ISSUED ON OCTOBER 21, 2025

BRG CORPORATE FINANCE

Key Economic Data

September 2025

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INTELLIGENCE THAT WORKS

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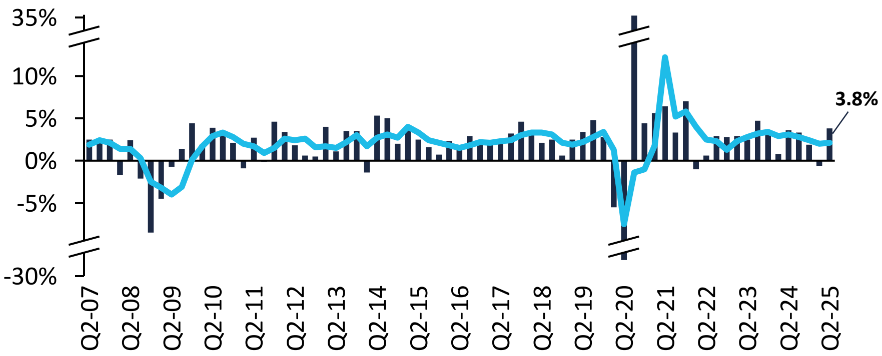
GDP AND CONSUMER CONFIDENCE

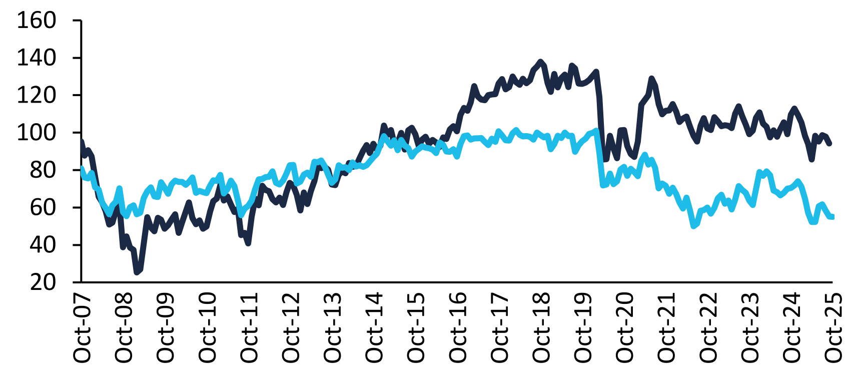
REAL GDP GROWTH



Source: US Department of Commerce

- Q2’25 GDP growth was revised up significantly in the third estimate, above expectations; reached the highest level since Q3’23
  - Consumer spending growth jumped in the revision, driven by a larger gain to services
  - Trade deficit was revised slightly wider as both imports and exports were revised up
  - Gross investment was unrevised
  - Government spending growth was revised up slightly, with upward revisions to state and local and downward revisions to federal
- Preliminary forecasts for Q3’25 GDP growth vary, but most economists have upgraded their forecasts since prior month

CONSUMER CONFIDENCE



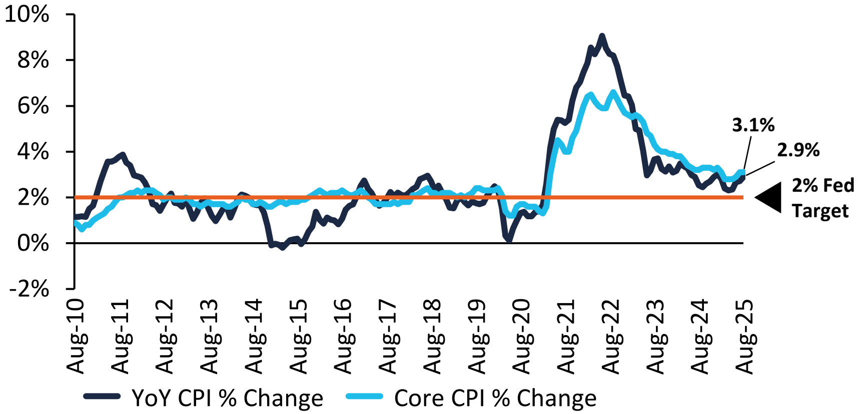
Source: Bloomberg Finance L.P., The Regents of the University of Michigan

