

Consumer Discretionary Briefing Book

May 2026

OPTIMAL

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Spending - 19/32 subsectors inflected negatively in May, similar to April.

Inflation is the story with ticket up in 24/32 subsectors. Demand destruction signs with only 13/32 subsectors with positive transaction count.

May **positive callouts** include gas stations, meal delivery, luxury, coffee and airlines.

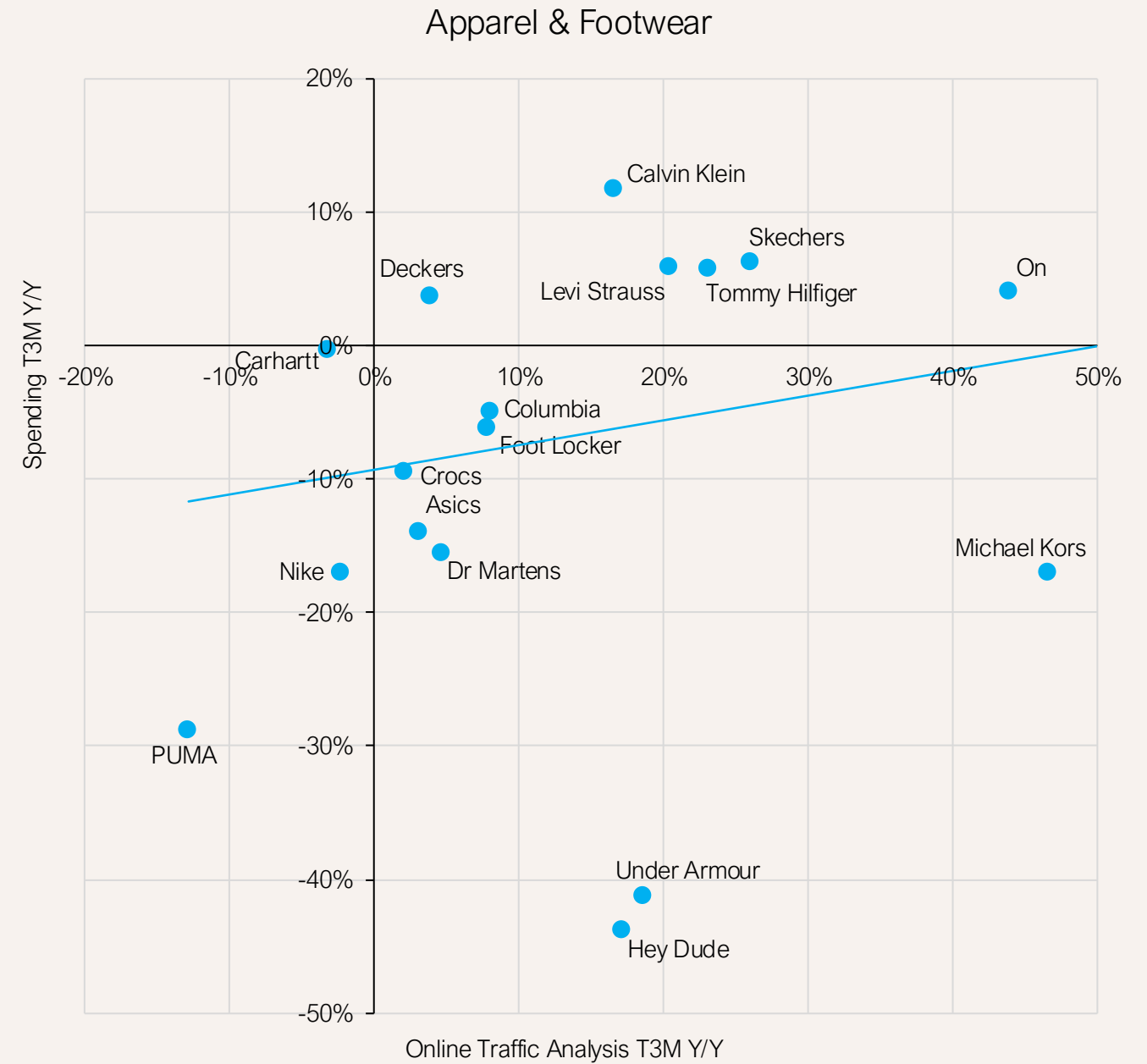
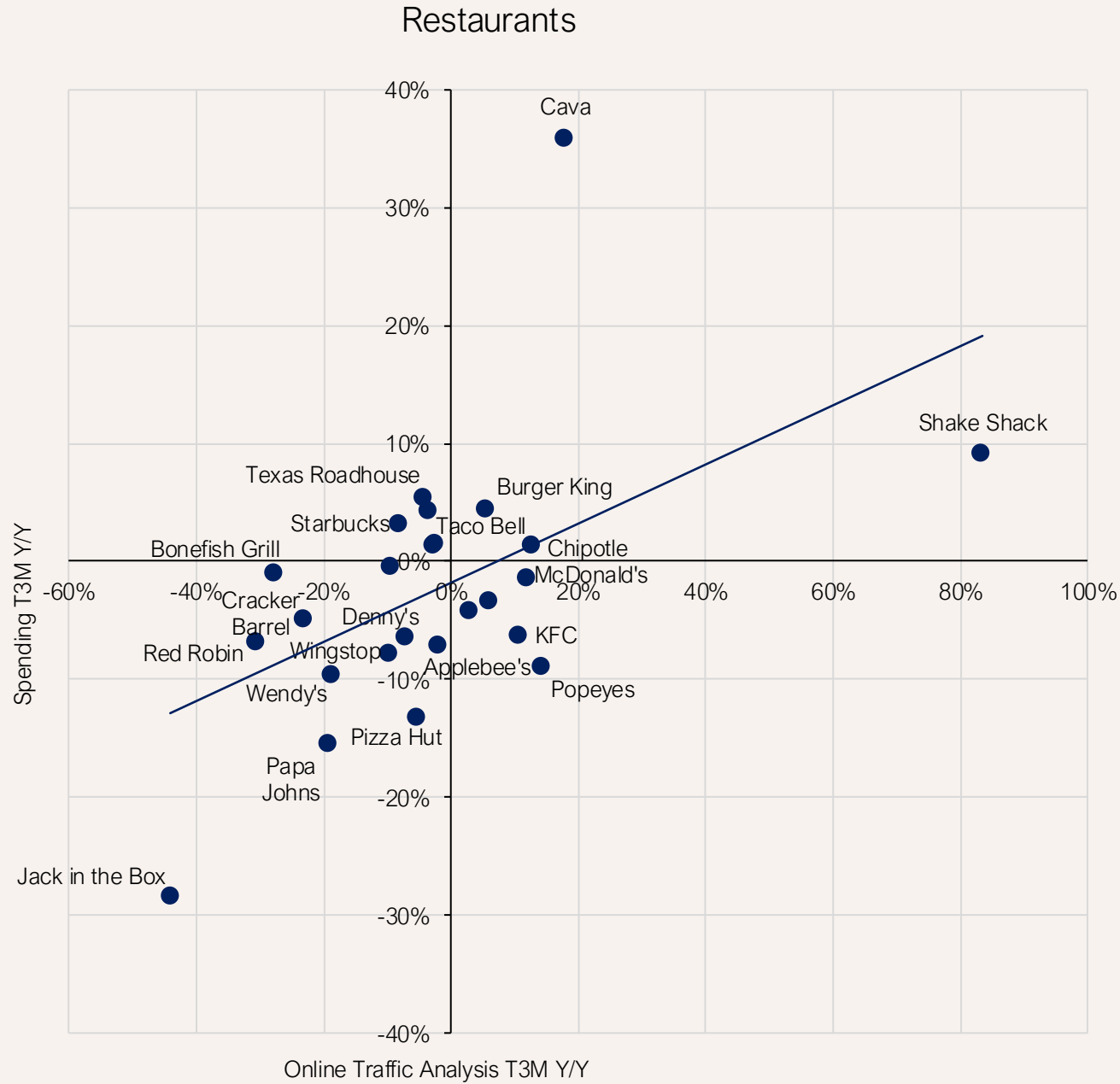
May **negative callouts** include cruises, pizza, and home improvement.

Early “canary in coalmine” traction indicators (including Gen Z) **positive callouts** include CAVA, SHAK, ONON, CCL; **negative callouts** include JACK, SBUX, YUM.

Macro themes: K-Shaped Economy Continues, Sentiment at historic lows (higher-income more insulated) as May big art auctions had strong results.

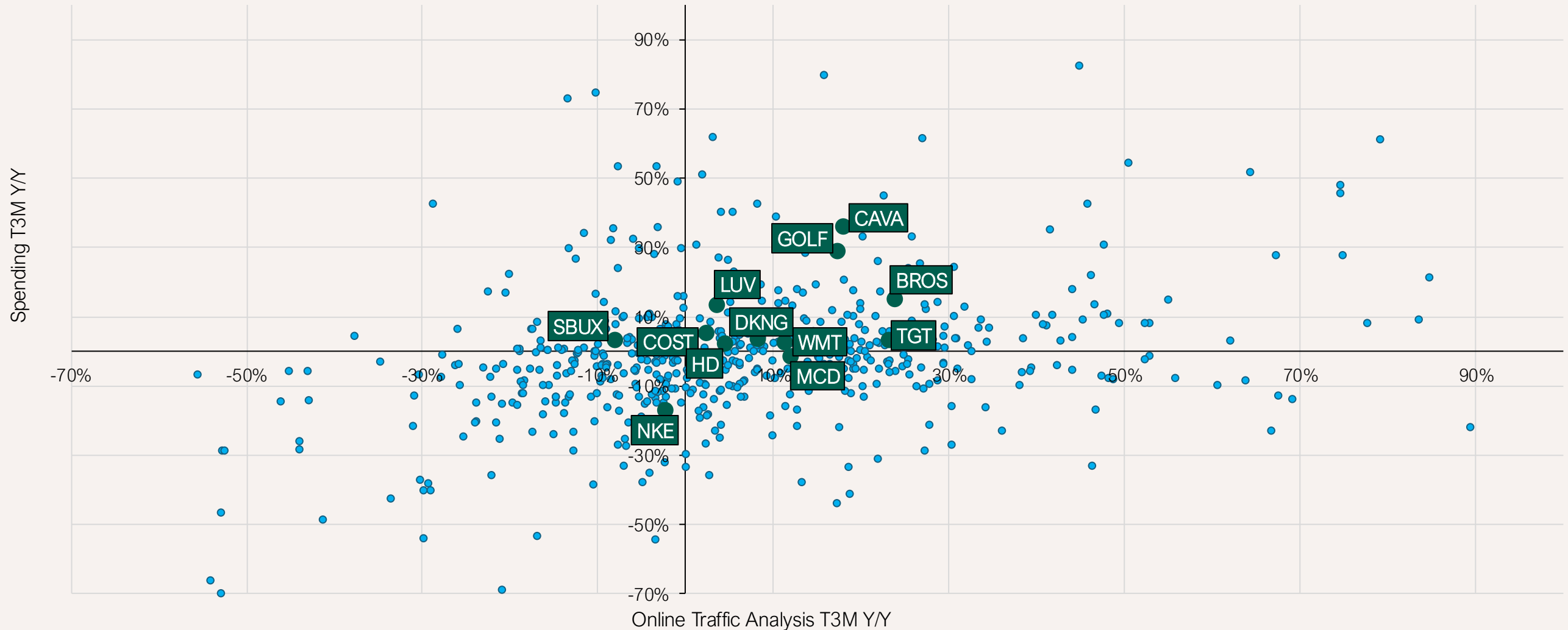
| Optimal Subsector | REVENUE TREND | | | TRANSACTION COUNT | | AVERAGE TICKET | |
|----------------------|---------------|----------|------------|-------------------|----------|----------------|----------|
| | T4W Y/Y | T12W Y/Y | Inflection | T4W Y/Y | T12W Y/Y | T4W Y/Y | T12W Y/Y |
| Broadline Retail | 0.2% | 2.1% | -1.9% | -0.4% | 1.6% | 0.6% | 0.4% |
| E-commerce | 7.0% | 8.4% | -1.3% | 11.3% | 11.2% | -3.8% | -2.5% |
| Consumer Fintech | 1.7% | 2.0% | -0.3% | 2.5% | 2.5% | -0.8% | -0.4% |
| Grocery | 0.2% | 0.0% | 0.1% | -0.3% | -0.5% | 0.4% | 0.5% |
| Home Improvement | -2.6% | 1.0% | -3.6% | -5.0% | -0.8% | 2.6% | 1.8% |
| Meal Delivery | 11.4% | 11.4% | 0.0% | 7.2% | 7.4% | 3.9% | 3.7% |
| Ride Share | 1.4% | 1.6% | -0.3% | -3.4% | -2.7% | 4.9% | 4.4% |
| Gas Stations | 21.5% | 19.6% | 2.0% | 1.9% | 4.9% | 19.2% | 14.0% |
| Fast Food | -1.9% | -1.2% | -0.7% | -3.3% | -2.7% | 1.5% | 1.5% |
| Discount Retail | 4.8% | 5.0% | -0.2% | 2.4% | 3.2% | 2.3% | 1.7% |
| Pharmacy | -1.3% | -0.6% | -0.7% | -3.1% | -2.4% | 1.8% | 1.8% |
| Accommodations | 1.0% | 3.5% | -2.4% | -8.1% | -4.5% | 9.9% | 8.4% |
| Cruises | -10.4% | -6.3% | -4.1% | 1.0% | -2.6% | -11.3% | -3.8% |
| Entertainment | 6.8% | 5.3% | 1.5% | -2.5% | -1.9% | 9.5% | 7.3% |
| Auto Parts | 4.5% | 6.8% | -2.3% | -1.5% | 0.9% | 6.0% | 5.8% |
| Airlines | 10.3% | 7.9% | 2.4% | -3.8% | -2.5% | 14.7% | 10.7% |
| Pet Specialty | -2.7% | 0.2% | -2.9% | -2.2% | -0.3% | -0.5% | 0.6% |
| Beauty | 0.3% | -0.7% | 1.0% | -2.0% | -3.1% | 2.3% | 2.5% |
| Luxury | 17.0% | 8.7% | 8.3% | 10.0% | 5.9% | 6.3% | 2.7% |
| Sports Retail | -0.7% | 2.7% | -3.4% | -5.2% | -2.4% | 4.8% | 5.3% |
| Apparel | -12.4% | -6.3% | -6.1% | -14.8% | -7.5% | 2.8% | 1.3% |
| Home Furnishings | -0.5% | 0.3% | -0.8% | 0.8% | -0.1% | -1.3% | 0.4% |
| Fast Casual | 1.1% | 0.5% | 0.6% | -1.1% | -1.2% | 2.2% | 1.7% |
| Casual Dining | -2.8% | -2.5% | -0.2% | -6.6% | -6.8% | 4.1% | 4.6% |
| Coffee | 4.7% | 4.4% | 0.3% | 1.5% | 1.6% | 3.1% | 2.7% |
| Department Stores | -2.5% | -2.2% | -0.3% | -5.1% | -4.2% | 2.8% | 2.1% |
| Golf | 5.5% | 5.4% | 0.2% | 2.7% | 6.0% | 2.8% | -0.6% |
| Outdoor Recreation | 0.6% | 1.0% | -0.4% | -7.3% | -2.7% | 8.5% | 3.8% |
| Pizza | -12.4% | -9.8% | -2.6% | -9.3% | -7.0% | -3.3% | -3.0% |
| Gambling | 8.4% | 4.4% | 4.0% | 6.1% | 4.3% | 2.1% | 0.1% |
| Events | -3.0% | -16.9% | 13.9% | 1.8% | -6.6% | -4.7% | -11.0% |
| Consumer Electronics | -4.6% | -6.4% | 1.8% | 1.6% | -0.5% | -6.1% | -6.0% |

Attention Economy Inflections

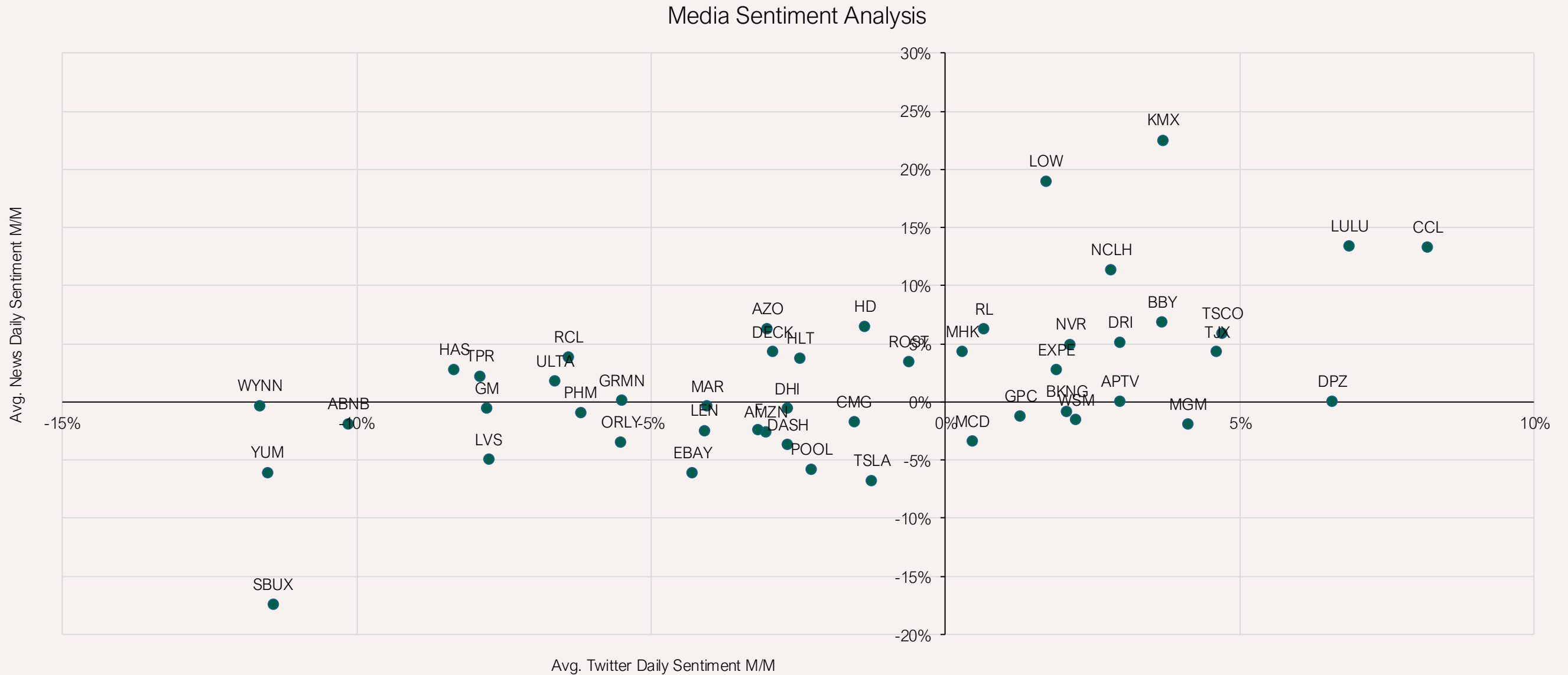


Optimal proprietary analyzes 800+ public and 10,000+ private companies in real time to unpack brand positioning and changes in consumer behavior.

