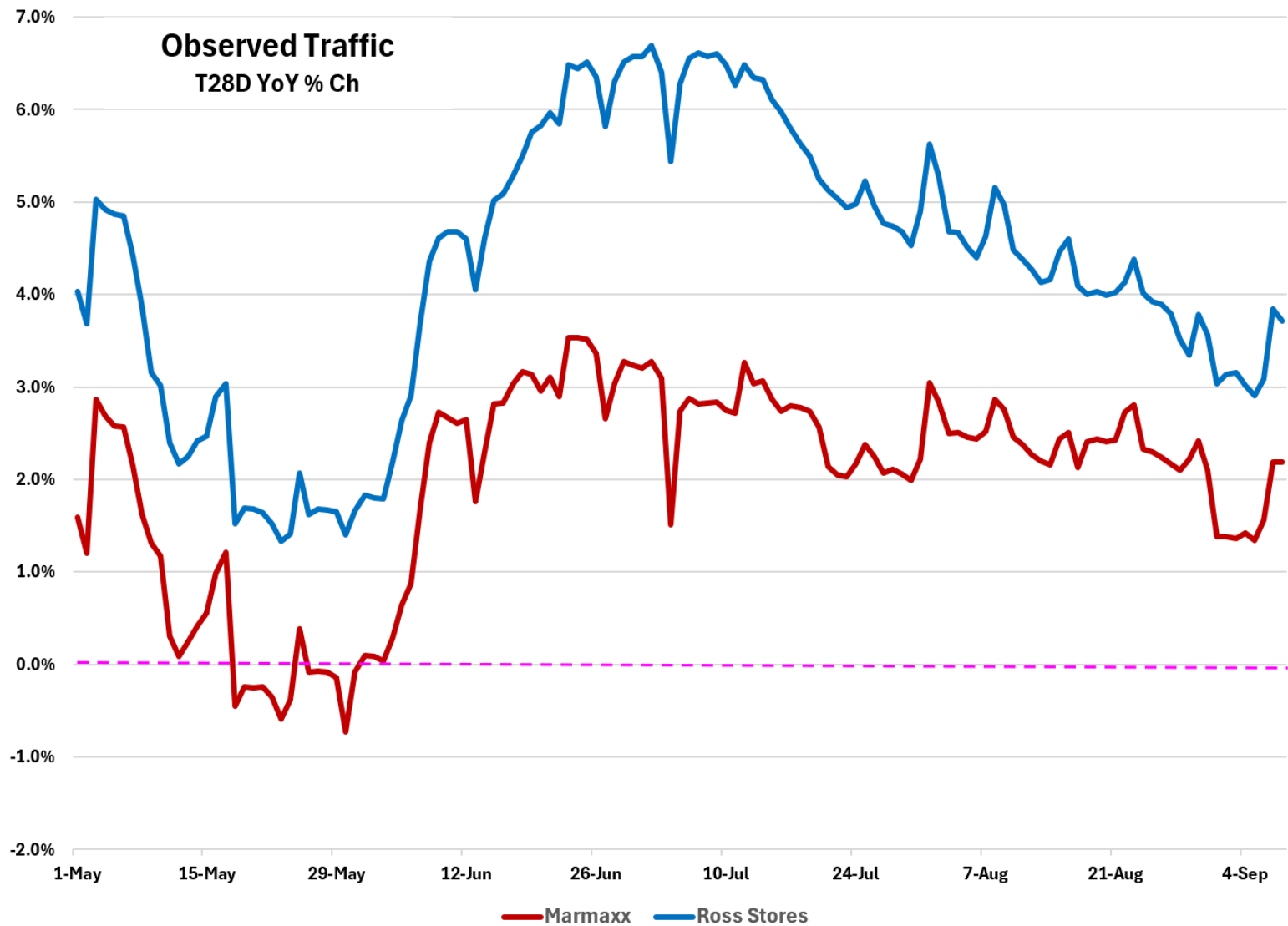
[Link](#)



RETAIL
FQ2 Results for Dick's House of Sport

Thomas Paulson · August 26, 2026

Off-Price -- Familiar August swoon, transactions fine



B2S vs. FQ2

<u>Marmaxx</u>	<u>Ross</u>
15 bps	-46 bps

Note: BURL is difficult to normalize given large and changing new store opening cadence

Off-Price – TJX's 1H

Our [narrative](#) on Marmaxx's soft year is that:

- Its buyers underappreciated the very large amount of goods that Burlington and Ross were sourcing (from the same vendor pool), which left Marmaxx short of compelling merchandise at compelling prices.
- When shoppers came into Marshalls or TJ Maxx, they weren't wow 'ed, surprised, or delighted. And so, fewer shoppers bought, and those that did buy, bought fewer items.
- We're looking for FQ3 to show an improvement in UPT the conversion rate.