- Consumer Confidence Index fell, below consensus, after a slight upward revision to prior reading
  - Assessments of the present situation experienced the biggest decline in a year
  - Confidence rose for consumers 35 years old and under, but declined for consumers over 35
- Consumer Sentiment Index[1] ticked down in Oct ’25, slightly above consensus
  - High prices and weakening job prospects remain top of mind
  - 1-year inflation expectations fell slightly, while 5-year expectations were unchanged
  - Little evidence that the government shutdown influenced consumers’ views so far

(1) Thomson Reuters/Univ. of Michigan Consumer Sentiment Index

INFLATION AND REAL EARNINGS

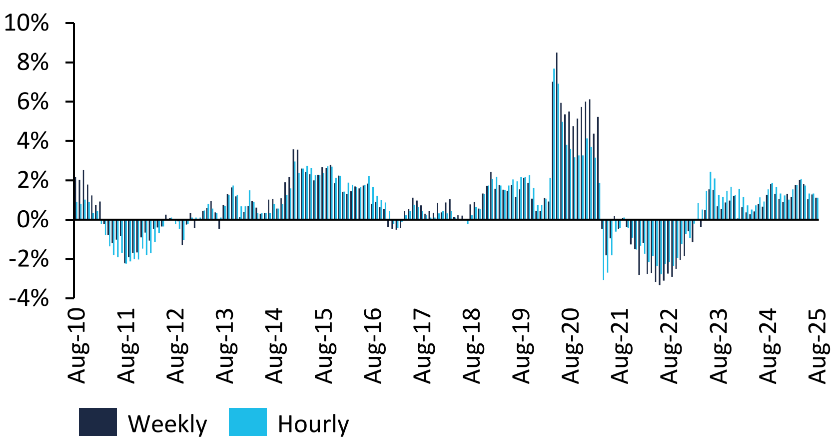
INFLATION (CPI % CHANGE YOY)



Source: Bureau of Labor Statistics

- **Sep '25 CPI data has not been reported by the BLS due to the government shutdown**
  - BLS is bringing in some staff to assemble the report needed for Social Security's cost-of-living adjustment
  - The release is now scheduled for October 24th
- Few alternative measures of inflation exist
  - Those that do point to a pickup in Sep '25, especially in categories impacted by tariffs
  - In addition, Institute of Supply Management's data showed that Sep '25 services prices reached highest level in almost three years

YOY CHANGE IN REAL EARNINGS*



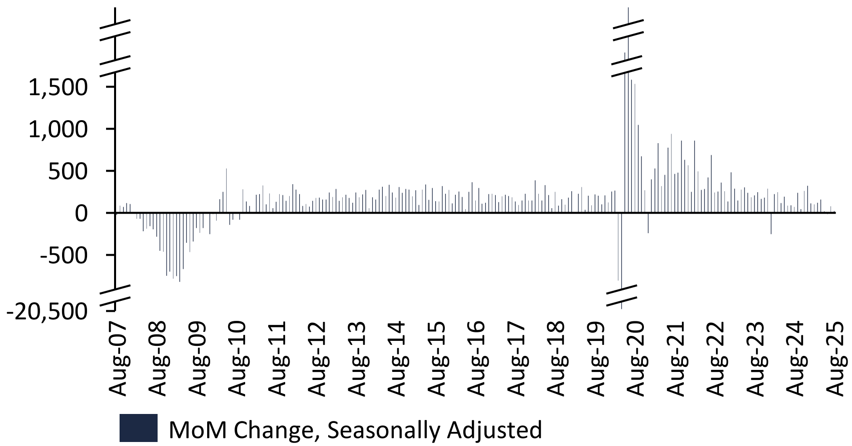
*For production and nonsupervisory employees
Source: Bureau of Labor Statistics

- **Sep '25 real earnings data has not been reported by the BLS due to the government shutdown**