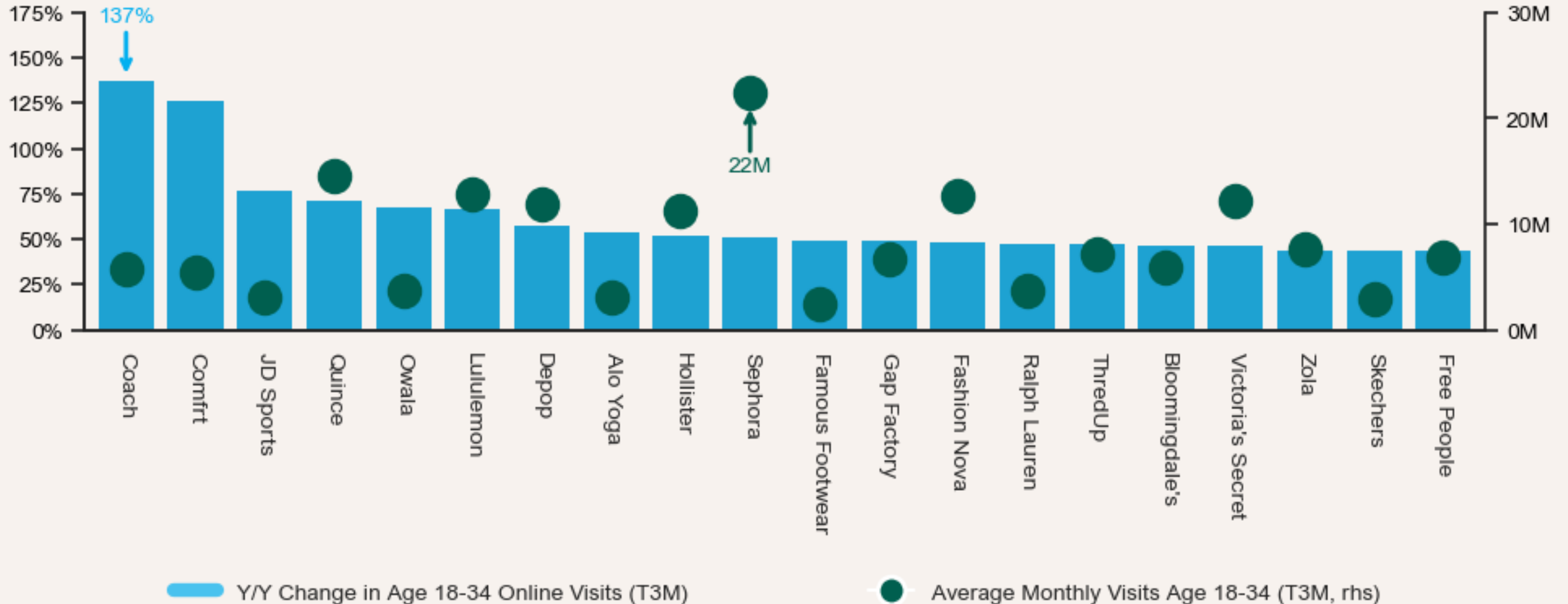
Spending vs. Mindshare Inflections



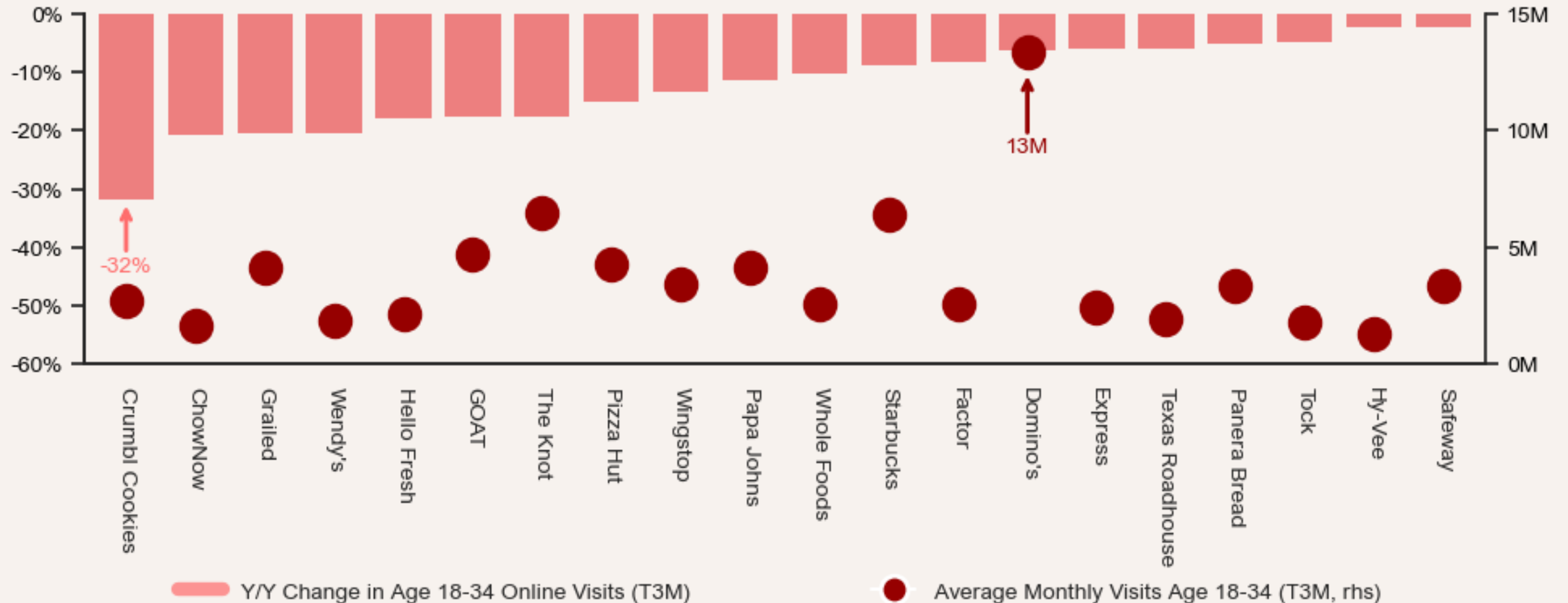
Mixed media sentiment has improved m/m for KMX, CCL, LOW, & LULU while SBUX & YUM are seeing m/m declines in both metrics.



We note digital breakouts for Coach, Comfrit, JD Sports, Quince, Owala, Lululemon, Depop, & Alo Yoga among age 18-34 consumers.



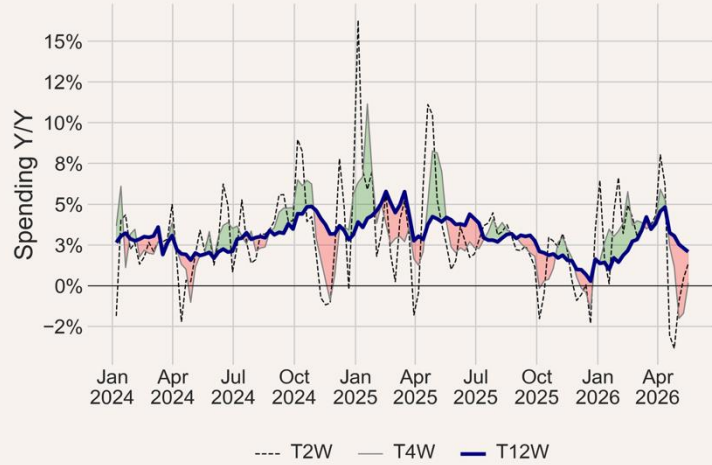
We note digital breakdowns for Crumbl Cookies, ChowNow, Grailed, Wendy's, Hello Fresh, GOAT, The Knot, & Pizza Hut among age 18-34 consumers.



Optimal Subsector Spending Analysis

Broadline retail (including WMT & TGT) spending is inflecting negatively as transaction growth and ticket soften. E-Commerce (including AMZN, EBAY, & Shein) spending continues to run up as transaction growth accelerates despite ticket deceleration.

Broadline Retail Spending



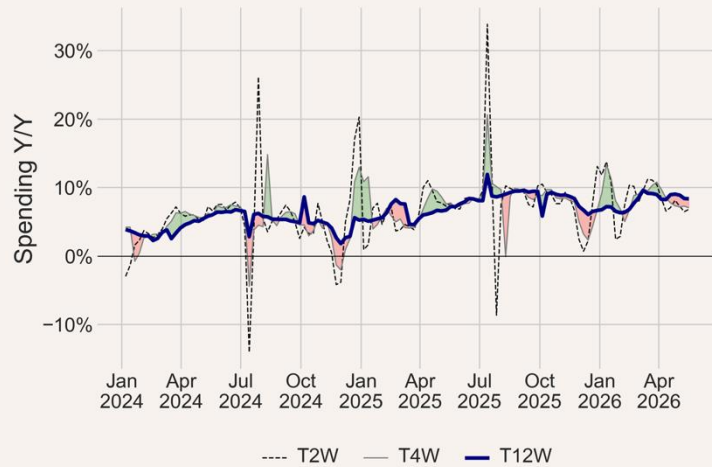
Broadline Retail Transactions



Broadline Retail Ticket



E-Commerce Spending



E-Commerce Transactions

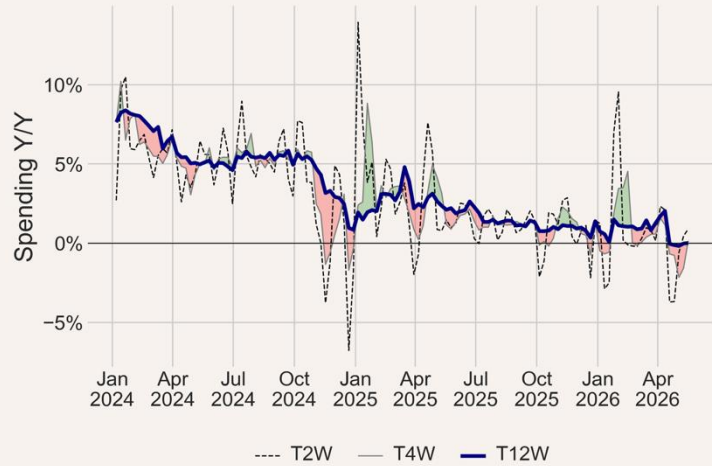


E-Commerce Ticket



Grocery spending now negative y/y, hurt by negative inflection in ticket growth as transaction counts continue to run down. Casual dining (including Applebee's, CRBL, & CAKE) is moving more negative y/y on a T12W basis, with transactions decelerating again while ticket holds +4% y/y.

Grocery Spending



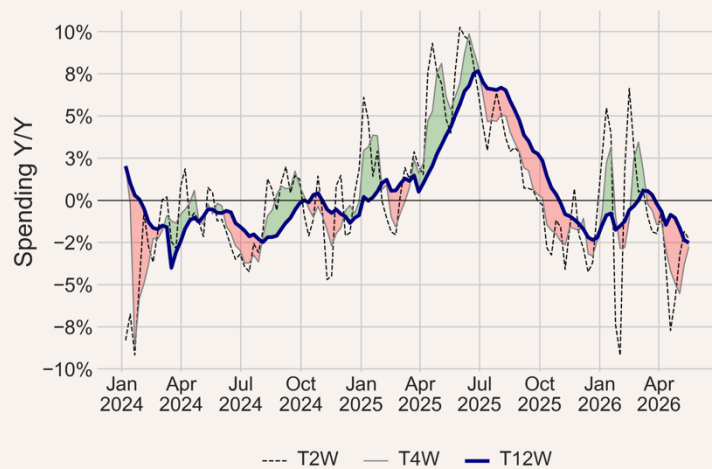
Grocery Transactions



Grocery Ticket



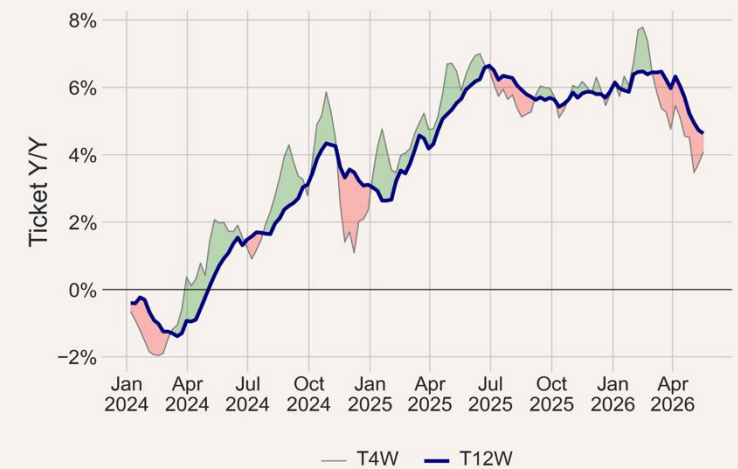
Casual Dining Spending



Casual Dining Transactions

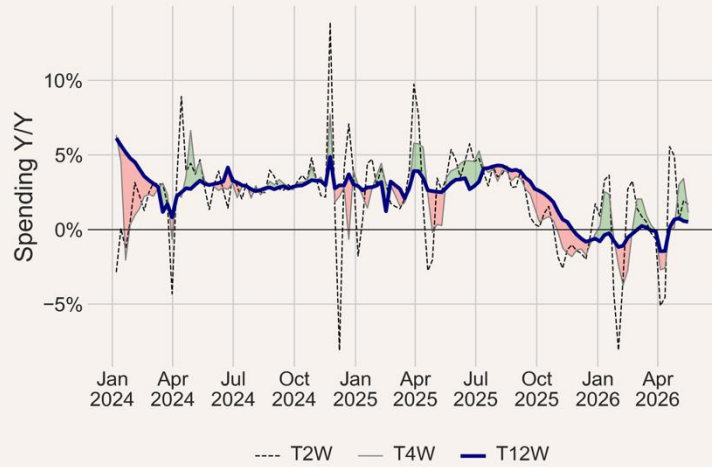


Casual Dining Ticket

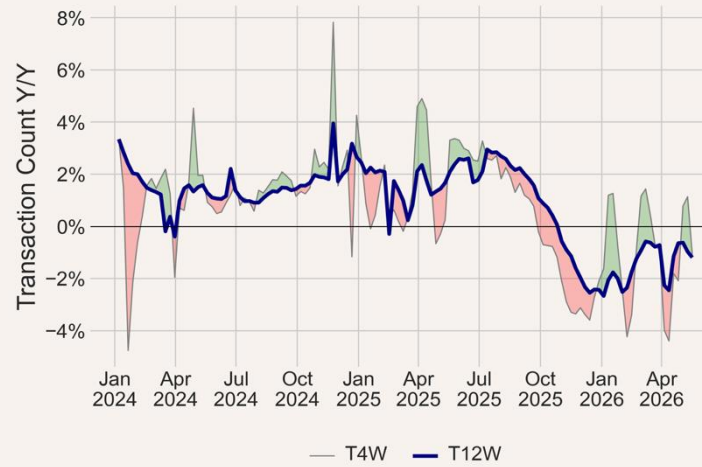


Fast casual (including CMG & PNRA) spending inflecting positively, ticket continues to run up and accelerate. Fast food (including MCD, Taco Bell, & Chick-fil-A) spending decelerating driven by softer transaction trends despite positive ticket growth.

Fast Casual Spending



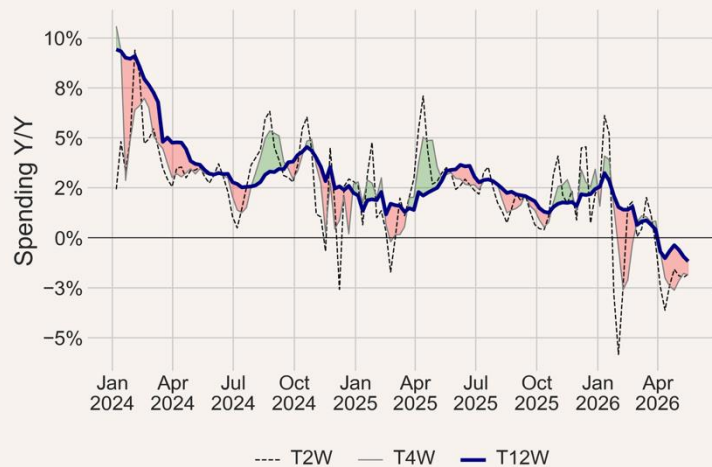
Fast Casual Transactions



Fast Casual Ticket



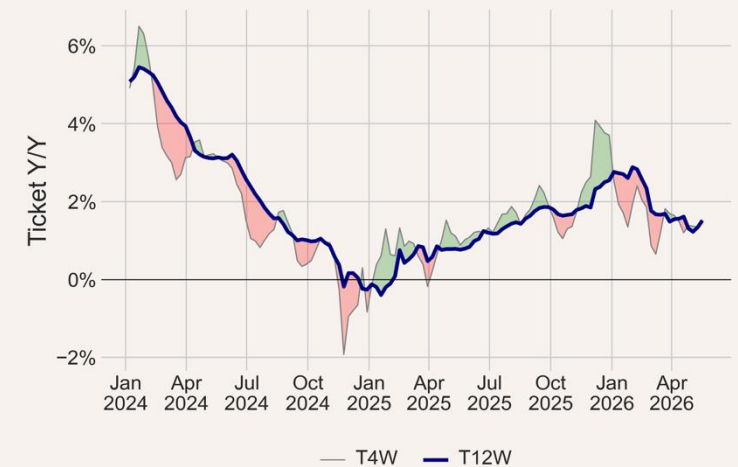
Fast Food Spending



Fast Food Transactions

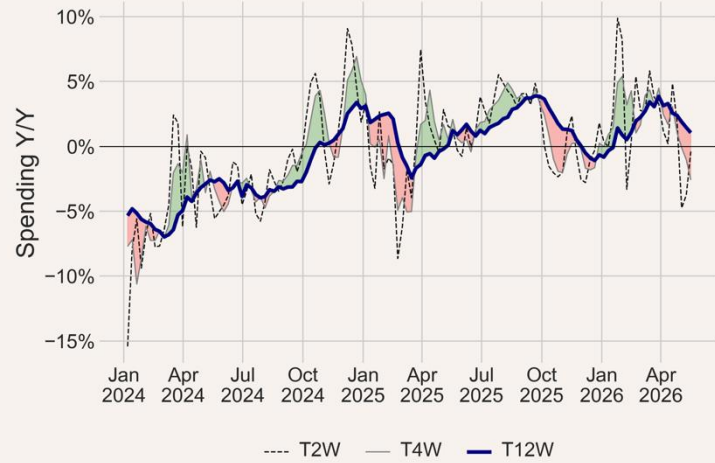


Fast Food Ticket



Home improvement (including HD & LOW) spending inflecting negatively but running up on T12W trend. Home furnishing (including HomeGoods & Ikea) spending moving lower off negatively inflecting ticket while transactions run flat.