Avg Basket (Aug)

Marmaxx slightly less v. FQ2
Ross similar
Burlington, slightly more

Dwell Time (Aug)

Marmaxx +6%
Ross +6%
Burlington +5%
i.e. little difference between them
Noise: Labor Day shift **and** 10 weekend days vs. 9 in '25



RETAIL

TJX' Marmaxx Miss: Are Burlington and Ross "stealing" the goods

Thomas Paulson · August 20, 2025

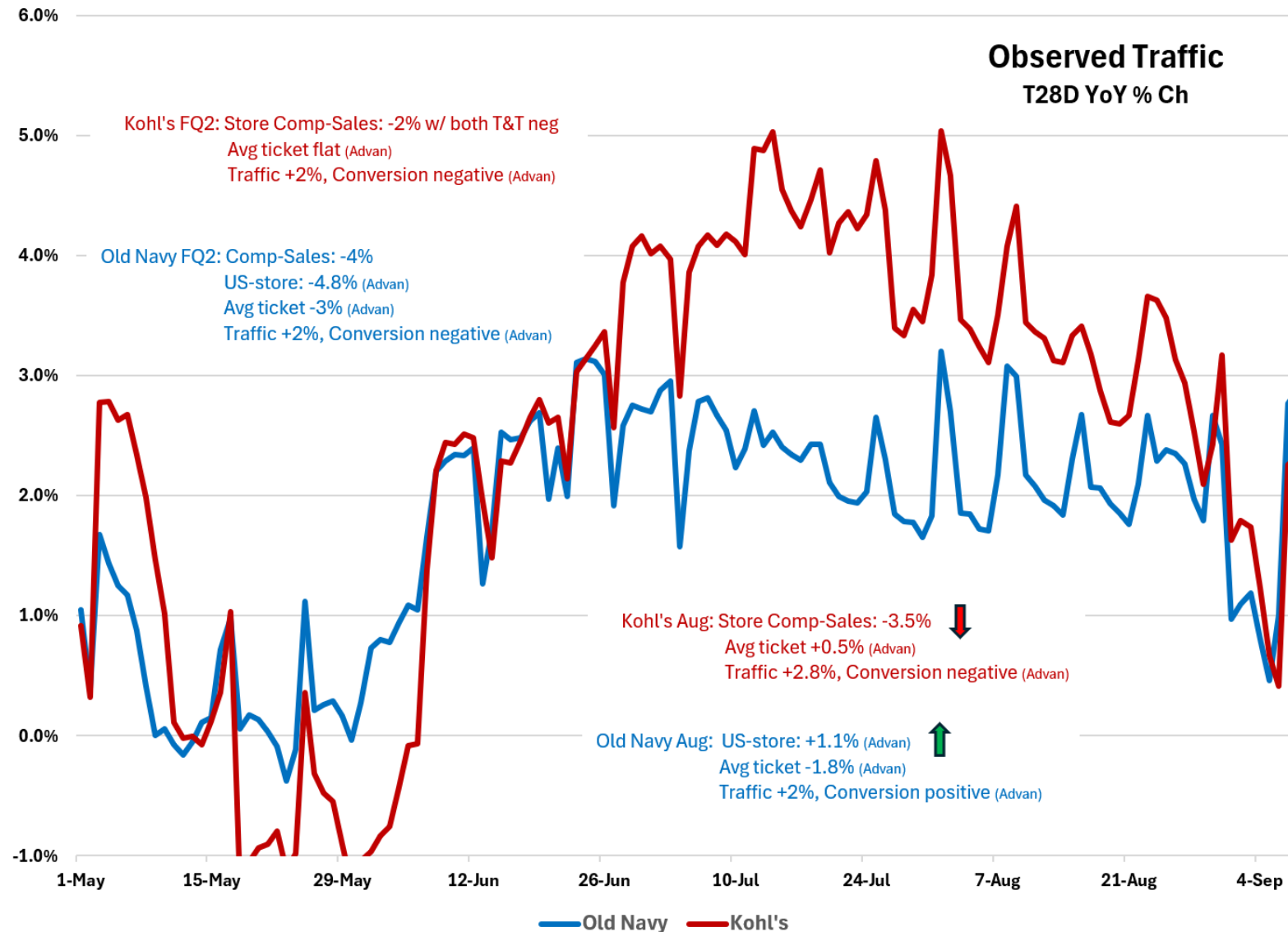


INSIGHTS

Burlington FQ2 Results

Thomas Paulson · August 28, 2025

Family Apparel – Kohl's drove more traffic, but didn't capture the sale. Old Navy did.



What's Surprised Us?