EMPLOYMENT

NONFARM PAYROLL EMPLOYMENT

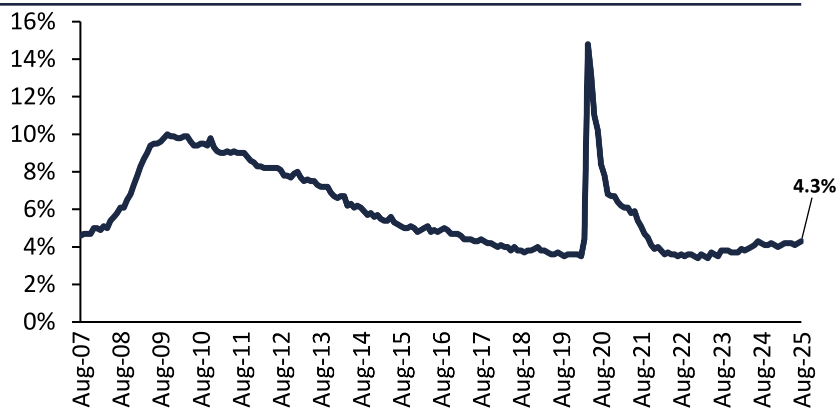
(in thousands)



Source: Bureau of Labor Statistics

- **Sep ’25 employment data has not been reported by the BLS due to the government shutdown**
- According to the ADP Employment Report, Sep ’25 private payrolls fell sharply, well below expectations, after a large downward revision to Aug ’25
  - Service provider payrolls dropped sharply, driven by large drops to leisure and other services, partially offset by a gain to education and health services
  - Goods producer payrolls fell, as construction and manufacturing declined, while mining added jobs
- Small businesses shed twice as many jobs as medium-sized businesses, while large businesses added jobs

UNEMPLOYMENT RATE

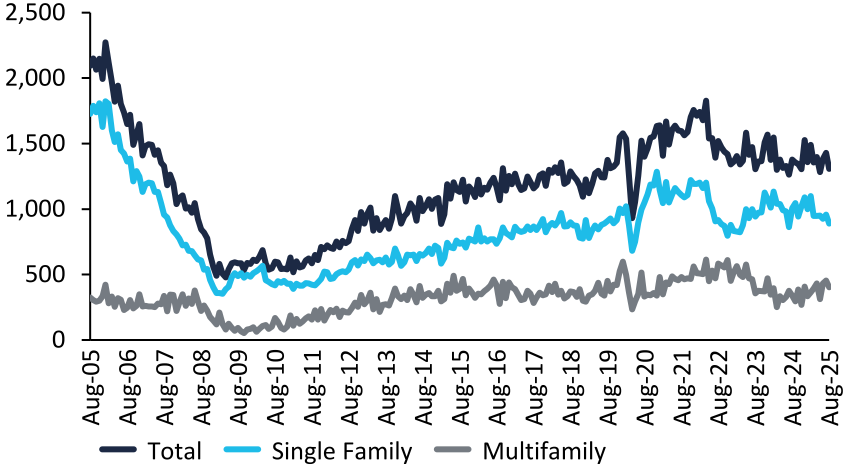


Source: Bureau of Labor Statistics

- **Official unemployment data is also unavailable**
- According to the Department of Labor, unemployment claims for the first week of September reached the highest level since Oct ’21, but claims then fell for the following two weeks
  - 4-week moving average is up YoY, but still below the post-COVID average
- Data from Haver Analytics (a platform that tracks economic and financial data) points to a marginal increase in unemployment claims during the last week of Sep ’25

HOUSING STARTS (SAAR)

(in thousands)