Home Improvement Spending



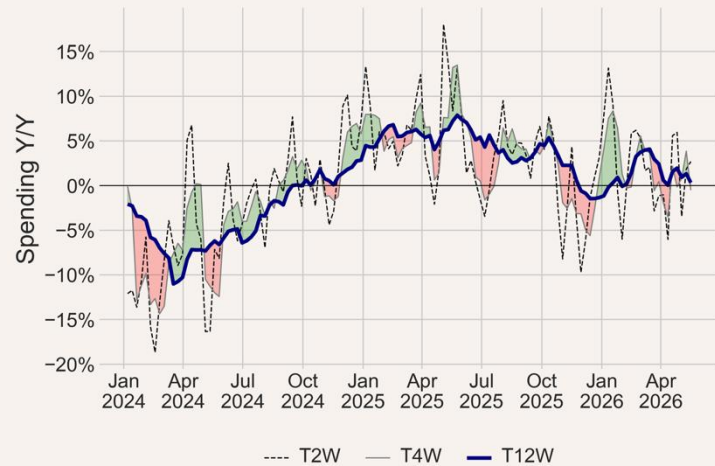
Home Improvement Transactions



Home Improvement Ticket



Home Furnishings Spending



Home Furnishings Transactions

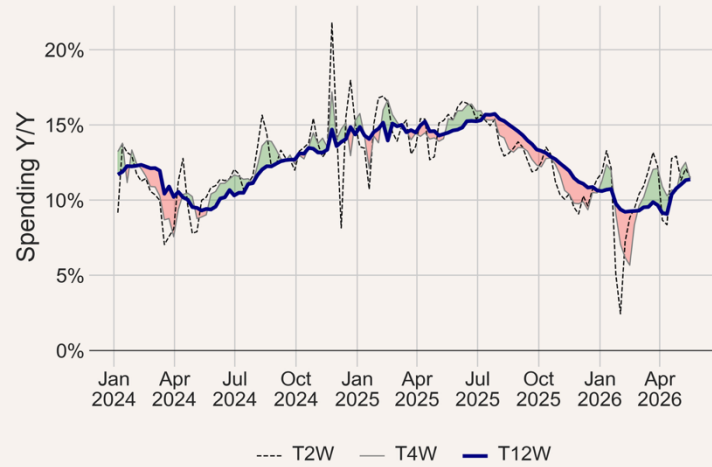


Home Furnishings Ticket



Meal delivery (DASH, GrubHub, Uber Eats) spending continues to run up +10% y/y as transactions and ticket continue to re-accelerate. Ride share (UBER & LYFT) ticket inflecting positively again after moving less positive in recent weeks while transaction growth remains negative.

Meal Delivery Spending



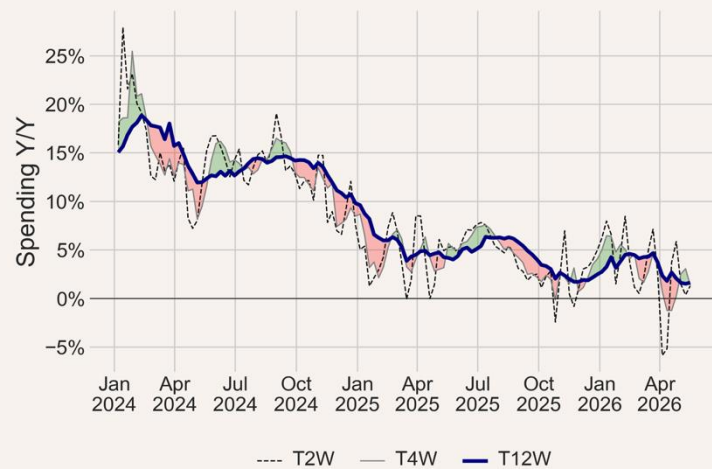
Meal Delivery Transactions



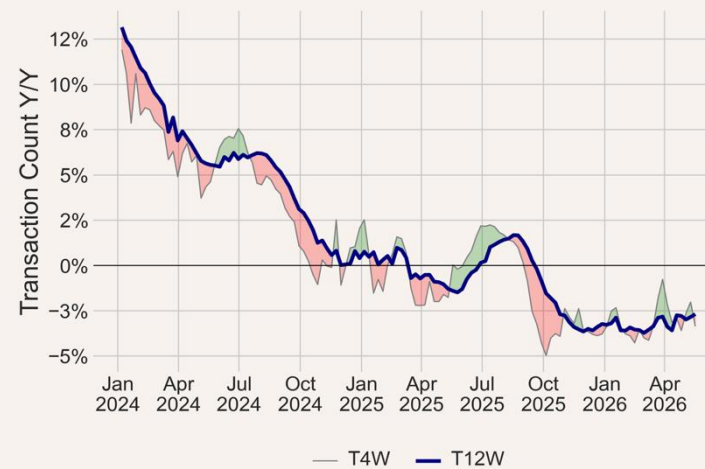
Meal Delivery Ticket



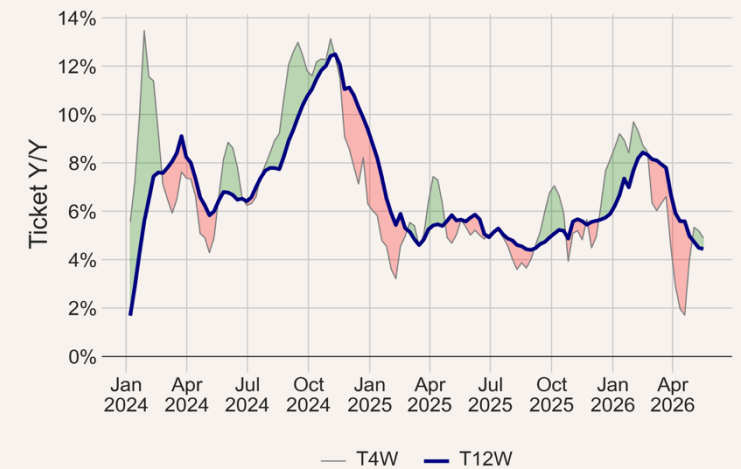
Ride Share Spending



Ride Share Transactions

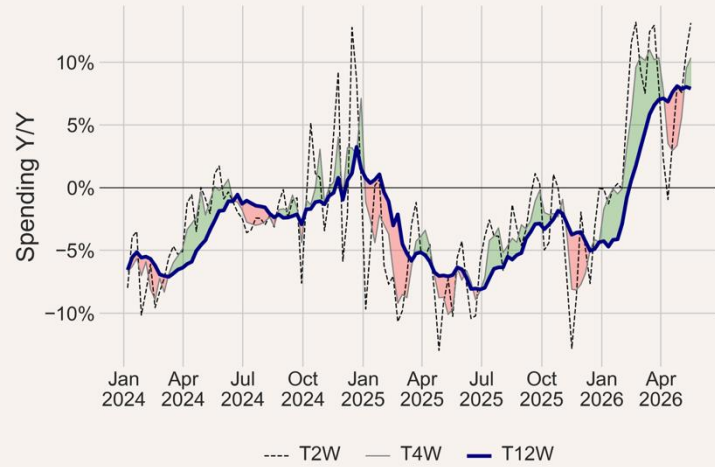


Ride Share Ticket



Airlines (AAL, DAL, LUV, etc.) spending and ticket growth have moved up sharply, a byproduct of higher transportation and fuel costs in the short term. Accommodations (ABNB, HLT, EXPE) with similar trends with spending & ticket running up while transactions inflecting sharply more negative.

Airlines Spending



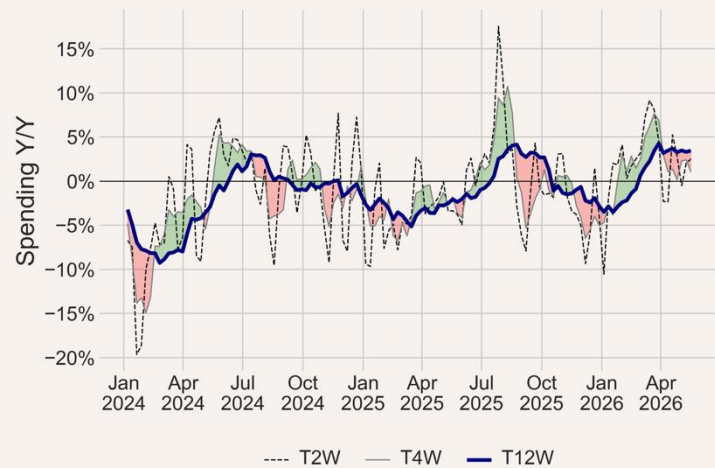
Airlines Transactions



Airlines Ticket



Accommodations Spending



Accommodations Transactions

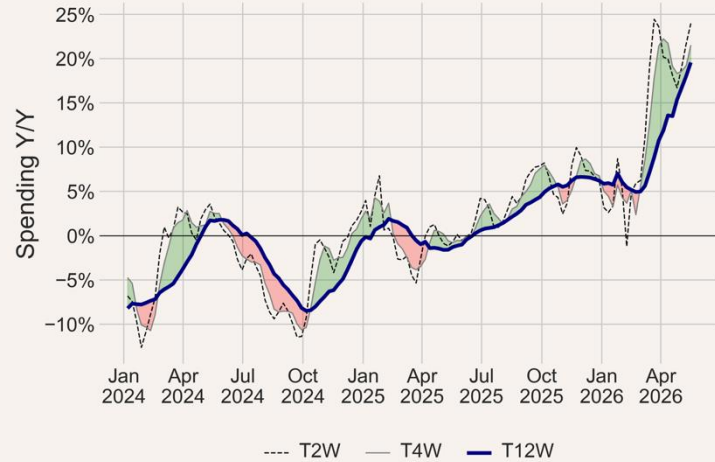


Accommodations Ticket



Gas station spending continues to move higher driven by higher gasoline prices. There is some short-term trends of easing from peak prices. We continue to monitor energy price volatility in our weekly Macro Monday report and impacts on the consumer / economy.

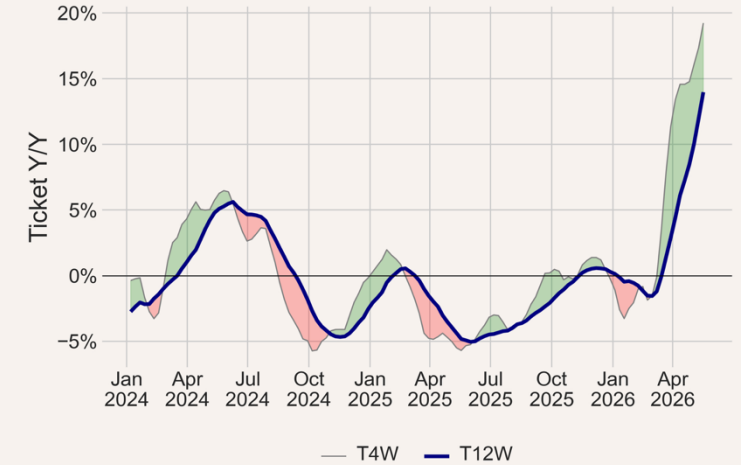
Gas Stations Spending



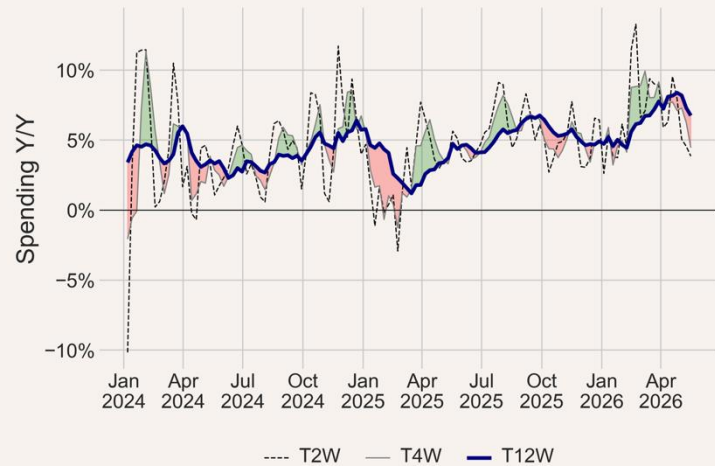
Gas Stations Transactions



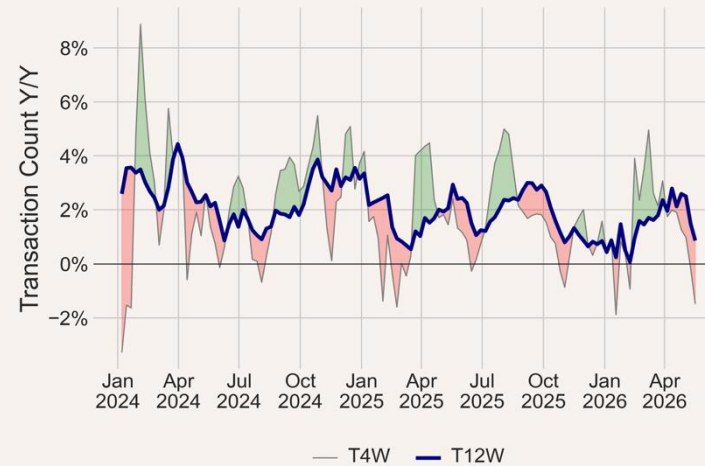
Gas Stations Ticket



Auto Parts Spending



Auto Parts Transactions



Auto Parts Ticket



Gambling (including DKNG, PENN, CZR) spending approaching flat y/y with a recent pickup in spending as ticket moves higher. Entertainment (including NFLX & Hulu) transactions running down while spending and ticket both inflecting positively currently.

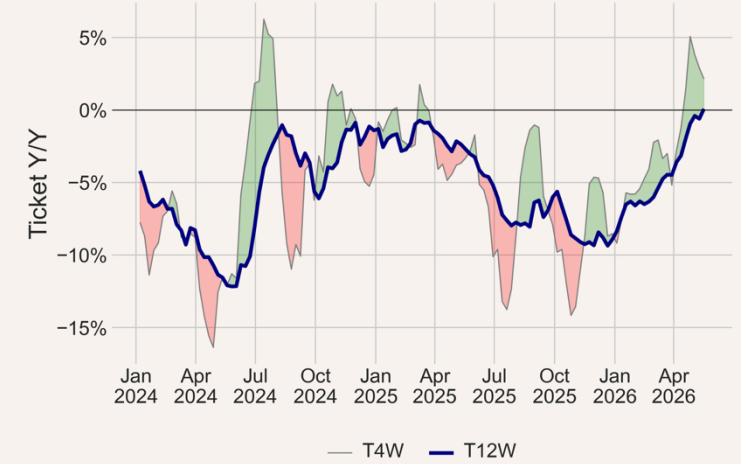
Gambling Spending



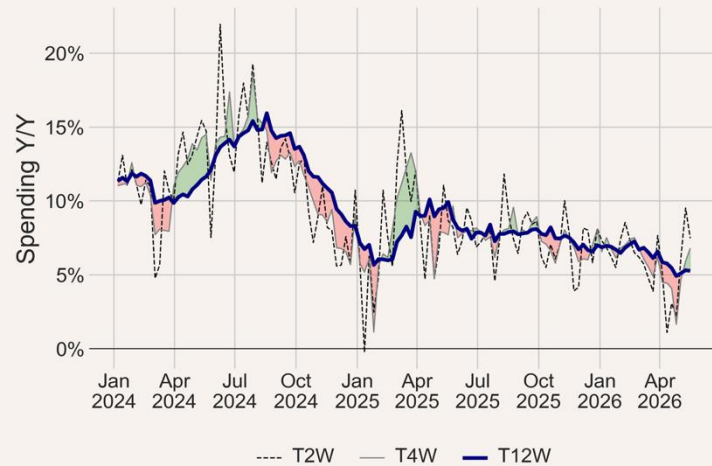
Gambling Transactions



Gambling Ticket



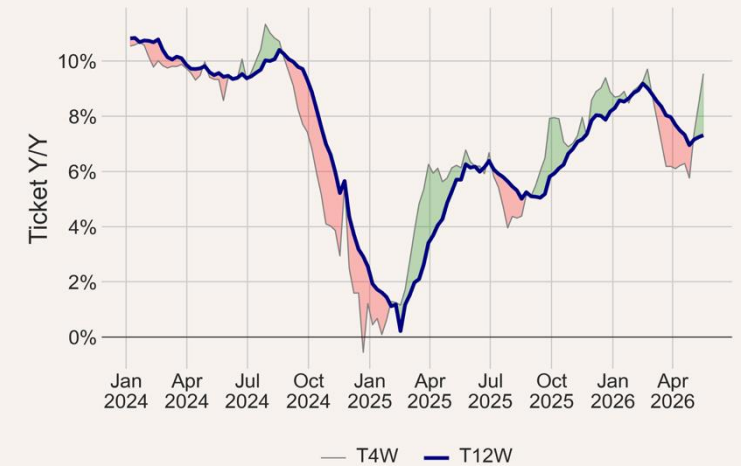
Entertainment Spending



Entertainment Transactions



Entertainment Ticket



Coffee (SBUX, DNKN, BROS) spending running up +4% y/y on T12W trend while ticket beginning to inflect positively again. Pizza (including DPZ, Pizza Hut, & PZZA) spending declines driven by transaction declines and inflecting negatively this week while ticket growth moving sharply lower y/y.