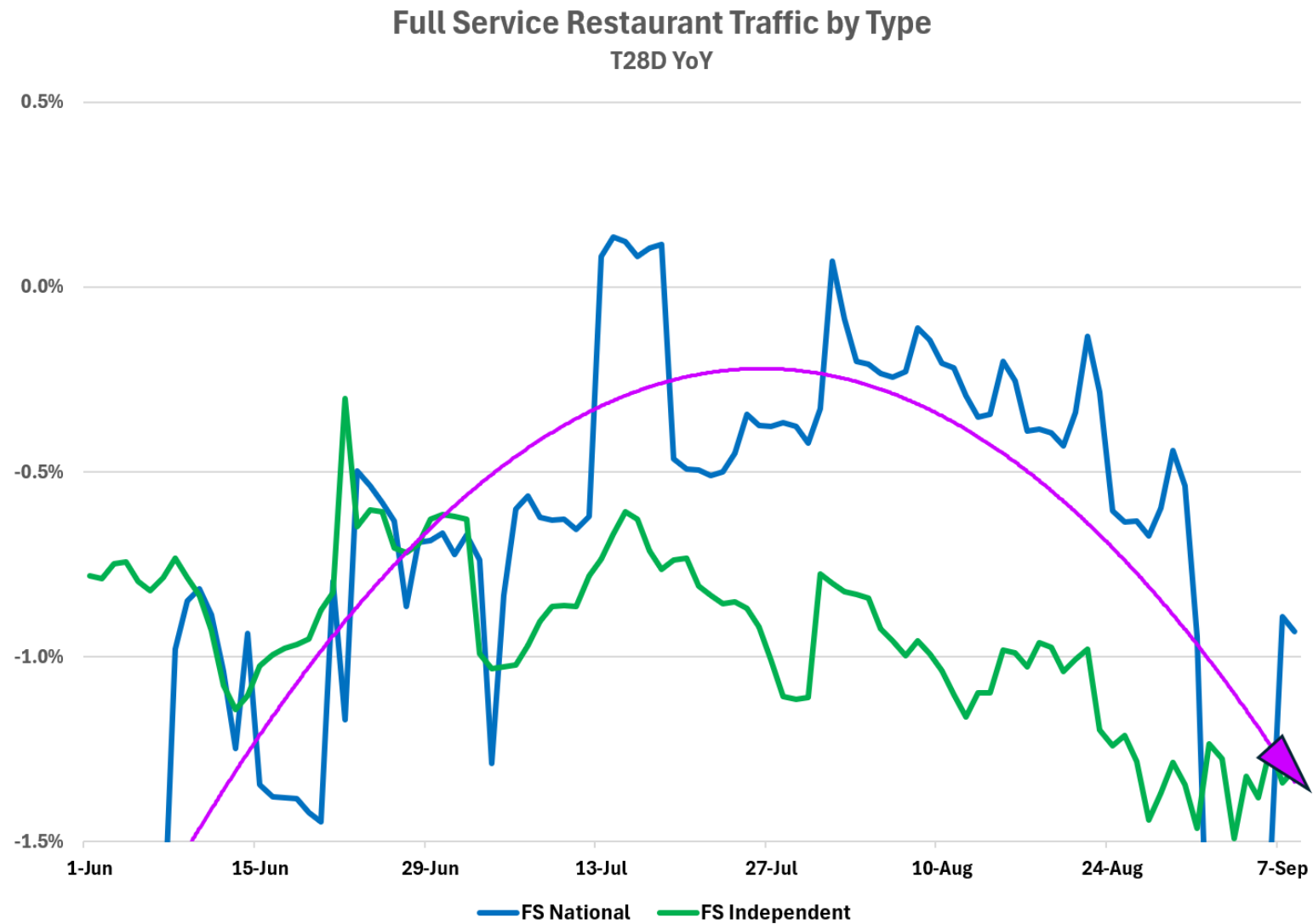


What's Surprised Us

- ❑ Shift at the high-end from European luxury into experiences* (which strengthened)
- ❑ July / August spend decelerated vs. Q2. September is a TBD.
- ❑ Across all brands (save Dior), Louis Vuitton -400bps QTD vs. Q2
- ❑ However, Coach accelerated again (+16pts QoQ) and Gucci decelerated (-12pts). Reversing Q2
- ❑ Pinnacle sporting events, time with fiends and family
- ❑ Pull-forward into Q2 from larger tax refunds and *The Devil Wears Prada 2*