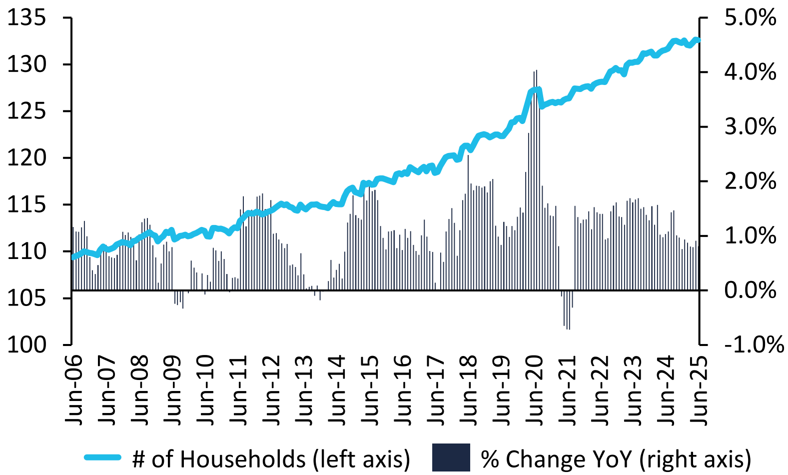


Source: US Department of Housing and Urban Development

- **Sep '25 housing starts data has not been reported by the Census Bureau due to the government shutdown**
- Case Shiller 20-City Index(1) declined MoM for the fifth consecutive month
  - YoY growth slowed further, reaching the lowest level in two years, in-line with consensus
  - Slowing price gains, combined with lower mortgage rates, might facilitate more deals

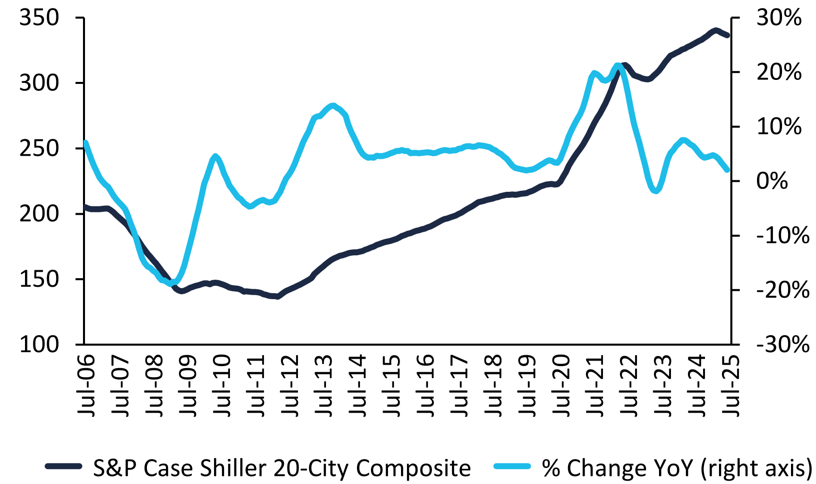
HOUSEHOLD FORMATION

(in millions)



Source: US Census Bureau

HOUSING PRICES (SEASONALLY ADJUSTED)



Source: S&P Global Market Intelligence

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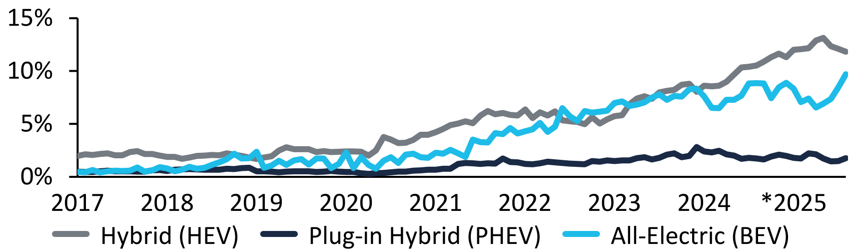
(1) S&P CoreLogic Case-Shiller 20-City Composite Home Price Index, Seasonally Adjusted

AUTO SALES AND PRODUCTION

- **Sep '25 Auto Sales were not reported by the BEA due to the government shutdown**
- J.D. Power forecasted new-vehicle sales to inch up both MoM and YoY, largely driven by inflated demand for electric vehicles
  - EV retail share is expected to reach a record high of 12.2% for September, the final month with an active federal EV credit
- Reduced incentives YoY are helping manufacturers preserve profitability amid tariff pressures