Coffee Spending



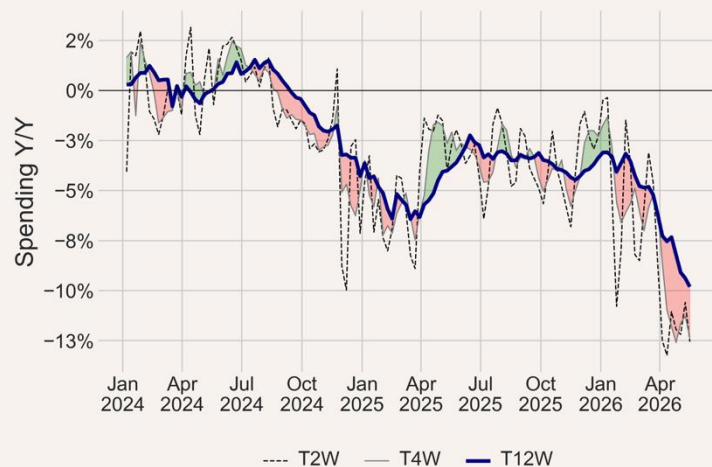
Coffee Transactions



Coffee Ticket



Pizza Spending



Pizza Transactions

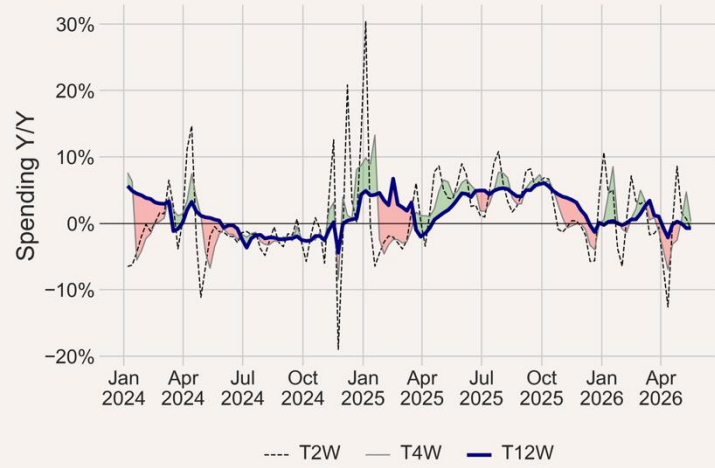


Pizza Ticket



Luxury (including Tiffany, Louis Vuitton, & Coach) spending inflecting sharply more positive and continuing to run up y/y. Beauty (including ULTA & Sephora) spending is flat y/y, but ticket growth leading spending higher despite transaction growth running down.

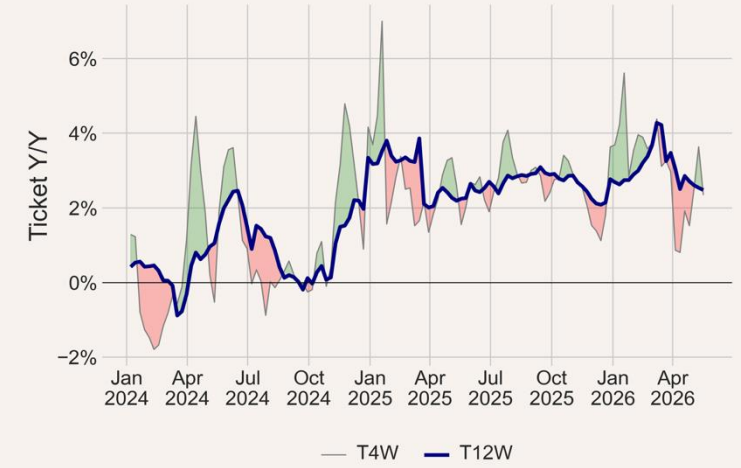
Beauty Spending



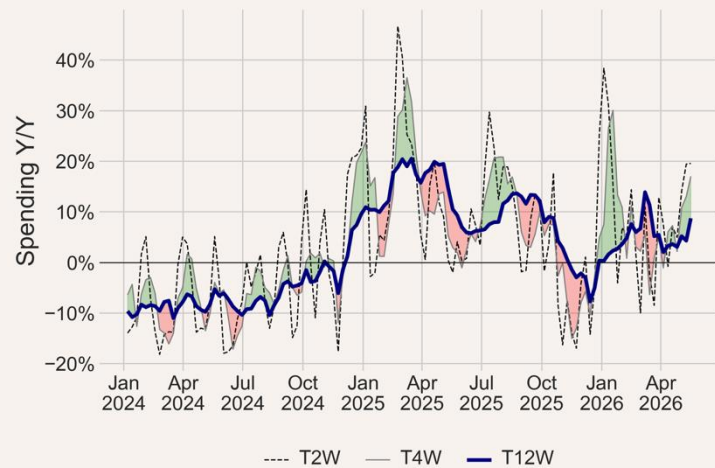
Beauty Transactions



Beauty Ticket



Luxury Spending



Luxury Transactions

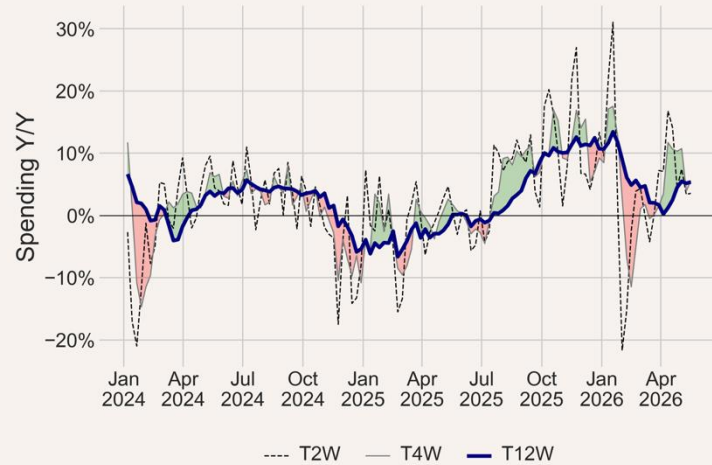


Luxury Ticket



Golf spending ticket growth inflecting positively (primarily driven by recent pick-up in Titleist spending). Sports retailers (including ASO & DKS) ticket continues to run up y/y but inflecting negatively over recent weeks.

Golf Spending



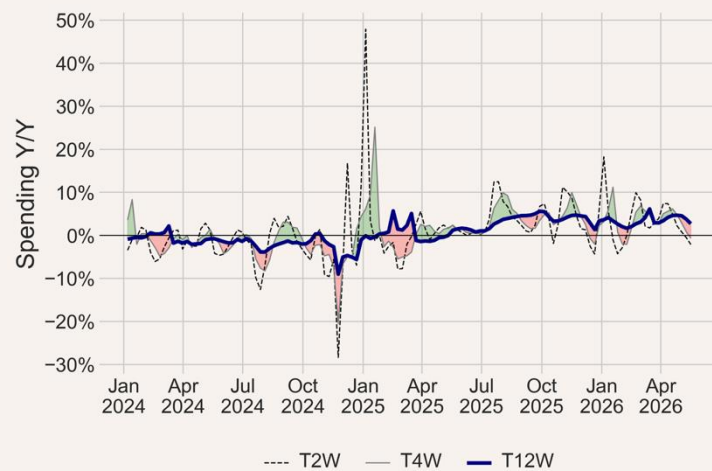
Golf Transactions



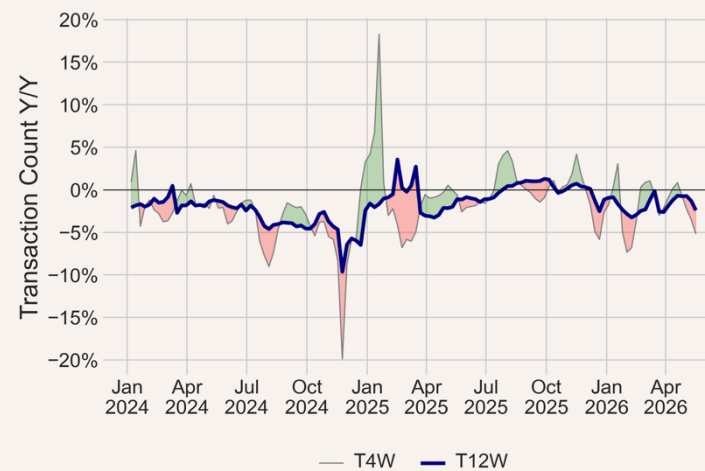
Golf Ticket



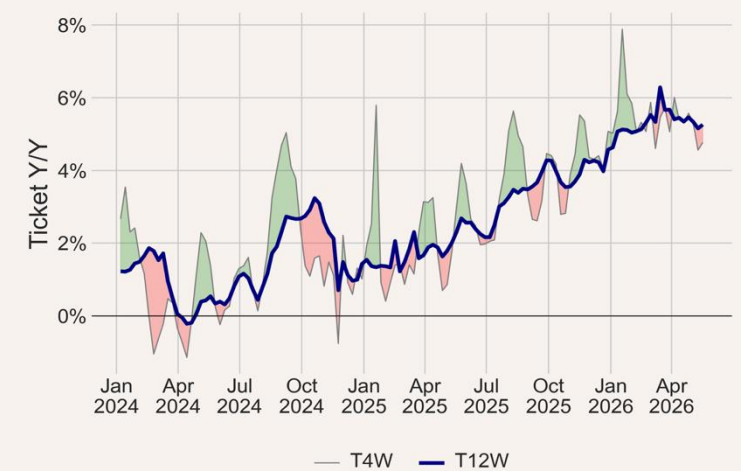
Sports Retail Spending



Sports Retail Transactions



Sports Retail Ticket



Valuation Snapshot

Retail Comps

| Ticker | Name | 3 Yr Stock Price Performance | Stock Price | Market Cap (\$B) | EV / EBITDA CY | EV / EBITDA FY1 | EV / EBITDA FY2 | P/S | P / S FY1 | P / S FY2 |
|--------|--------------------------------|------------------------------|-------------|------------------|----------------|-----------------|-----------------|-----|-----------|-----------|
| AMZN | Amazon | | \$208.27 | \$2,924.32 | 19.5 | 13.3 | 10.6 | 3.9 | 3.4 | 3.0 |
| WMT | Walmart Inc | | \$124.28 | \$944.88 | 21.9 | 20.1 | 18.3 | 1.3 | 1.2 | 1.2 |
| COST | Costco Wholesale Corp | | \$996.43 | \$445.29 | 32.6 | 29.2 | 26.7 | 1.6 | 1.4 | 1.3 |
| HD | Home Depot Inc/The | | \$328.89 | \$316.93 | 15.6 | 14.8 | 13.9 | 1.9 | 1.8 | 1.8 |
| TJX | TJX Cos Inc/The | | \$159.70 | \$173.62 | 20.0 | 19.9 | 18.3 | 2.8 | 2.7 | 2.5 |
| LOW | Lowe's Cos Inc | | \$236.28 | \$121.65 | 13.3 | 12.6 | 11.9 | 1.4 | 1.3 | 1.3 |
| ROST | Ross Stores Inc | | \$216.63 | \$75.21 | 22.1 | 19.8 | 18.0 | 3.2 | 3.0 | 2.8 |
| TGT | Target Corp | | \$121.20 | \$58.28 | 9.1 | 8.6 | 8.2 | 0.5 | 0.5 | 0.5 |
| TSCO | Tractor Supply Co | | \$45.30 | \$16.08 | 11.2 | 10.6 | 9.8 | 1.0 | 1.0 | 0.9 |
| WSM | Williams-Sonoma Inc | | \$182.33 | \$23.92 | 14.8 | 14.3 | 13.3 | 3.0 | 2.9 | 2.8 |
| DG | Dollar General Corp | | \$118.73 | \$22.98 | 11.6 | 10.8 | 10.2 | 0.5 | 0.5 | 0.5 |
| DKS | Dick's Sporting Goods Inc | | \$198.29 | \$19.61 | 12.5 | 11.2 | 10.8 | 1.0 | 0.9 | 0.9 |
| DLTR | Dollar Tree Inc | | \$109.51 | \$18.67 | 10.8 | 9.8 | 9.1 | 1.0 | 0.9 | 0.9 |
| BURL | Burlington Stores Inc | | \$325.38 | \$20.45 | 19.5 | 16.9 | 14.8 | 1.8 | 1.6 | 1.5 |
| BBY | Best Buy Co Inc | | \$64.20 | \$13.60 | 6.1 | 6.0 | 5.9 | 0.3 | 0.3 | 0.3 |
| BJ | BJ's Wholesale Club Holdings I | | \$98.42 | \$10.75 | 11.4 | 10.8 | 10.1 | 0.5 | 0.5 | 0.4 |
| URBN | Urban Outfitters Inc | | \$63.35 | \$6.43 | 8.6 | 7.8 | 7.2 | 1.0 | 0.9 | 0.9 |
| BBWI | Bath & Body Works Inc | | \$18.67 | \$3.92 | 5.9 | 6.7 | 6.4 | 0.5 | 0.6 | 0.5 |
| M | Macy's Inc | | \$18.09 | \$5.55 | 5.5 | 5.5 | 5.9 | 0.2 | 0.3 | 0.3 |
| ASO | Academy Sports & Outdoors Inc | | \$56.45 | \$3.41 | 7.5 | 7.0 | 6.6 | 0.6 | 0.5 | 0.5 |
| KSS | Kohl's Corp | | \$12.90 | \$1.45 | 6.1 | 6.3 | 6.3 | 0.1 | 0.1 | 0.1 |

Autos Comps – Brands, Repairs, Dealers

| Ticker | Name | 3 Yr Stock Price Performance | Stock Price | Market Cap (\$B) | EV / EBITDA CY | EV / EBITDA FY1 | EV / EBITDA FY2 | P/S | P / S FY1 | P / S FY2 |
|--------|-----------------------------|------------------------------|-------------|------------------|----------------|-----------------|-----------------|------|-----------|-----------|
| TSLA | Tesla Inc | | \$371.75 | \$1,653.87 | 105.2 | 97.5 | 72.4 | 16.9 | 15.7 | 13.6 |
| ORLY | O'Reilly Automotive Inc | | \$92.31 | \$73.77 | 20.0 | 18.7 | 17.5 | 4.1 | 3.8 | 3.6 |
| CVNA | Carvana Co | | \$62.88 | \$77.01 | 33.5 | 25.2 | 18.4 | 3.4 | 2.6 | 2.1 |
| AZO | AutoZone Inc | | \$3,377.78 | \$49.88 | 14.5 | 13.0 | 12.0 | 2.5 | 2.3 | 2.2 |
| GM | General Motors Co | | \$74.50 | \$75.85 | 2.8 | 3.2 | 2.9 | 0.4 | 0.4 | 0.4 |
| F | Ford Motor Co | | \$11.54 | \$63.28 | 3.4 | 4.4 | 3.9 | 0.3 | 0.3 | 0.3 |
| GPC | Genuine Parts Co | | \$105.75 | \$13.54 | 9.9 | 9.3 | 8.5 | 0.5 | 0.5 | 0.5 |
| RIVN | Rivian Automotive Inc | | \$15.05 | \$18.53 | N.A. | N.A. | N.A. | 3.4 | 2.3 | 1.5 |
| PAG | Penske Automotive Group Inc | | \$149.52 | \$11.11 | 11.0 | 10.4 | 9.9 | 0.4 | 0.3 | 0.3 |
| AN | AutoNation Inc | | \$195.26 | \$6.52 | 7.1 | 7.2 | 6.8 | 0.2 | 0.2 | 0.2 |
| LAD | Lithia Motors Inc | | \$249.72 | \$6.67 | 11.7 | 11.2 | 10.3 | 0.2 | 0.2 | 0.2 |
| LCID | Lucid Group Inc | | \$9.53 | \$2.44 | N.A. | N.A. | N.A. | 1.7 | 1.0 | 0.5 |
| KMX | CarMax Inc | | \$41.58 | \$5.99 | 14.1 | 10.4 | 9.5 | 0.2 | 0.2 | 0.2 |
| GPI | Group 1 Automotive Inc | | \$330.63 | \$3.95 | 7.5 | 7.3 | 6.9 | 0.2 | 0.2 | 0.2 |
| ABG | Asbury Automotive Group Inc | | \$195.41 | \$3.61 | 7.6 | 7.5 | 7.1 | 0.2 | 0.2 | 0.2 |
| VV | Valvoline Inc | | \$33.68 | \$4.41 | 11.8 | 10.2 | 9.2 | 2.4 | 2.0 | 1.9 |
| AAP | Advance Auto Parts Inc | | \$52.75 | \$3.51 | 10.4 | 9.8 | 7.8 | 0.4 | 0.4 | 0.4 |
| HOG | Harley-Davidson Inc | | \$20.22 | \$2.54 | N.A. | 18.0 | 13.0 | 0.6 | 0.7 | 0.6 |