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

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

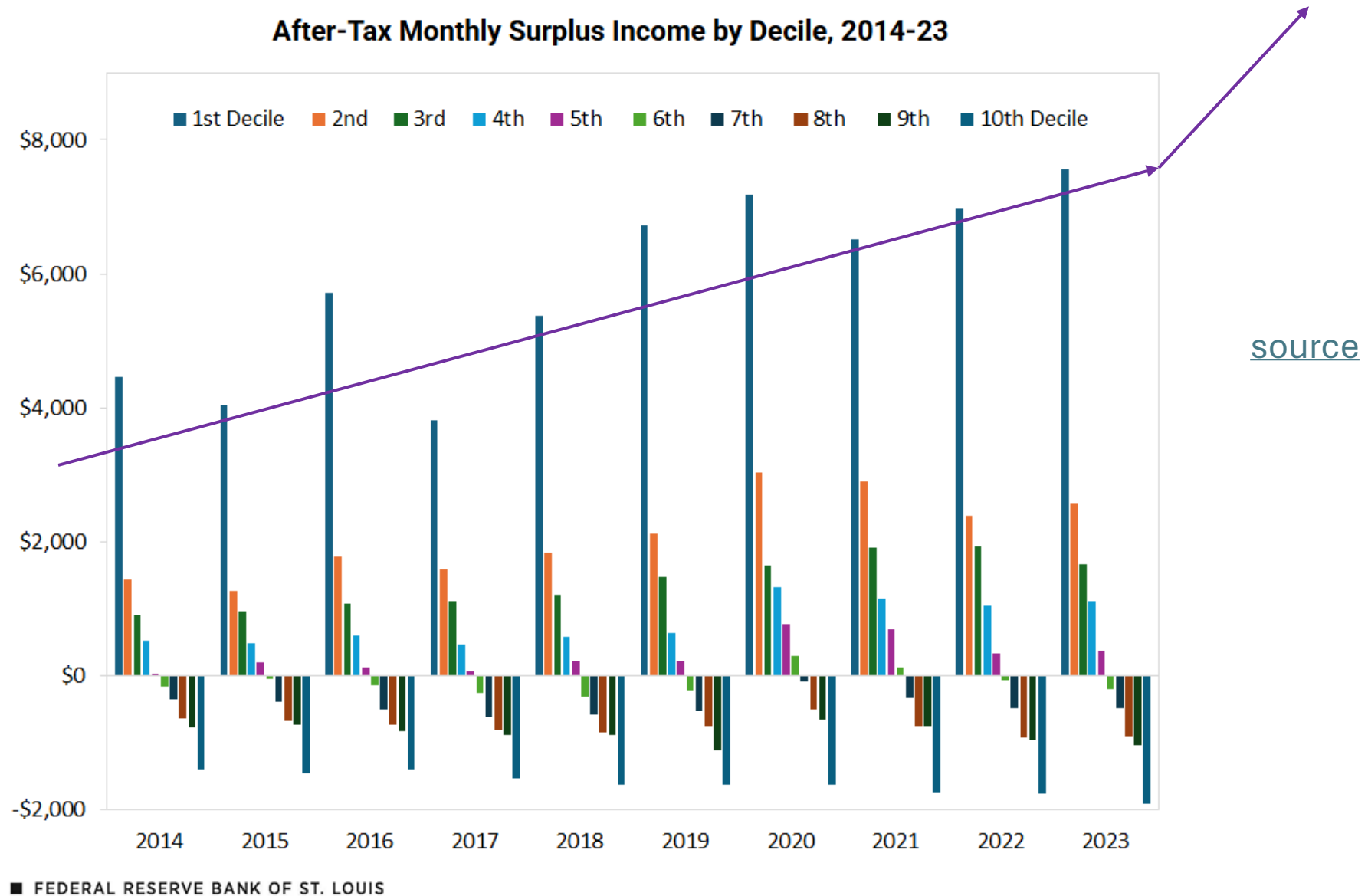


National: +30bps
Independents: -30bps

The K-Shaped Consumer

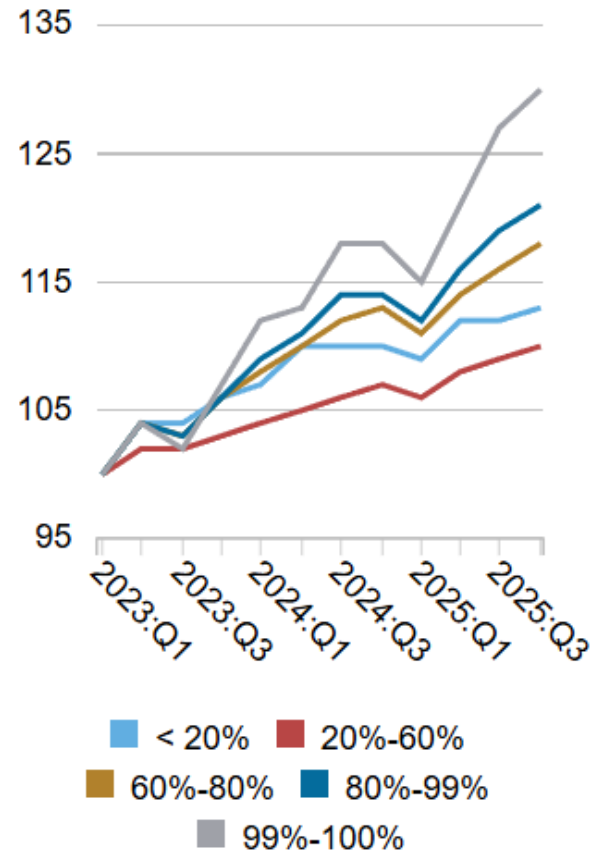


K-Shaped Consumer – Cyclical vs. Secular

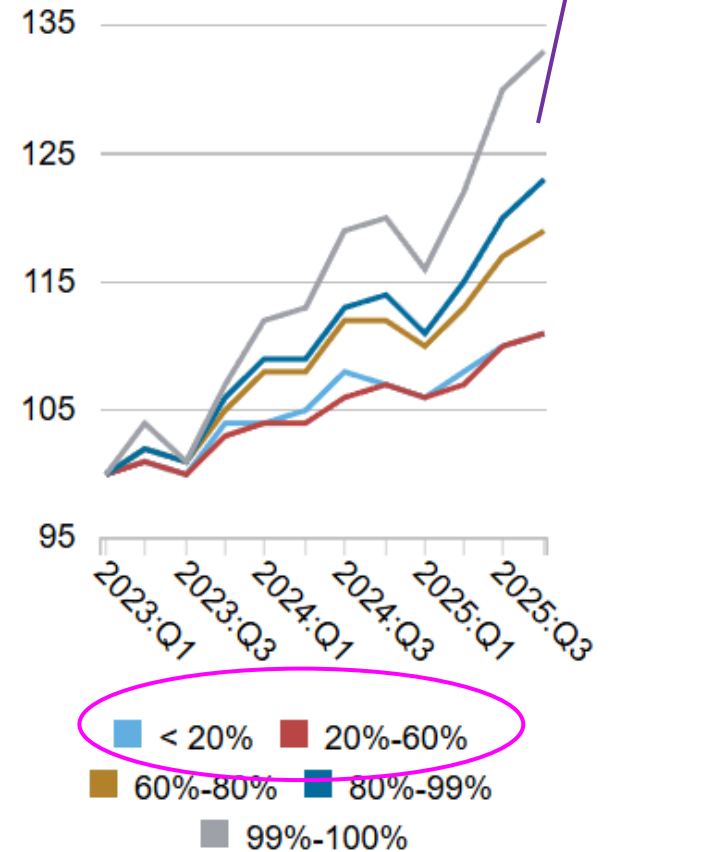


K-Shaped Patterns Exist in Wealth and Financial Assets Growth

Real net worth
(2023:Q1 = 100%)



Real financial assets
(2023:Q1 = 100%)