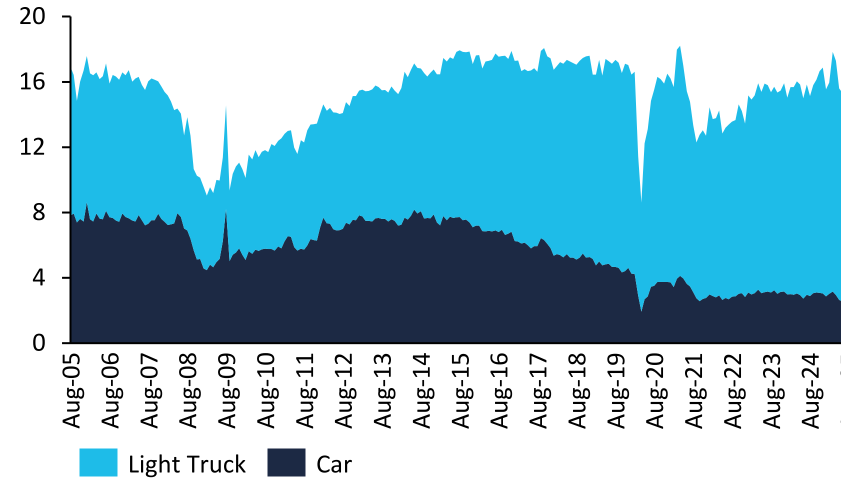
EV'S AS % OF US AUTO SALES



Source: Argonne National Laboratory, Bureau of Economic Analysis *Through August 31, 2025

US LIGHT VEHICLE SALES (SAAR)

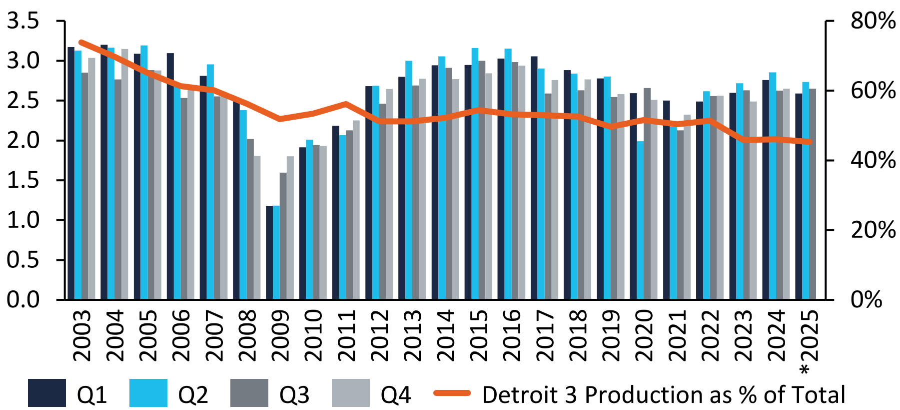
(in millions)



Source: Bureau of Economic Analysis

US AUTO PRODUCTION

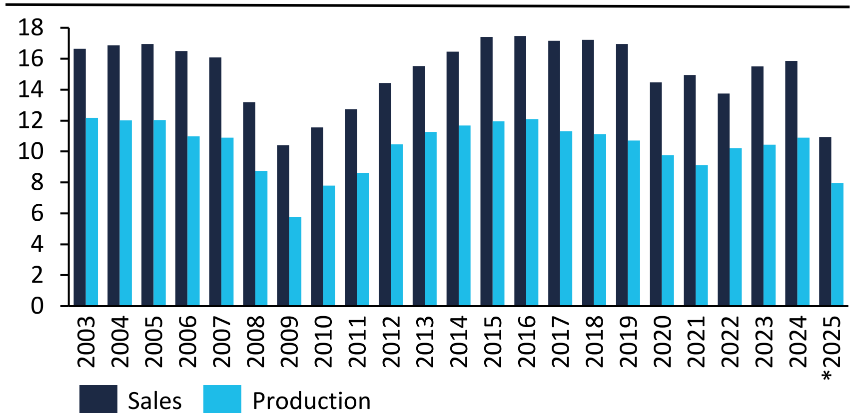
(in millions)