Apparel & Golf Brand Comps

| Ticker | Name | 3 Yr Stock Price Performance | Stock Price | Market Cap (\$B) | EV / EBITDA CY | EV / EBITDA FY1 | EV / EBITDA FY2 | P/S | P / S FY1 | P / S FY2 |
|--------|-------------------------------|------------------------------|-------------|------------------|----------------|-----------------|-----------------|-----|-----------|-----------|
| NKE | NIKE Inc | | \$52.82 | \$68.09 | 19.8 | 19.0 | 15.3 | 1.5 | 1.5 | 1.4 |
| TPR | Tapestry Inc | | \$141.11 | \$28.05 | 15.6 | 14.5 | 13.5 | 3.6 | 3.4 | 3.2 |
| LULU | Lululemon Athletica Inc | | \$153.10 | \$15.08 | 5.6 | 5.9 | 5.7 | 1.4 | 1.3 | 1.3 |
| AS | Amer Sports Inc | | \$32.92 | \$21.31 | 17.5 | 14.1 | 12.0 | 3.0 | 2.6 | 2.3 |
| ONON | On Holding AG | | \$34.02 | \$13.21 | 16.1 | 13.5 | 11.0 | 3.4 | 2.8 | 2.3 |
| BIRK | Birkenstock Holding Plc | | \$35.83 | \$7.87 | 11.7 | 10.3 | 9.0 | 3.1 | 2.7 | 2.4 |
| GAP | Gap Inc/The | | \$24.20 | \$8.79 | 7.1 | 6.5 | 6.2 | 0.6 | 0.6 | 0.5 |
| VFC | VF Corp | | \$16.99 | \$6.82 | 8.2 | 11.1 | 10.1 | 0.7 | 0.7 | 0.7 |
| KTB | Kontoor Brands Inc | | \$70.29 | \$4.04 | 10.3 | 10.5 | 10.0 | 1.3 | 1.4 | 1.4 |
| CROX | Crocs Inc | | \$83.02 | \$5.88 | 7.6 | 7.3 | 7.0 | 1.5 | 1.4 | 1.4 |
| PVH | PVH Corp | | \$69.76 | \$4.43 | 7.6 | 7.5 | 7.3 | 0.5 | 0.5 | 0.5 |
| COLM | Columbia Sportswear Co | | \$54.81 | \$3.40 | 11.9 | 9.5 | 7.7 | 1.0 | 1.0 | 0.9 |
| AEO | American Eagle Outfitters Inc | | \$16.70 | \$2.94 | 8.2 | 6.9 | 6.4 | 0.5 | 0.5 | 0.5 |
| SHOO | Steven Madden Ltd | | \$33.92 | \$3.18 | 17.6 | 14.5 | 11.8 | 1.2 | 1.1 | 1.0 |
| UA | Under Armour Inc | | \$5.79 | \$2.45 | 18.8 | 15.8 | 13.9 | 0.5 | 0.5 | 0.5 |
| WWW | Wolverine World Wide Inc | | \$16.32 | \$1.46 | 10.0 | 9.4 | 8.9 | 0.8 | 0.7 | 0.7 |
| GOLF | Acushnet Holdings Corp | | \$93.48 | \$5.29 | 15.2 | 14.5 | 15.3 | 2.0 | 2.0 | 2.0 |
| CALY | Callaway Golf Co | | \$13.88 | \$2.83 | 8.0 | 17.1 | 16.0 | 0.9 | 1.4 | 1.3 |

Restaurant Comps

| Ticker | Name | 3 Yr Stock Price Performance | Stock Price | Market Cap (\$B) | EV / EBITDA CY | EV / EBITDA FY1 | EV / EBITDA FY2 | P/S | P / S FY1 | P / S FY2 |
|--------|--------------------------------|------------------------------|-------------|------------------|----------------|-----------------|-----------------|-----|-----------|-----------|
| MCD | McDonald's Corp | | \$310.79 | \$199.60 | 19.0 | 15.9 | 14.9 | 7.3 | 6.9 | 6.6 |
| DASH | DoorDash Inc | | \$150.15 | \$68.66 | 22.3 | 17.0 | 12.6 | 4.7 | 3.7 | 3.1 |
| SBUX | Starbucks Corp | | \$89.59 | \$116.36 | 26.0 | 23.1 | 19.2 | 3.0 | 3.1 | 2.9 |
| CMG | Chipotle Mexican Grill Inc | | \$32.01 | \$41.93 | 20.3 | 19.2 | 17.0 | 3.5 | 3.2 | 2.9 |
| YUM | Yum! Brands Inc | | \$155.48 | \$41.90 | 18.4 | 17.0 | 15.7 | 4.9 | 4.5 | 4.3 |
| QSR | Restaurant Brands Internationa | | \$73.90 | \$34.13 | 16.0 | 15.1 | 14.3 | 3.6 | 3.4 | 3.4 |
| DRI | Darden Restaurants Inc | | \$196.04 | \$23.59 | 15.3 | 13.6 | 13.0 | 1.8 | 1.7 | 1.6 |
| DPZ | Domino's Pizza Inc | | \$358.79 | \$10.37 | 14.4 | 13.6 | 13.0 | 2.1 | 2.0 | 1.9 |
| TXRH | Texas Roadhouse Inc | | \$165.14 | \$11.93 | 18.2 | 16.7 | 14.5 | 2.0 | 1.8 | 1.6 |
| BROS | Dutch Bros Inc | | \$50.66 | \$9.77 | 33.9 | 27.1 | 21.5 | 5.6 | 4.5 | 3.6 |
| CAVA | Cava Group Inc | | \$80.90 | \$9.57 | 56.9 | 47.1 | 37.0 | 7.4 | 6.0 | 5.0 |
| WING | Wingstop Inc | | \$154.97 | \$4.14 | 20.9 | 18.7 | 16.2 | 5.8 | 5.1 | 4.5 |
| EAT | Brinker International Inc | | \$142.77 | \$6.07 | 9.3 | 8.6 | 7.9 | 1.1 | 1.0 | 1.0 |
| SHAK | Shake Shack Inc | | \$88.47 | \$2.75 | 16.2 | 13.8 | 11.9 | 1.8 | 1.6 | 1.4 |
| CAKE | Cheesecake Factory Inc/The | | \$54.75 | \$3.23 | 16.9 | 14.7 | 13.3 | 0.8 | 0.8 | 0.8 |
| WEN | Wendy's Co/The | | \$6.95 | \$1.43 | 10.4 | 11.3 | 10.9 | 0.7 | 0.6 | 0.6 |
| PZZA | Papa John's International Inc | | \$32.41 | \$1.09 | 10.0 | 9.8 | 9.4 | 0.5 | 0.6 | 0.6 |
| CBRL | Cracker Barrel Old Country Sto | | \$28.11 | \$0.77 | 12.8 | 14.2 | 10.9 | 0.2 | 0.2 | 0.2 |
| BJRI | BJ's Restaurants Inc | | \$35.10 | \$0.97 | 10.5 | 9.7 | 9.3 | 0.7 | 0.7 | 0.6 |
| BLMN | Bloomin' Brands Inc | | \$5.40 | \$0.71 | 8.9 | 9.3 | 8.9 | 0.2 | 0.2 | 0.2 |
| JACK | Jack in the Box Inc | | \$9.67 | \$0.22 | 14.5 | 14.4 | 14.5 | 0.2 | 0.2 | 0.2 |

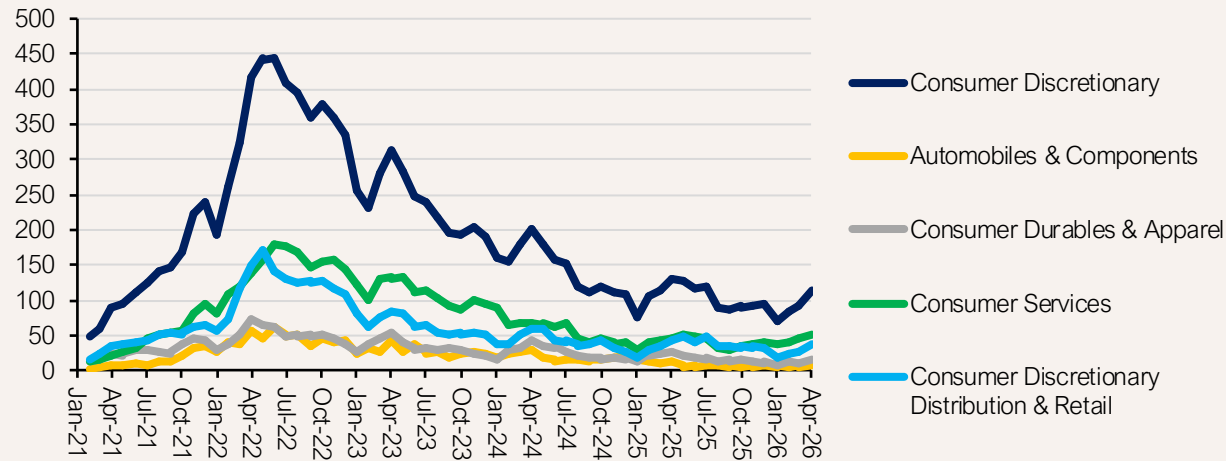
Leisure, Accommodations & Travel Comps

| Ticker | Name | 3 Yr Stock Price Performance | Stock Price | Market Cap (\$B) | EV / EBITDA CY | EV / EBITDA FY1 | EV / EBITDA FY2 | P/S | P / S FY1 | P / S FY2 |
|--------|--------------------------------|------------------------------|-------------|------------------|----------------|-----------------|-----------------|-----|-----------|-----------|
| BKNG | Booking Holdings Inc | | \$168.41 | \$130.47 | 13.0 | 11.4 | 10.3 | 4.7 | 4.3 | 3.9 |
| RCL | Royal Caribbean Cruises Ltd | | \$275.18 | \$73.80 | 13.0 | 12.1 | 11.0 | 4.0 | 3.7 | 3.4 |
| ABNB | Airbnb Inc | | \$126.28 | \$79.62 | 16.1 | 13.8 | 12.5 | 6.3 | 5.5 | 4.9 |
| MAR | Marriott International Inc/MD | | \$327.07 | \$101.75 | 21.3 | 19.7 | 18.3 | 3.8 | 3.5 | 3.4 |
| HLT | Hilton Worldwide Holdings Inc | | \$304.08 | \$76.65 | 23.2 | 21.6 | 19.7 | 6.2 | 5.8 | 5.3 |
| CCL | Carnival Corp | | \$25.88 | \$38.77 | 8.9 | 9.1 | 8.2 | 1.4 | 1.4 | 1.3 |
| EXPE | Expedia Group Inc | | \$230.89 | \$27.19 | 7.8 | 7.2 | 6.5 | 1.8 | 1.6 | 1.6 |
| VIK | Viking Holdings Ltd | | \$73.48 | \$41.29 | 22.7 | 20.1 | 16.2 | 6.2 | 5.4 | 4.6 |
| H | Hyatt Hotels Corp | | \$143.79 | \$17.25 | 18.5 | 17.6 | 15.0 | 2.4 | 2.4 | 2.2 |
| WYNN | Wynn Resorts Ltd | | \$101.55 | \$10.51 | 10.0 | 9.6 | 9.1 | 1.4 | 1.4 | 1.3 |
| NCLH | Norwegian Cruise Line Holdings | | \$18.70 | \$8.33 | 8.4 | 9.3 | 8.1 | 0.8 | 0.8 | 0.8 |
| MGM | MGM Resorts International | | \$37.01 | \$10.73 | 8.8 | 9.1 | 8.8 | 0.6 | 0.6 | 0.6 |
| BYD | Boyd Gaming Corp | | \$82.18 | \$6.11 | 6.4 | 6.4 | 6.2 | 1.5 | 1.5 | 1.4 |
| WH | Wyndham Hotels & Resorts Inc | | \$81.23 | \$6.27 | 12.0 | 11.8 | 11.0 | 4.4 | 4.3 | 3.9 |
| MTN | Vail Resorts Inc | | \$128.32 | \$4.68 | 9.8 | 10.2 | 9.1 | 1.6 | 1.6 | 1.5 |
| CHH | Choice Hotels International In | | \$103.50 | \$5.27 | 11.7 | 11.2 | 11.0 | 3.3 | 3.2 | 3.1 |
| TNL | Travel + Leisure Co | | \$69.19 | \$4.29 | 7.5 | 7.3 | 6.9 | 1.1 | 1.0 | 1.0 |
| DAL | Delta Air Lines Inc | | \$66.48 | \$53.74 | 8.4 | 8.6 | 6.6 | 0.8 | 0.8 | 0.8 |
| UAL | United Airlines Holdings Inc | | \$92.07 | \$36.56 | 6.7 | 7.3 | 5.4 | 0.6 | 0.5 | 0.5 |
| LUV | Southwest Airlines Co | | \$37.57 | \$21.35 | 9.4 | 7.4 | 4.8 | 0.7 | 0.6 | 0.6 |
| AAL | American Airlines Group Inc | | \$10.74 | \$9.87 | 10.8 | 12.5 | 6.7 | 0.2 | 0.2 | 0.1 |
| ALK | Alaska Air Group Inc | | \$36.78 | \$5.12 | 8.1 | 10.8 | 4.8 | 0.4 | 0.3 | 0.3 |

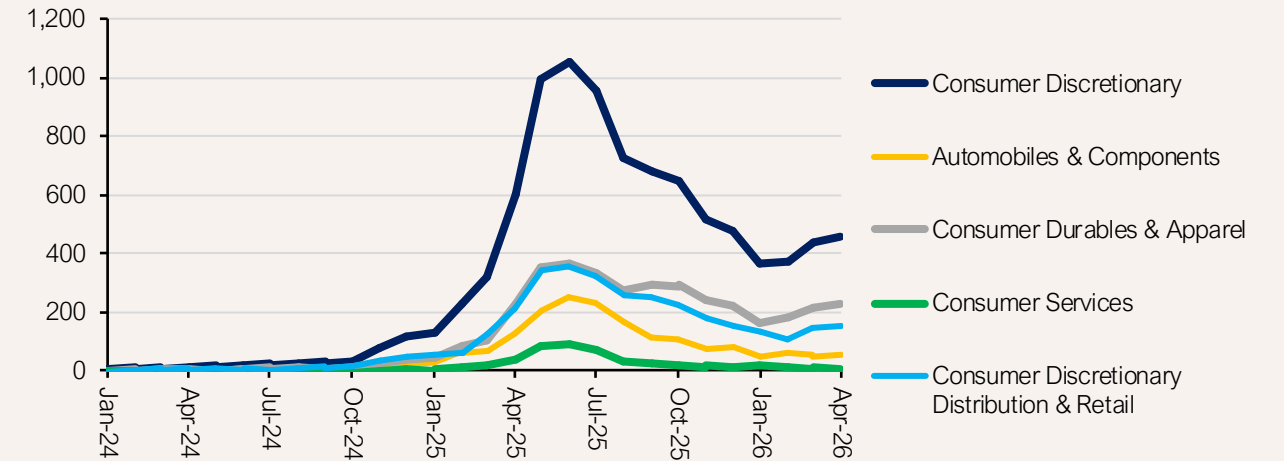
Thematic Analysis

Across constituents of the Russell 3000, Optimal tracks key themes in EPS transcripts; AI mentions have accelerated again among CD names (+159% y/y on a T3M basis). Inflation mentions up m/m off war in Middle East & higher energy prices. Economic Slowdown mentions however remain unchanged.