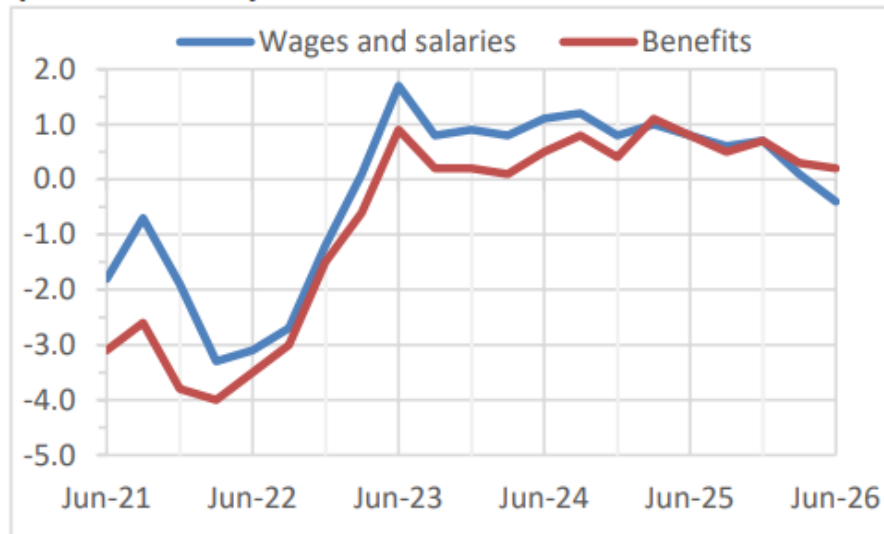


[source](#)

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
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%

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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%		

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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	
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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:

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

Thank You



Advan's Insights

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



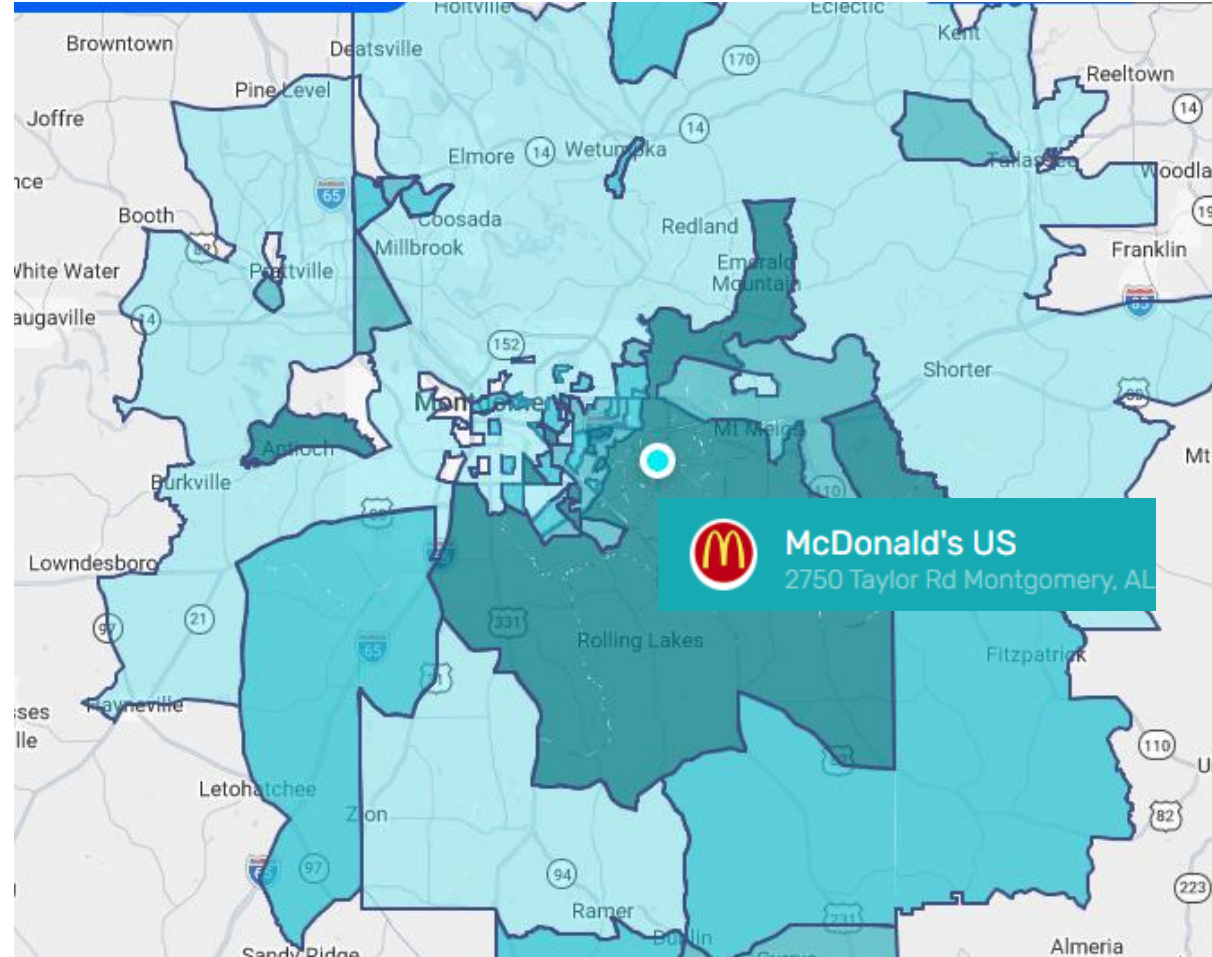
McDonald's US

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

Advan's Data



Advan's Data – MCD's Q4

Change in McDonald's Visitor Mix YoY

Family	Segment	Q4'24		Q4'25		YoY		HHI	Description
		Rank	Percent of HHs	Rank	Percent of HHs	Mix	Visits		
\$-thousands									
Trade In									
Young Professionals	#RaisingTheBar	13	2.23	10	2.43	0.2	10%	\$82	Primarily young, well-educated renters raising the waterlir
Young Professionals	#YoungStars	20	1.77	18	1.89	0.12	8%	\$112	Early-career, high-income young professionals renting ne
Young Professionals	#RisingProfessionals	50	0.74	44	0.93	0.19	27%	\$91	Well-educated college graduates renting in the trendiest p
Young Professionals	#College	62	0.59	60	0.66	0.07	13%	\$31	Student renters making to little to no income at school. Th
			5.33		5.91	0.58	12%		
Young Urban Singles	#RustRenters	9	2.44	5	2.60	0.16	8%	\$64	Young, white, and lower-income renters scattered across :