*Through September 30, 2025
Source: Automotive News

US AUTO SALES AND PRODUCTION

(in millions)

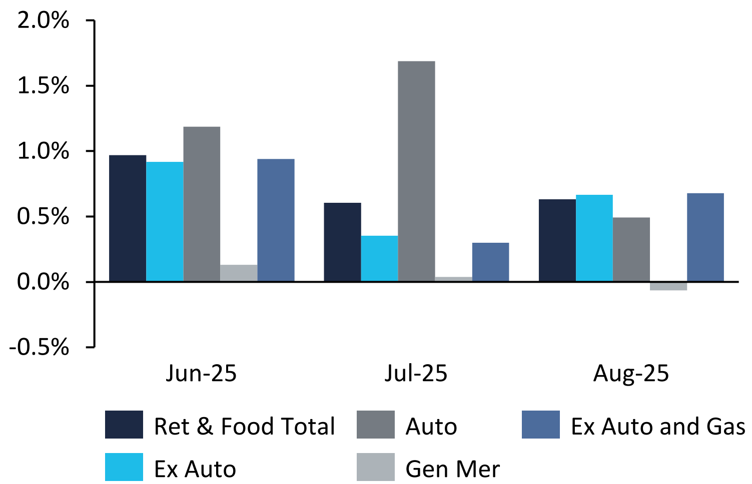


*Production through September 30, 2025 and Sales through August 31, 2025
Source: Bureau of Economic Analysis, Automotive News

RETAIL SALES

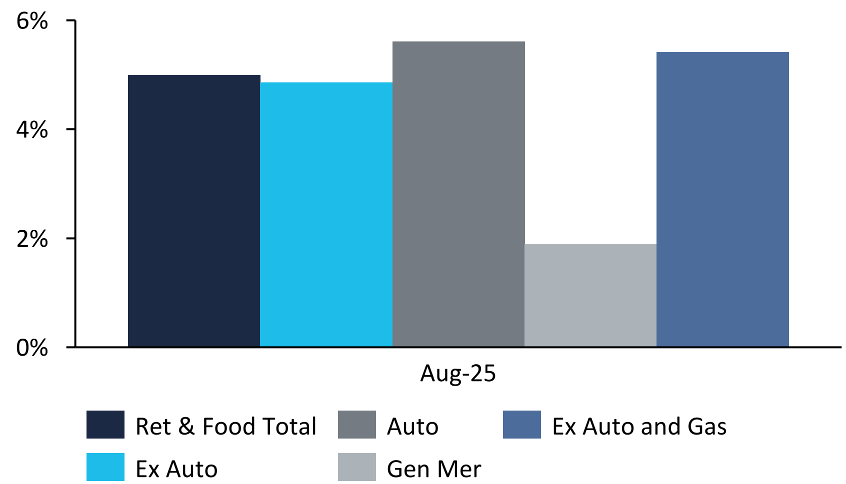
- **Sep ’25 retail sales data has not been reported by the Census Bureau due to the government shutdown**
  - Alternative sources point to higher prices driving growth
- According to the Chicago Fed, Sep ’25 retail sales excluding autos increased, but at a slower rate than in Aug ’25, in-line with most expectations
- Data from fintech company Fiserv's SpendTrend showed that retail sales increased 2.5% YoY
  - Electronics / appliance stores and general merchandise outlets experienced large gains, but sales fell for nonstore retailers, health / personal care, and home furnishing retailers
  - National Retail Federation reports sales excluding restaurants, autos, and fuel rising 5.7% YoY
- A report from data provider Circana points to lower consumer purchasing power as reduced unit sales and higher prices offset

RETAIL AND FOOD SERVICES SALES (% CHANGE MOM)



Source: US Census Bureau

RETAIL AND FOOD SERVICES SALES (% CHANGE YOY)