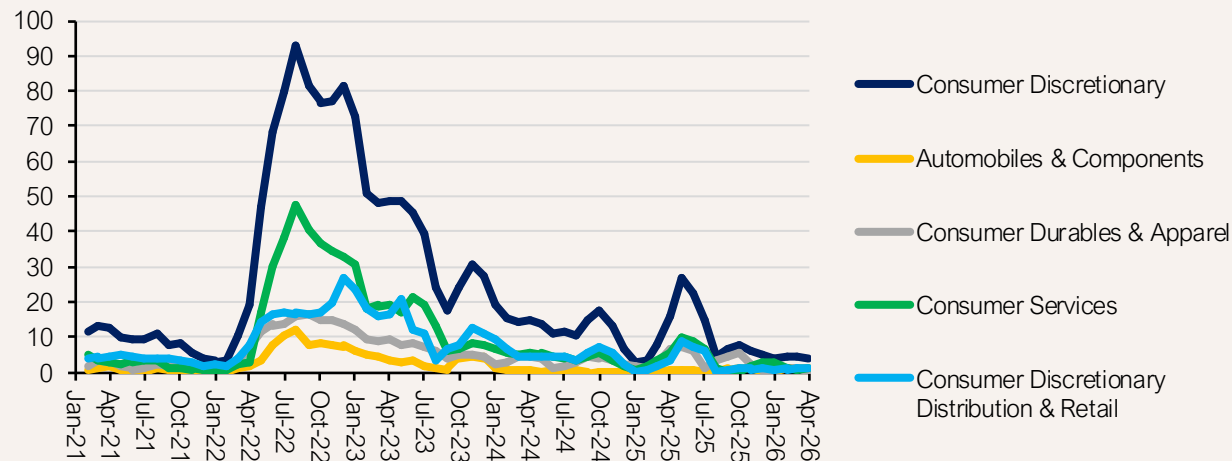
Inflation Mentions



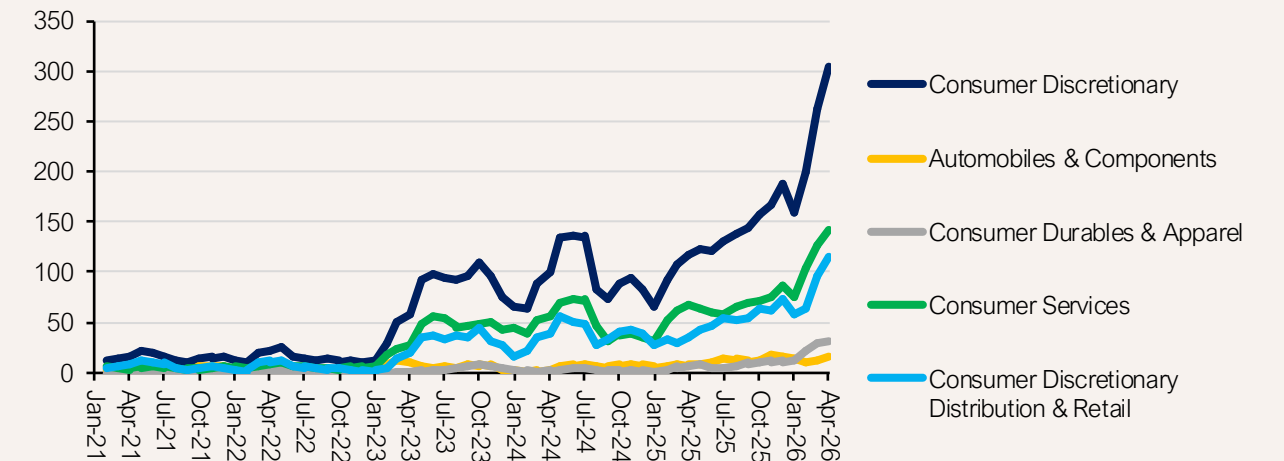
Tariffs Mentions



Economic Slowdown Mentions

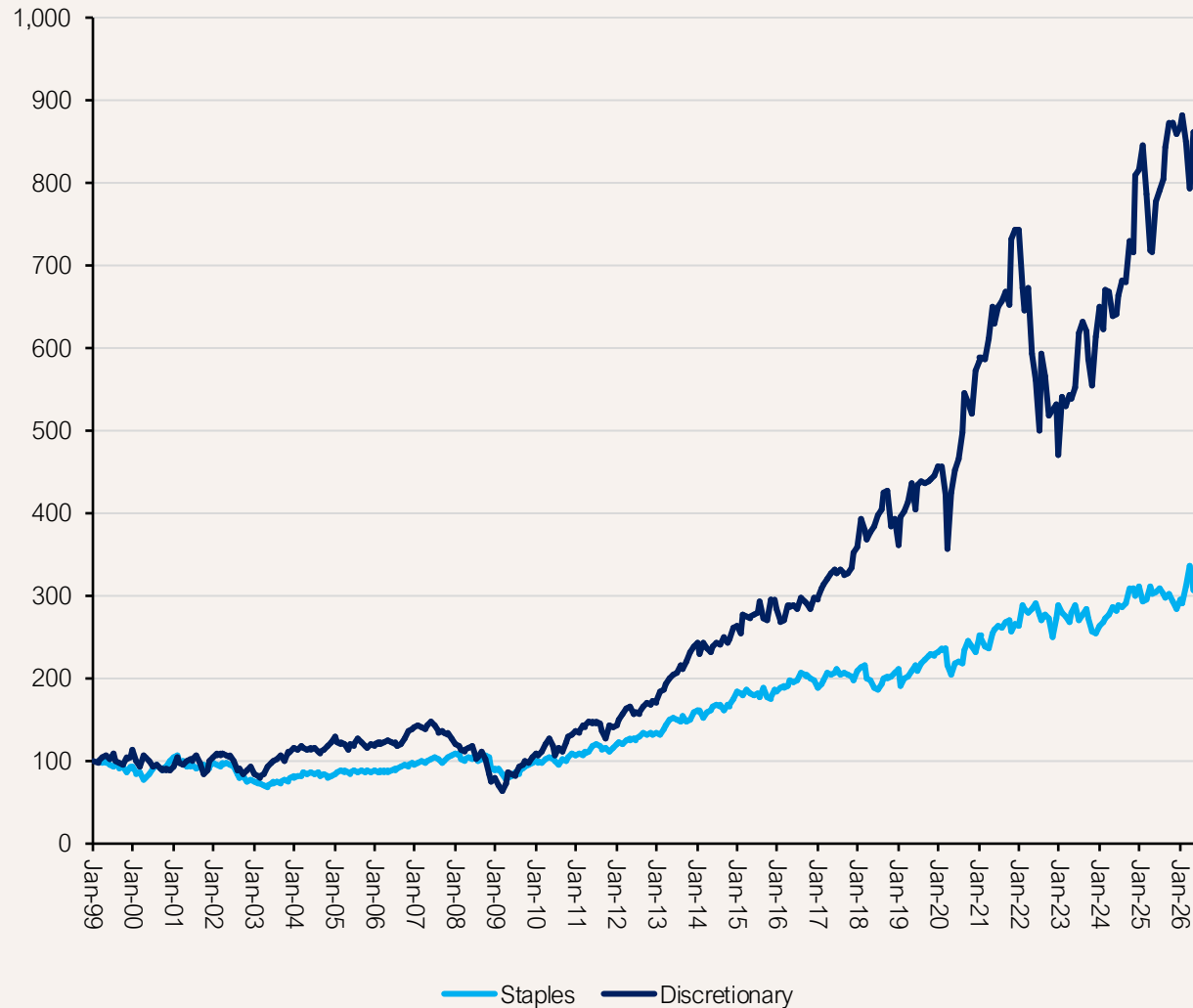


AI Mentions

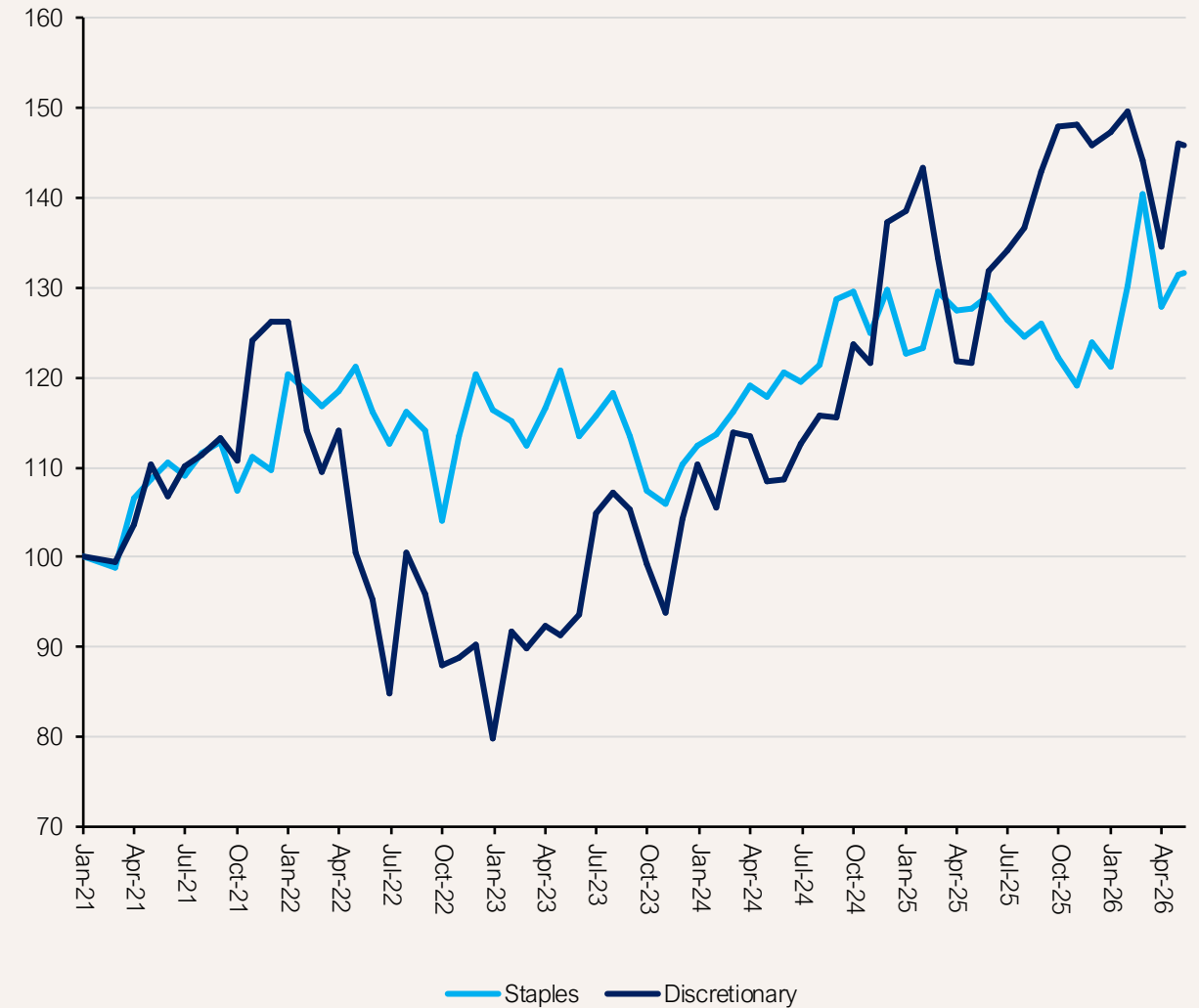


Discretionary outperformed staples from 2010-2020. After a hot start to 2026, Staples & Discretionary performance has made up some losses from a month ago.

Sector Equity Returns (Jan 1999 = 100)

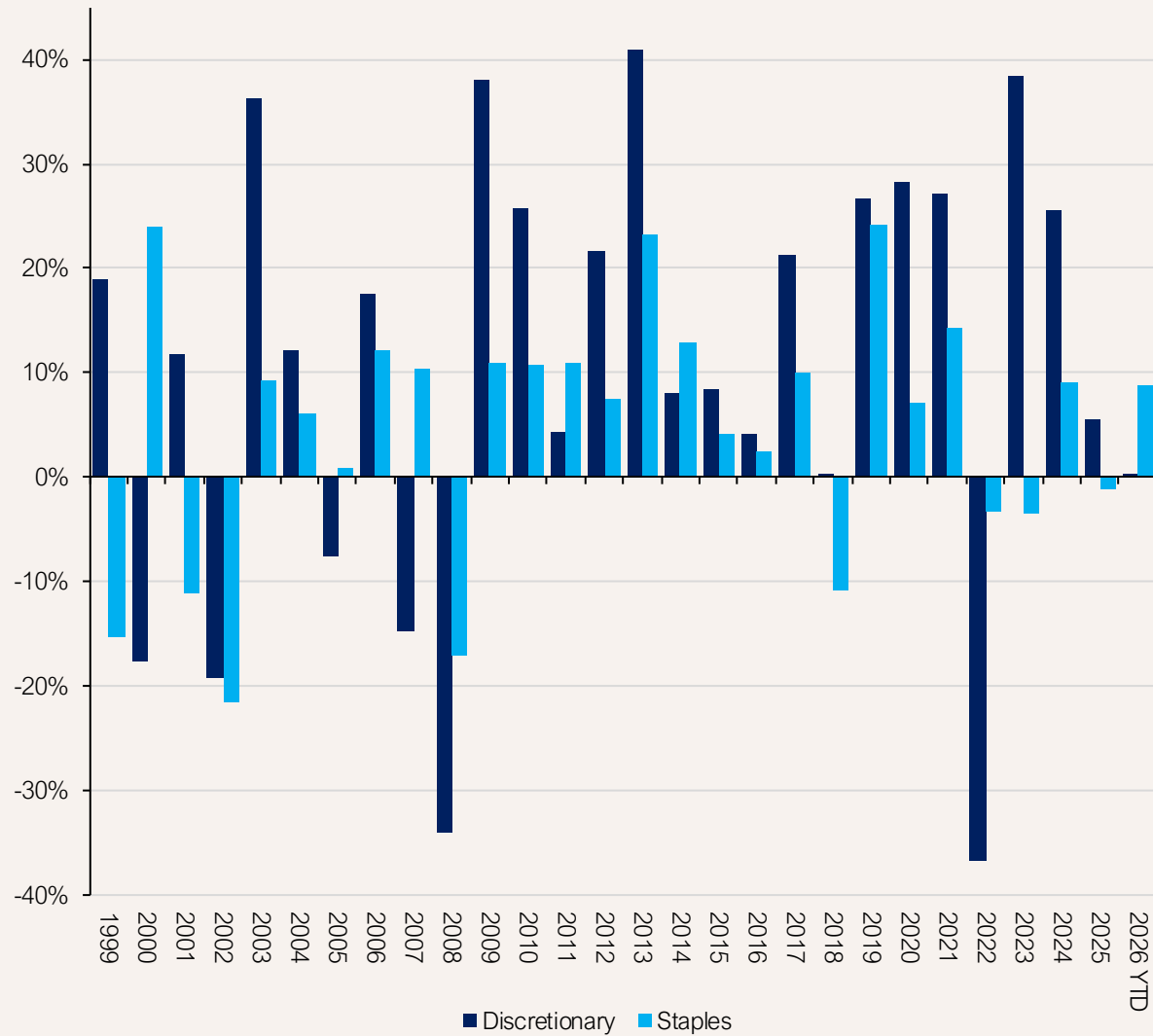


Sector Equity Returns (Jan 2021 = 100)

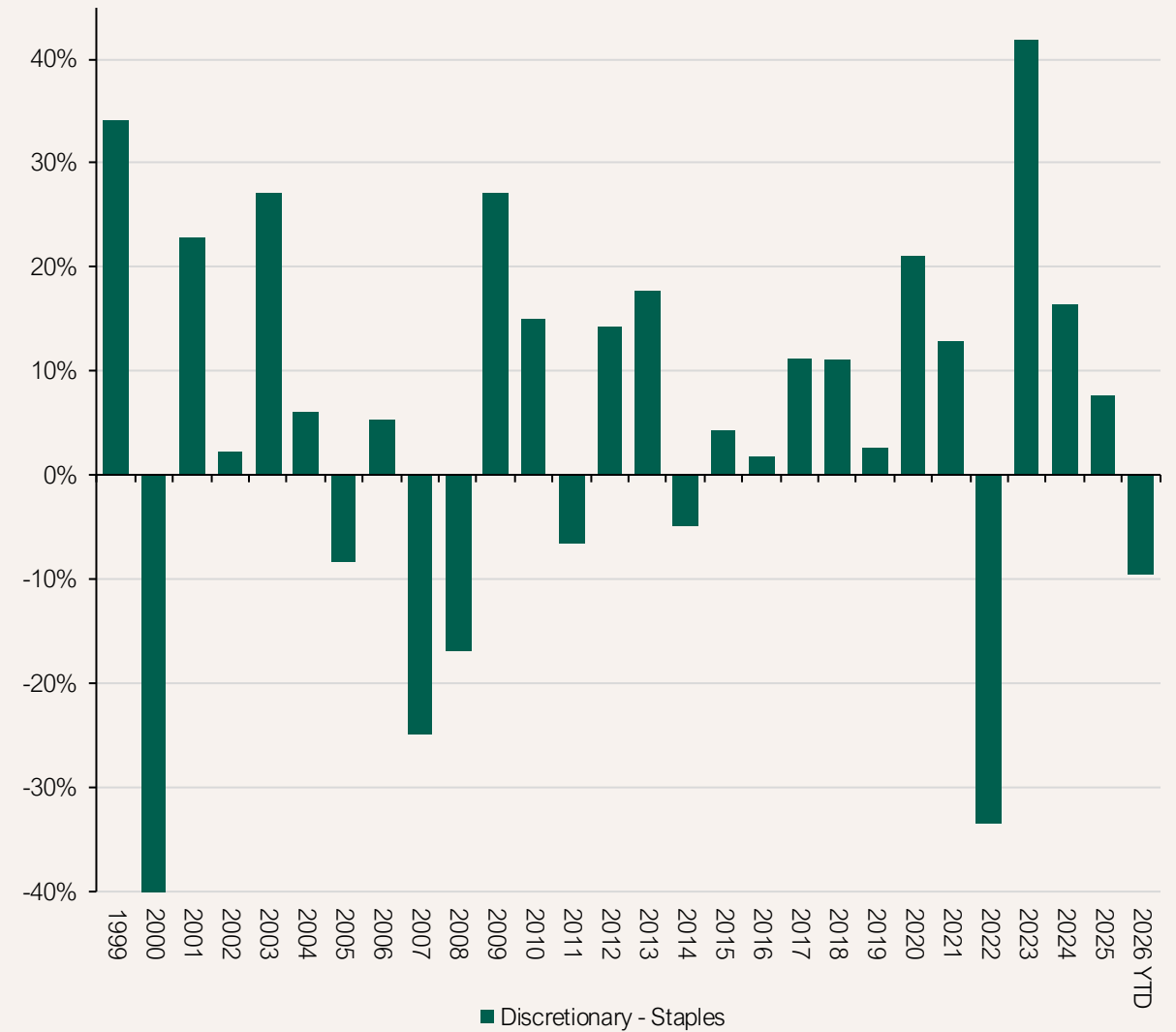


Year to date, the SPDR Staples ETF (XLP) has performed well (+8.9%); Consumer Discretionary ETF (XLY) has returned +2.7%.

Annual Returns of XLP (Staples) and XLY (Cons. Disc.)

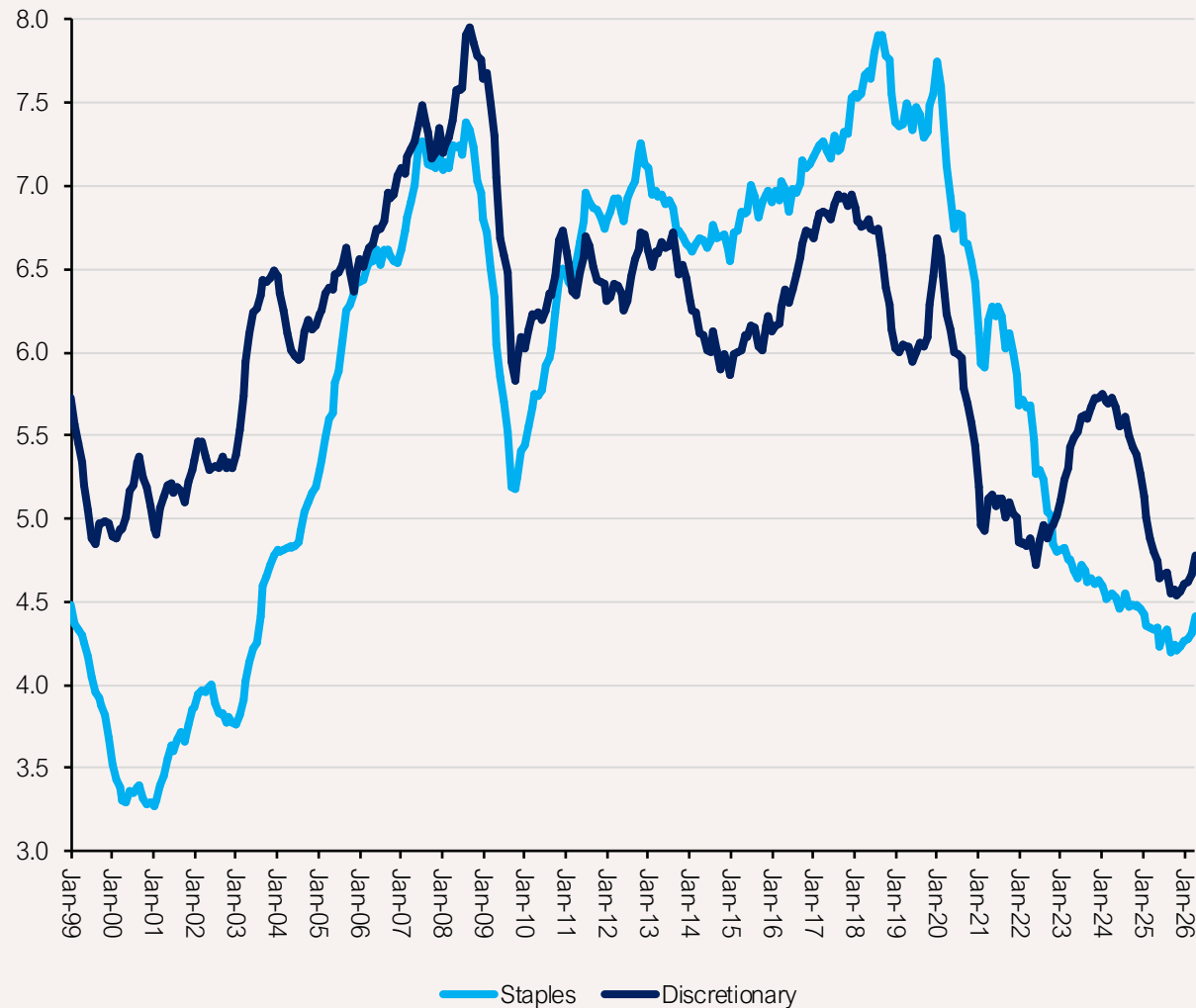


Annual Discretionary Performance Relative to Staples



The average short ratio for the more than 250 consumer staples and discretionary names in the S&P 1500 has turned higher from a recent bottom. The right chart unpacks the largest movers (by SIR ▲) in short interest for consumer names in the last month.