Young Urban Singles	#Adulting	27	1.60	21	1.81	0.21	14%	\$59	Single, diverse renters working service jobs and transition
Young Urban Singles	#BigCityProgressives	70	0.41	66	0.46	0.05	13%	\$76	Young diverse renters working service and low paying arts
			4.45		4.87	0.42	11%		
Trade In Total			9.78		10.78		11%		
Trade Out									
High Income HHs cohorts (high potential for GLP-1 useage)									
			16.28		15.61	-0.67	-3%		
Hispanic cohort									
			7.69		7.40	-0.29	-3%		
Trade Out Total			23.97		23.01	-0.96	-3%		
Source: Advan Research, Spatial segmentation									
Everyone Else			66.25		66.21	-0.04	1%		
Total			100.00		100.00		1%		

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. [@](#)

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

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:

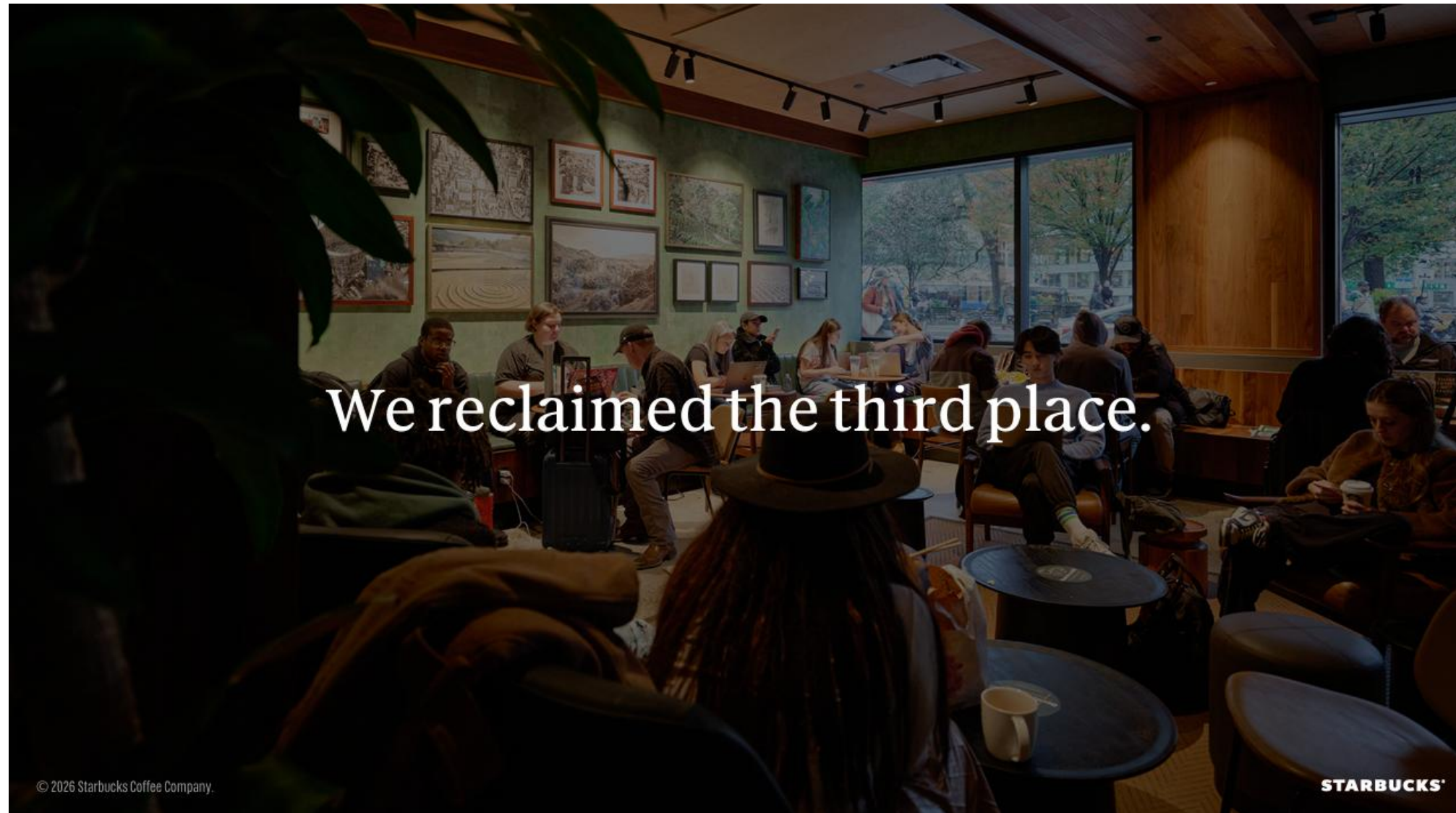
Starbucks is more than a coffee brand. It's a global ritual. It's your third place to sit and stay a while, where your partner knows you by name.