Source: US Census Bureau

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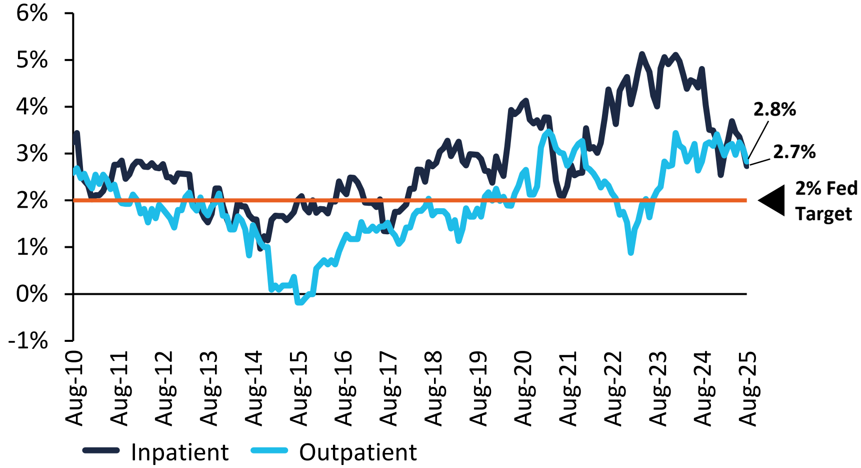
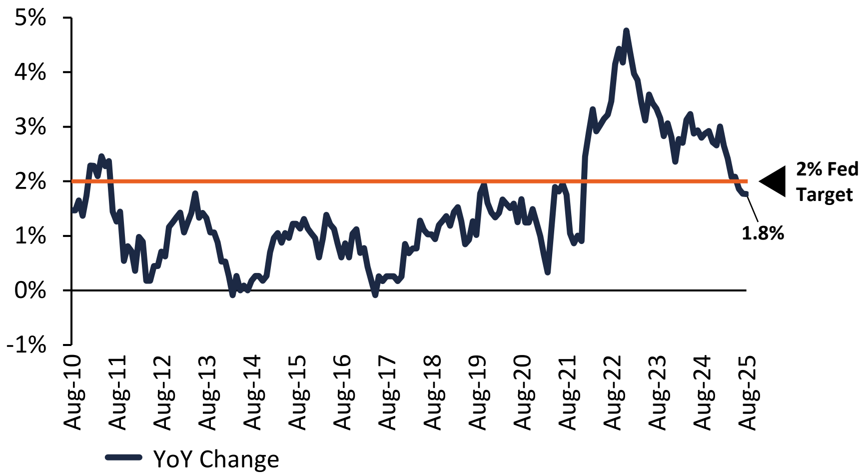
INPATIENT VS OUTPATIENT PPI (% CHANGE YOY)



Source: Bureau of Labor Statistics

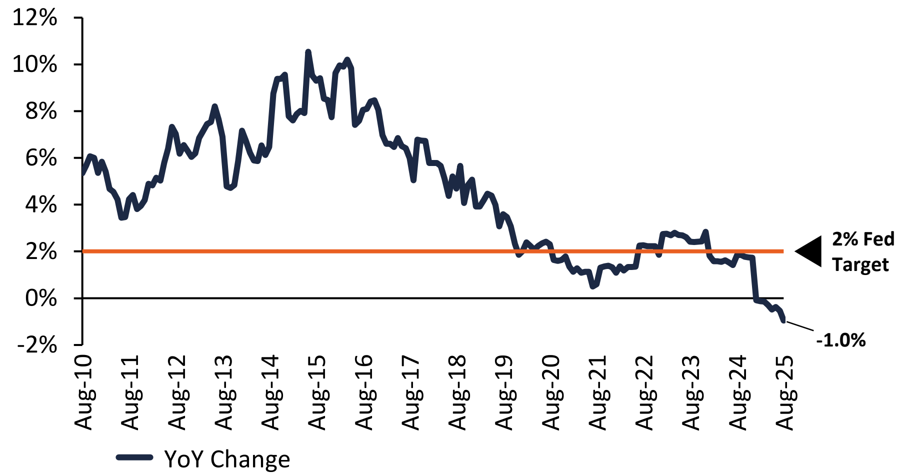
- **Sep '25 PPI data has not been reported by the BLS due to the government shutdown**