Average Short Interest Ratio of Consumer Names (TTM Avg)



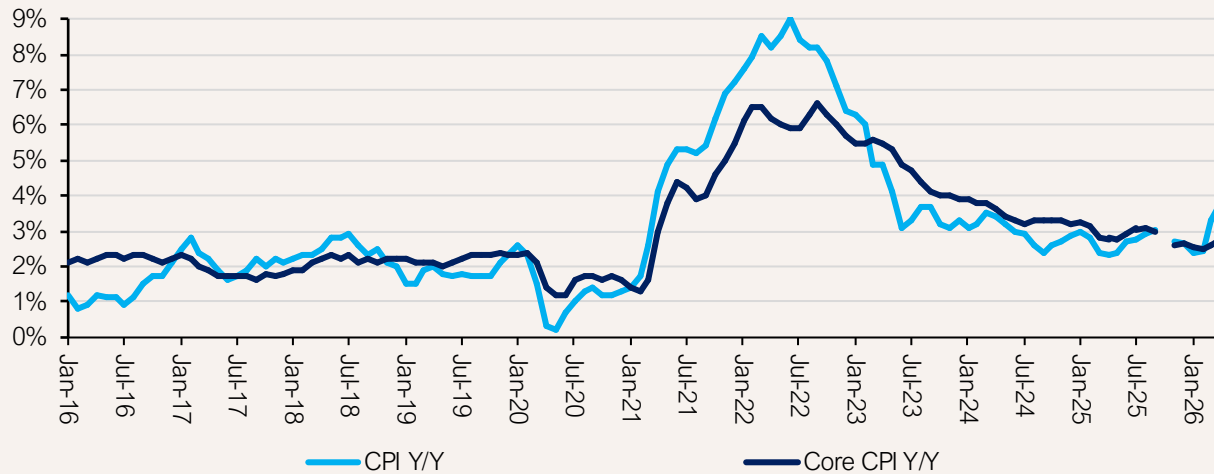
Consumer Short Ratio ▲

| Ticker | Company | M/ T3M | T3M vs Prior Year T3M | T6M vs Prior Year T6M |
|--------|--------------------|--------|-----------------------|-----------------------|
| NWL | Newell Brands Inc | -9.7% | 182.2% | 190.4% |
| GME | GameStop Corp | -22.5% | 130.8% | 150.8% |
| ACI | Albertsons Cos Inc | -10.1% | 158.7% | 108.3% |
| F | Ford Motor Co | 20.1% | 92.2% | 97.7% |
| KDP | Keurig Dr Pepper | -9.3% | 183.4% | 96.6% |
| PM | Philip Morris Int. | -9.8% | 95.8% | 85.8% |
| COTY | Coty Inc | 9.2% | 110.0% | 73.3% |
| KVUE | Kenvue Inc | 25.0% | 31.5% | -8.1% |
| VFC | VF Corp | -0.1% | 8.7% | -12.1% |
| KR | Kroger | 13.4% | -13.3% | -13.4% |
| GIS | General Mills Inc | 22.6% | -19.6% | -16.2% |
| GAP | The Gap | 28.9% | 28.6% | -16.2% |
| TSCO | Tractor Supply Co | -46.7% | -41.7% | -28.4% |
| CCL | Carnival Corp | 4.3% | -30.3% | -30.9% |
| LVS | Las Vegas Sands | -11.9% | -25.7% | -45.2% |

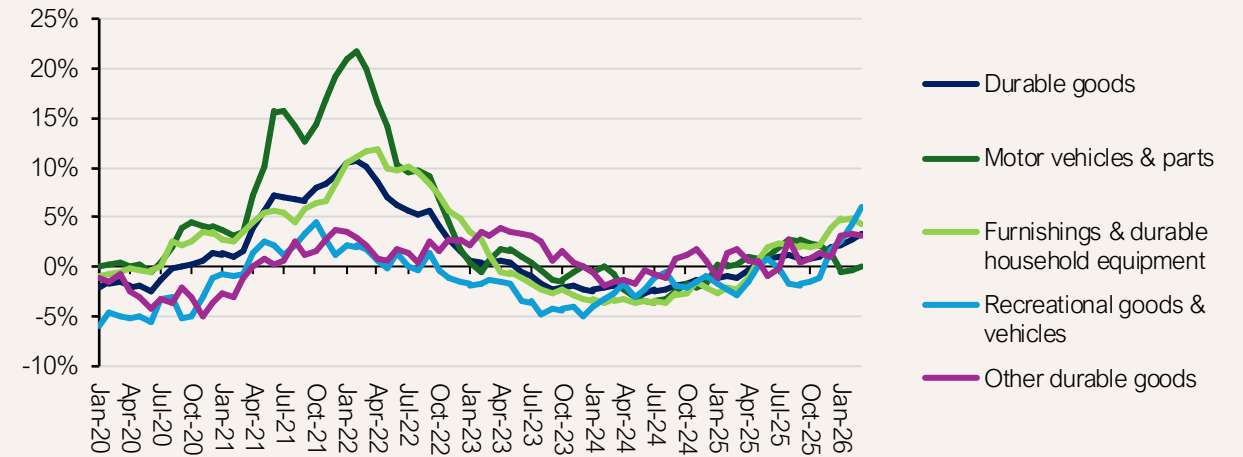
Consumer Macro

Headline CPI up sharply in April to +3.8%, the highest level in 23 months off conflict with Iran. PCE price index for gasoline beginning to capture higher energy prices, gasoline up 22% y/y in March.

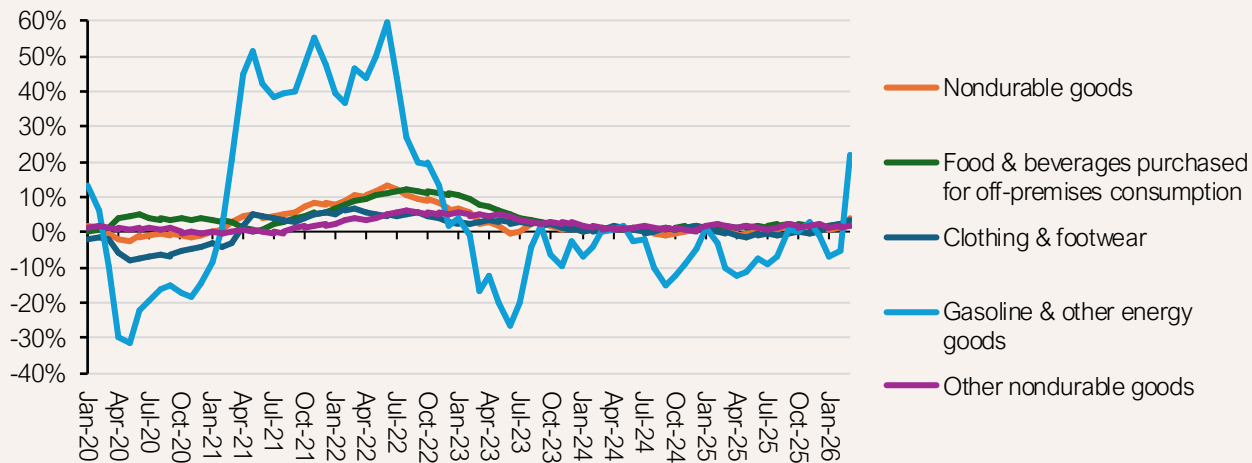
Consumer Price Index



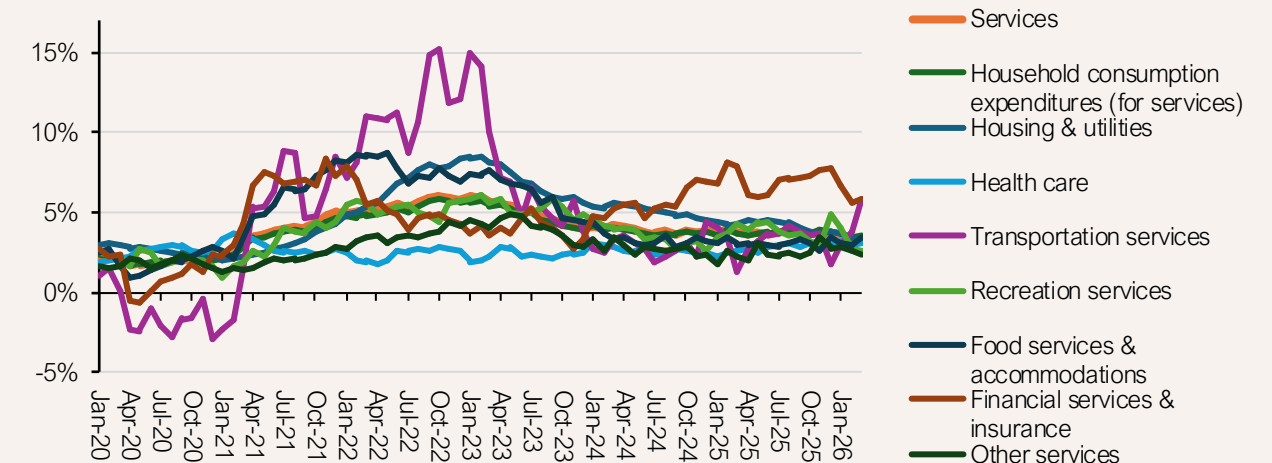
PCE Price Index: Durables



PCE Price Index: Nondurables

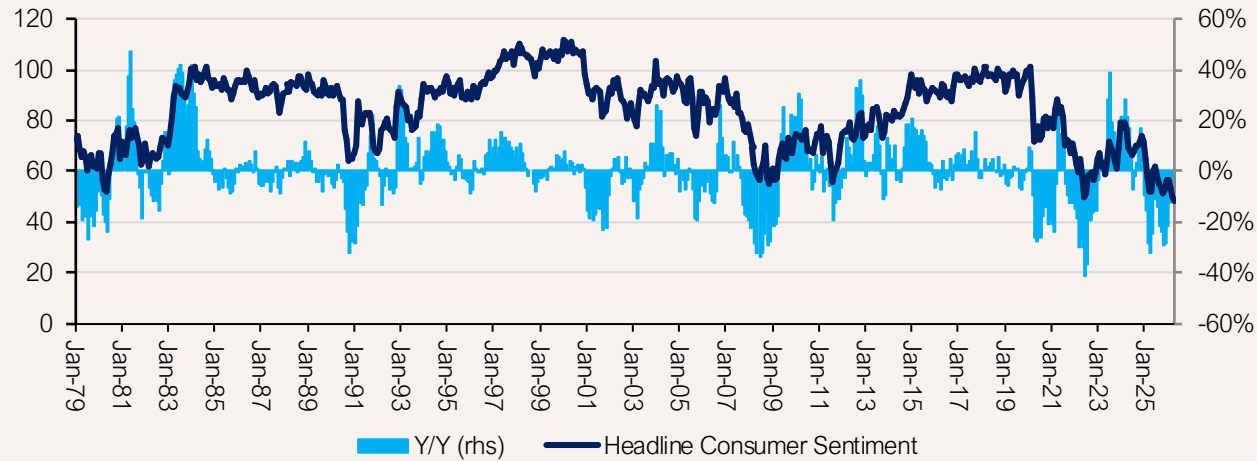


PCE Price Index: Services

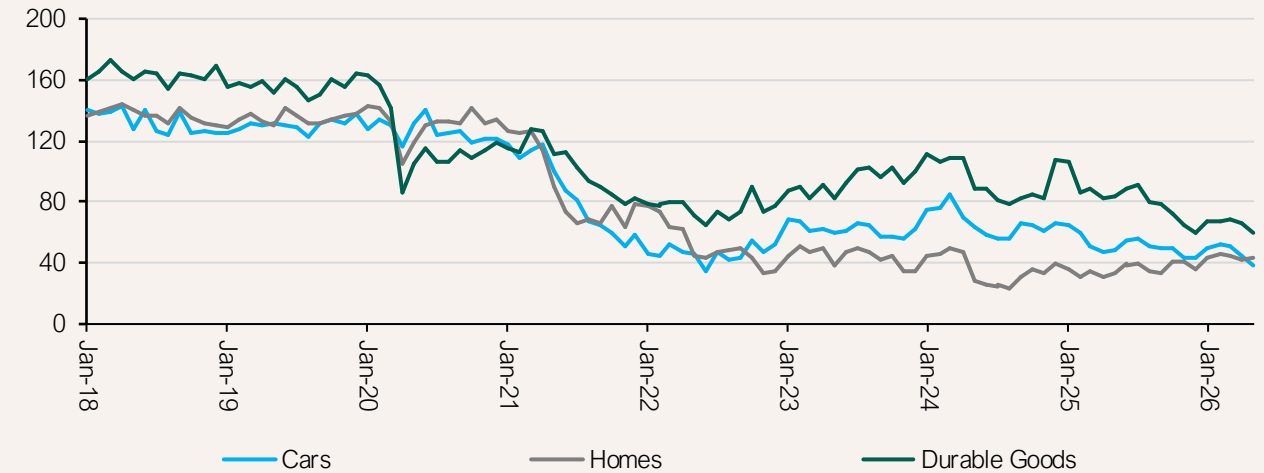


Headline Sentiment for May finalized at an ALL-TIME LOW of index 44.8. Declines are particularly strong among age 35-54 (-16.1% y/y) and lower-income (-27.1% y/y) respondents.