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

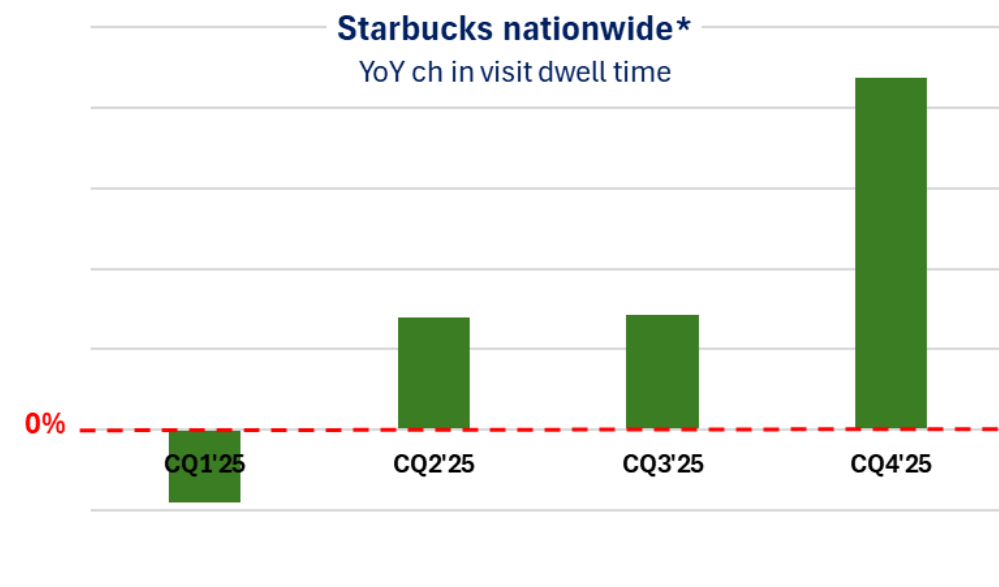
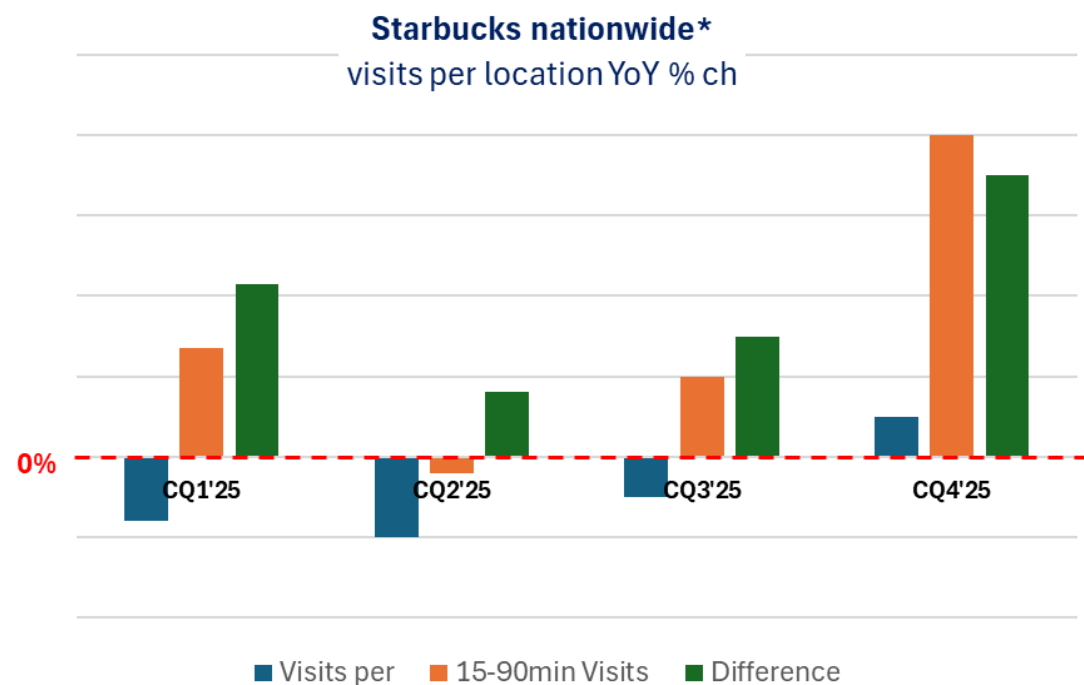
How Do You Monitor / Measure Love?



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