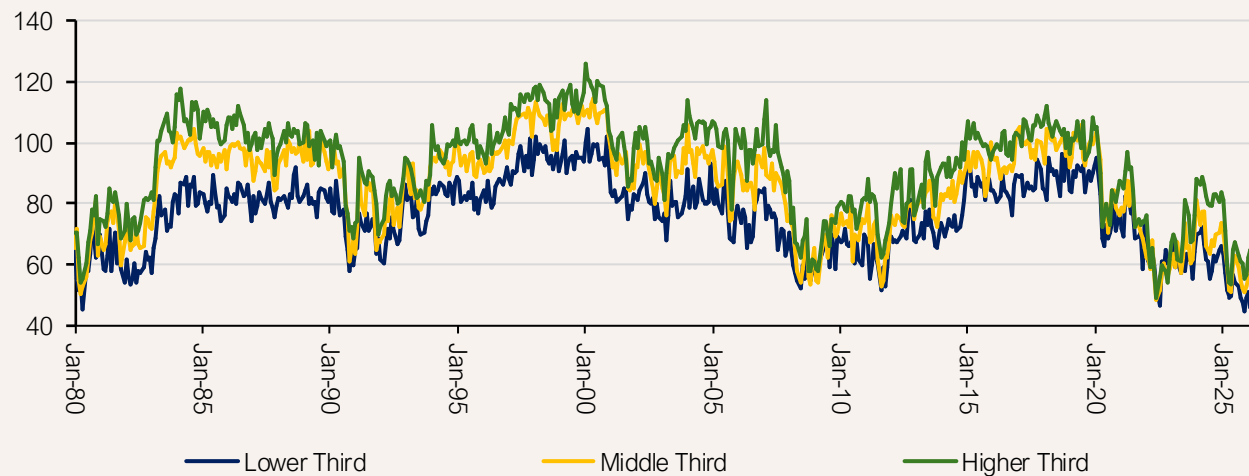
Headline Consumer Sentiment



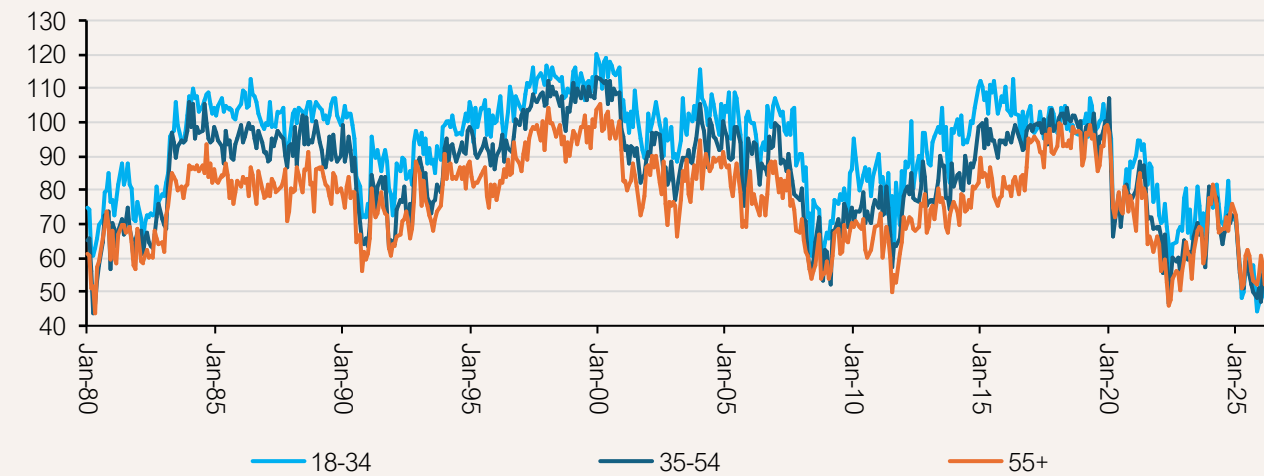
Purchasing Conditions



Consumer Sentiment by Income Terciles

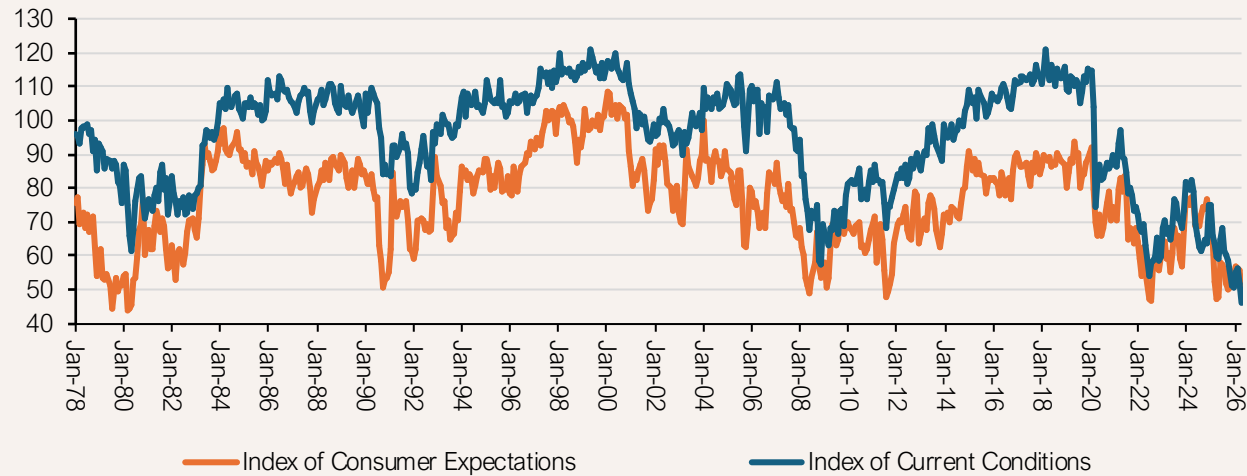


Consumer Sentiment by Age

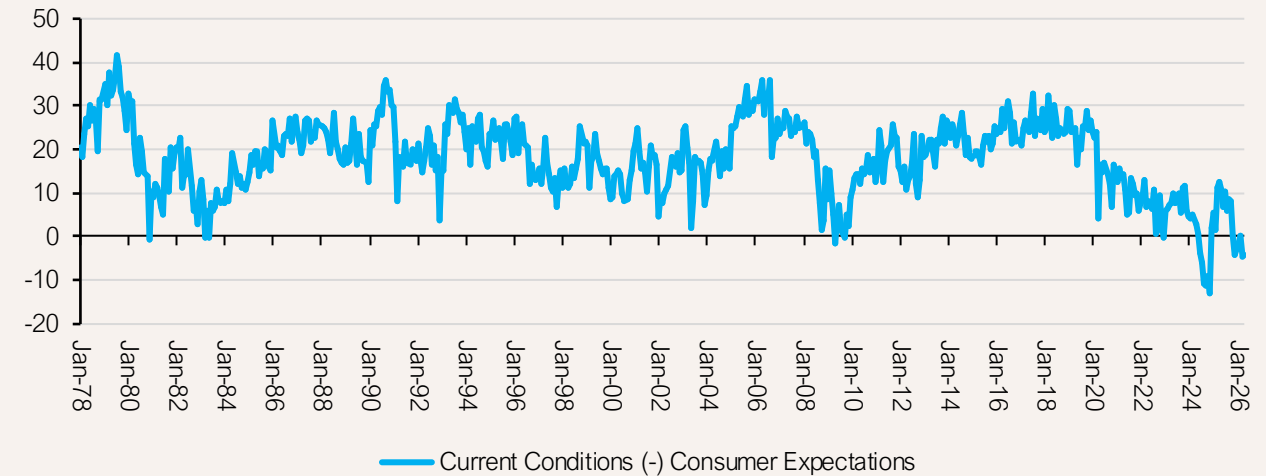


Consumer expectations & reported current conditions are both down sharply in May. Durable goods buying conditions continue to be the largest source of pessimism, running down -28% y/y.

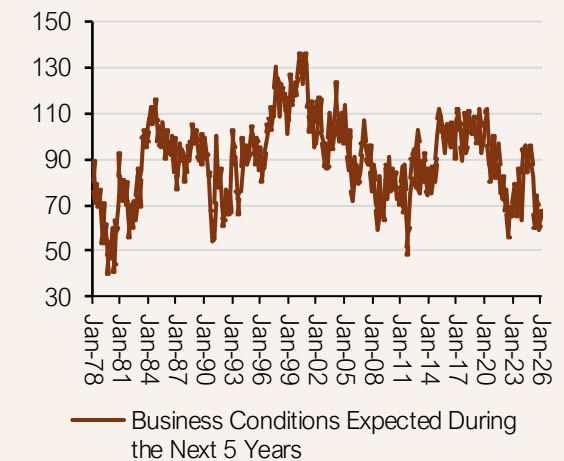
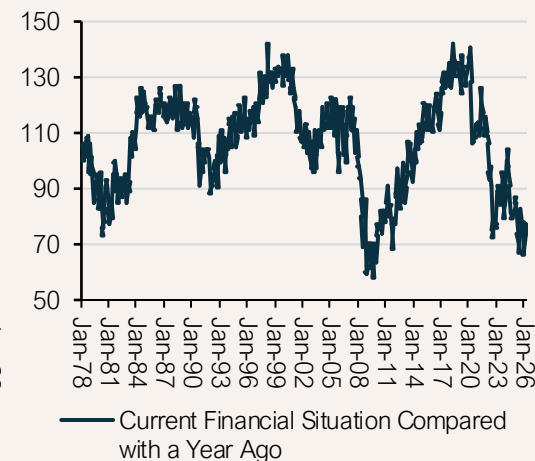
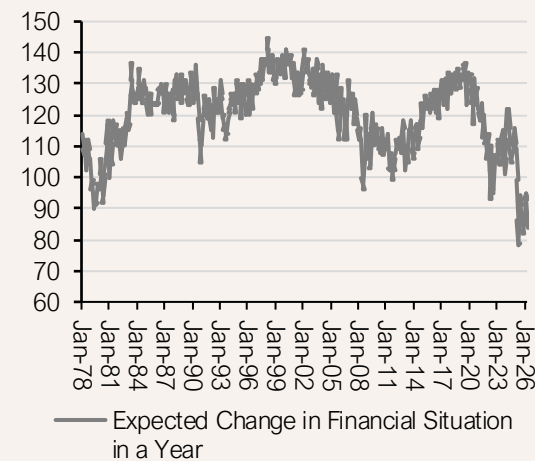
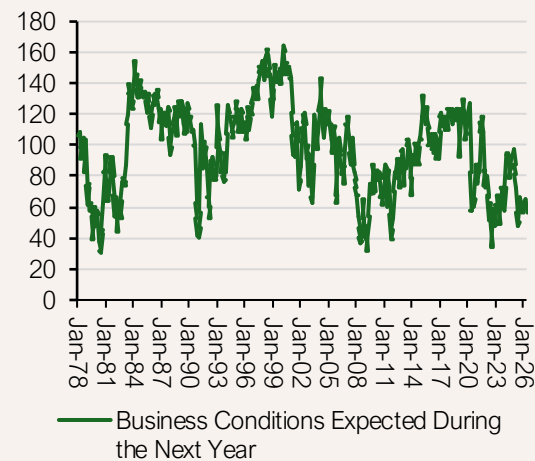
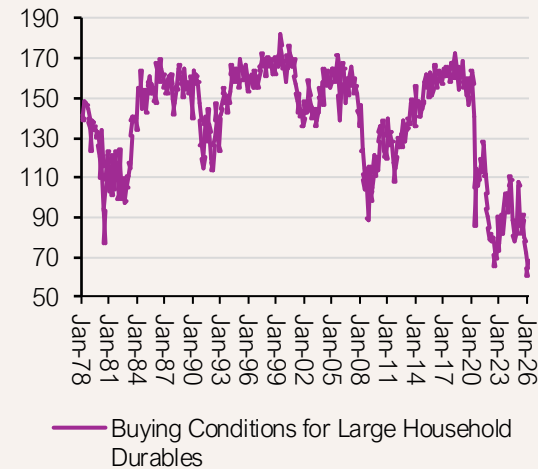
Expectations vs. Current Conditions



Current Conditions - Expectations

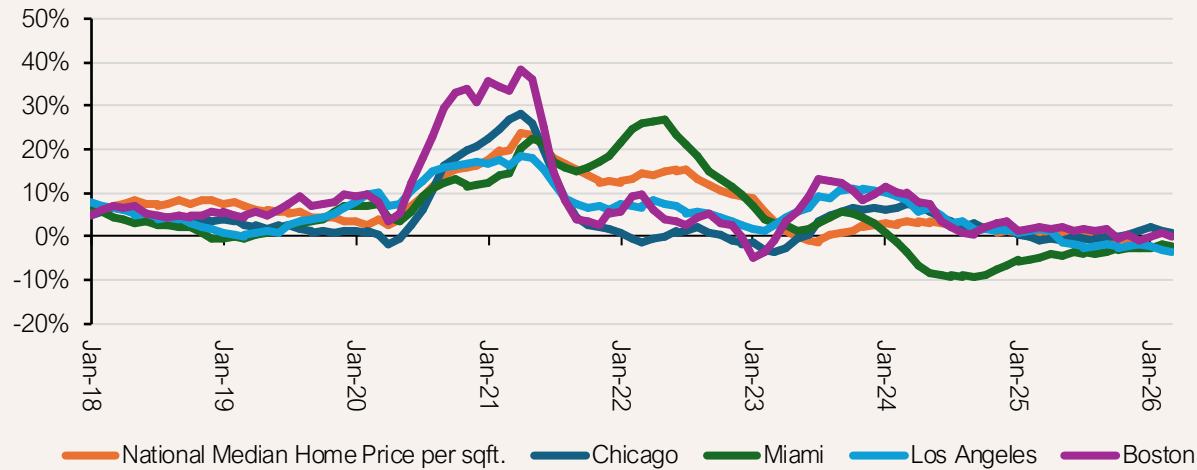


Components of Consumer Sentiment

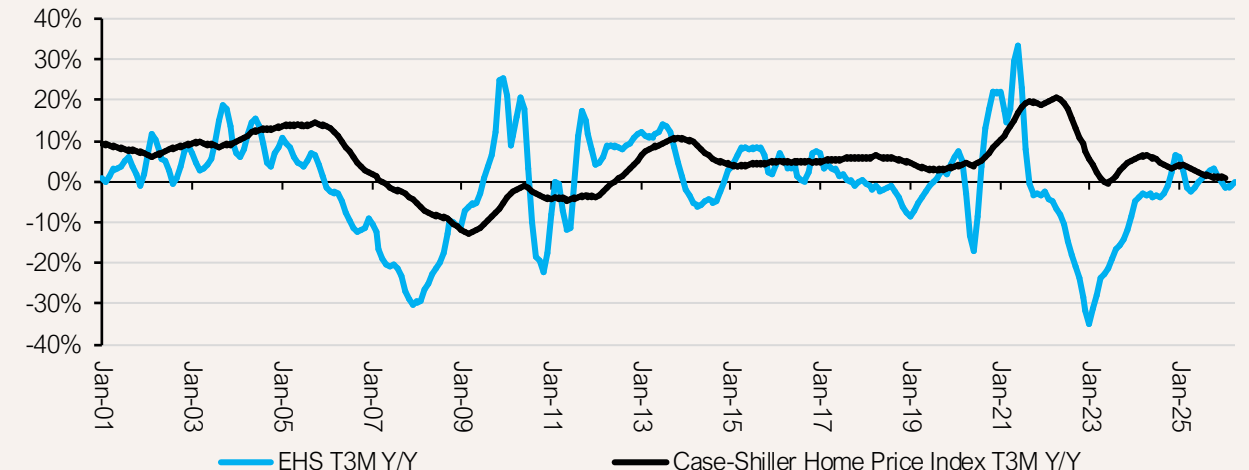


Mortgage rates have turned sharply higher off energy driven interest rate increases. Higher borrowing costs will continue to lock-in the already stagnant housing market. Roughly 18% of US GDP is related to the selling, building, fixing, lending, and furnishing of homes – velocity matters for the broader economy.

Median Home Price Per Sqft. Y/Y



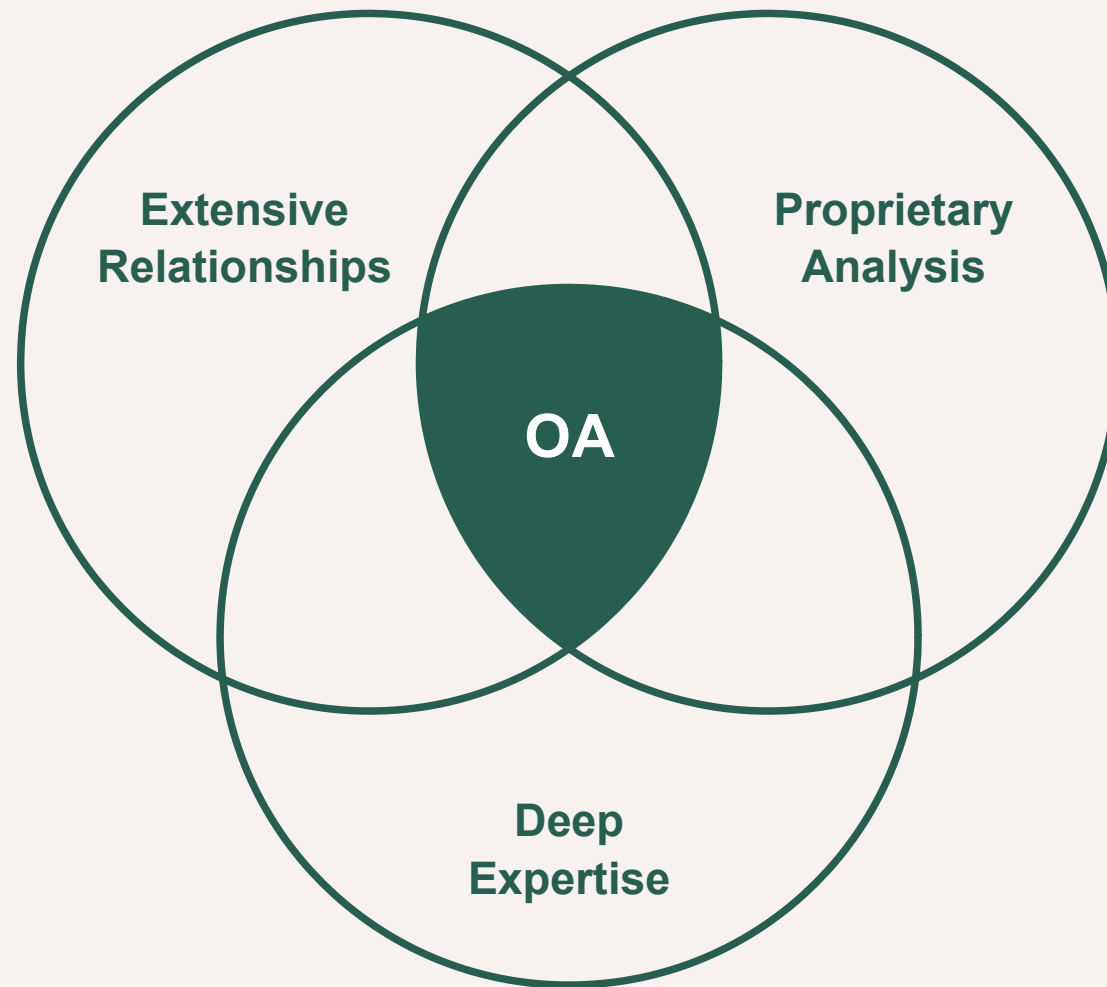
Existing Home Sales



Metro Area Case Shiller Home Price Index Y/Y Heat Map

| | Boston | Chicago | Denver | Las Vegas | Los Angeles | Miami | New York | San Diego | San Francisco | Washington, D.C. |
|--------|--------|---------|--------|-----------|-------------|-------|----------|-----------|---------------|------------------|
| Mar-25 | 4.7% | 6.5% | 1.4% | 4.7% | 4.1% | 1.8% | 8.2% | 1.5% | 1.6% | 4.4% |
| Apr-25 | 3.9% | 5.9% | 0.8% | 4.0% | 2.5% | 1.3% | 8.1% | 1.0% | 0.2% | 4.2% |
| May-25 | 4.7% | 5.9% | 0.0% | 3.2% | 0.9% | 0.5% | 7.6% | 0.3% | -0.7% | 3.2% |
| Jun-25 | 4.2% | 6.0% | -0.6% | 2.4% | 0.0% | -0.2% | 7.2% | -0.7% | -2.1% | 2.2% |
| Jul-25 | 4.0% | 6.0% | -0.6% | 1.0% | 0.1% | -1.3% | 6.5% | -0.8% | -1.9% | 1.3% |
| Aug-25 | 4.0% | 5.8% | -0.8% | 0.3% | 0.1% | -1.6% | 6.1% | -0.9% | -1.5% | 0.9% |
| Sep-25 | 4.0% | 5.4% | -0.8% | -0.7% | 0.3% | -1.2% | 5.4% | -0.9% | -0.9% | 0.6% |
| Oct-25 | 3.0% | 5.7% | -1.4% | -0.6% | 0.1% | -1.0% | 5.2% | -0.6% | 0.1% | 0.4% |
| Nov-25 | 1.8% | 5.7% | -1.4% | -0.5% | 0.5% | -1.1% | 5.3% | 0.2% | 0.4% | 0.3% |
| Dec-25 | 1.1% | 5.3% | -2.2% | -0.9% | 0.6% | -1.5% | 5.4% | 0.7% | -0.2% | 0.2% |
| Jan-26 | 1.3% | 4.7% | -2.2% | -1.1% | 0.1% | -0.9% | 5.2% | 0.3% | -0.6% | 0.1% |
| Feb-26 | 0.8% | 4.8% | -2.3% | -1.2% | -0.8% | -0.3% | 5.0% | 0.5% | -0.7% | -0.2% |

Advisory Board
Consumer Collective
Experienced OA Team



OA runs proprietary math on top of value-added data sets including polling, transaction, location, digital traction, and scanner.

Our quantamental work constantly analyzes for magnitude and duration of non-normal change.

Experience and relationships across consumer sectors