MEDICAL EQUIPMENT / SUPPLIES PPI (% CHANGE YOY)



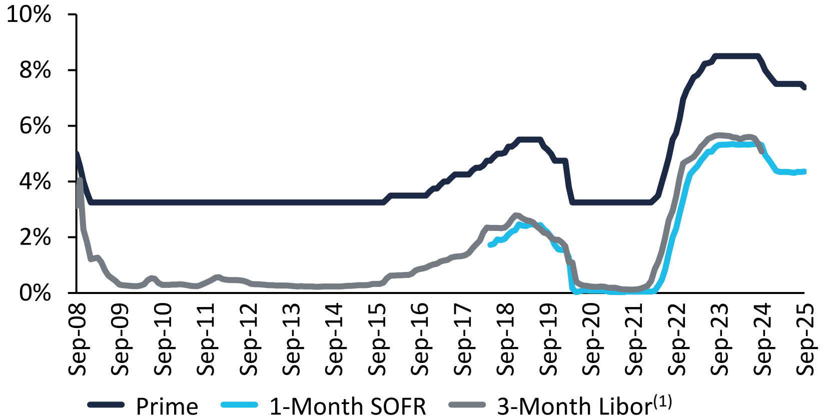
Source: Bureau of Labor Statistics

PHARMACEUTICAL AND MEDICINE PPI (% CHANGE YOY)



Source: Bureau of Labor Statistics

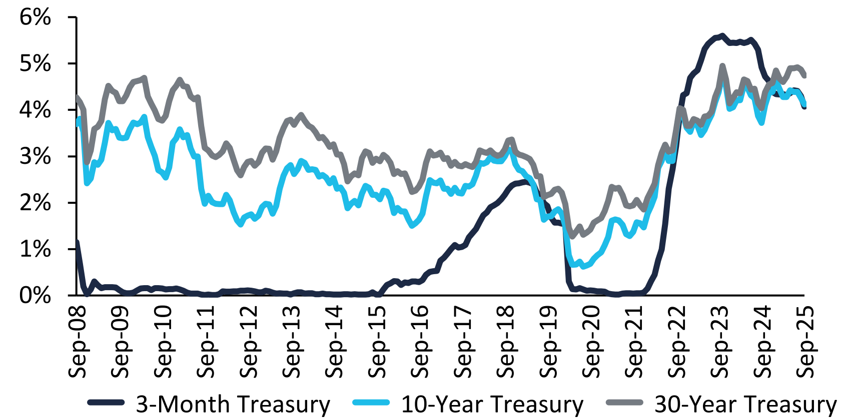
INTEREST RATES



Source: Federal Reserve, Bloomberg Finance L.P.

- At the September meeting, Fed officials cut rates by 25 bps to 4.00% - 4.25%, in-line with expectations
  - Newly-installed governor dissented, preferring a 50 bps cut
- According to the meeting minutes, a few participants considered no change in rates, and thought there was "merit in keeping the federal funds rate unchanged"
  - These participants also noted a stalling toward the committee's inflation goals
- Participants generally expected that going forward, labor market conditions "would be little changed or would soften modestly"
- Most participants deemed it appropriate to cut rates further through 2025

TREASURY YIELDS



Source: Federal Reserve, Federal Reserve Bank of St. Louis

				CHANGE FROM	
	SEP-25	AUG-25	SEP-24	PRIOR MON.	YEAR AGO
Prime	7.38%	7.50%	8.30%	-0.12%	-0.92%
1-Month SOFR	4.36%	4.34%	5.31%	0.02%	-0.95%
3-Month Treasury	4.07%	4.30%	4.92%	-0.23%	-0.85%
10-Yr Treasury	4.12%	4.26%	3.72%	-0.14%	0.40%
30-Yr Treasury	4.74%	4.87%	4.04%	-0.13%	0.70%

Note: Rates shown as monthly average rates
Source: Federal Reserve, Federal Reserve Bank of St. Louis, Bloomberg Finance L.P.

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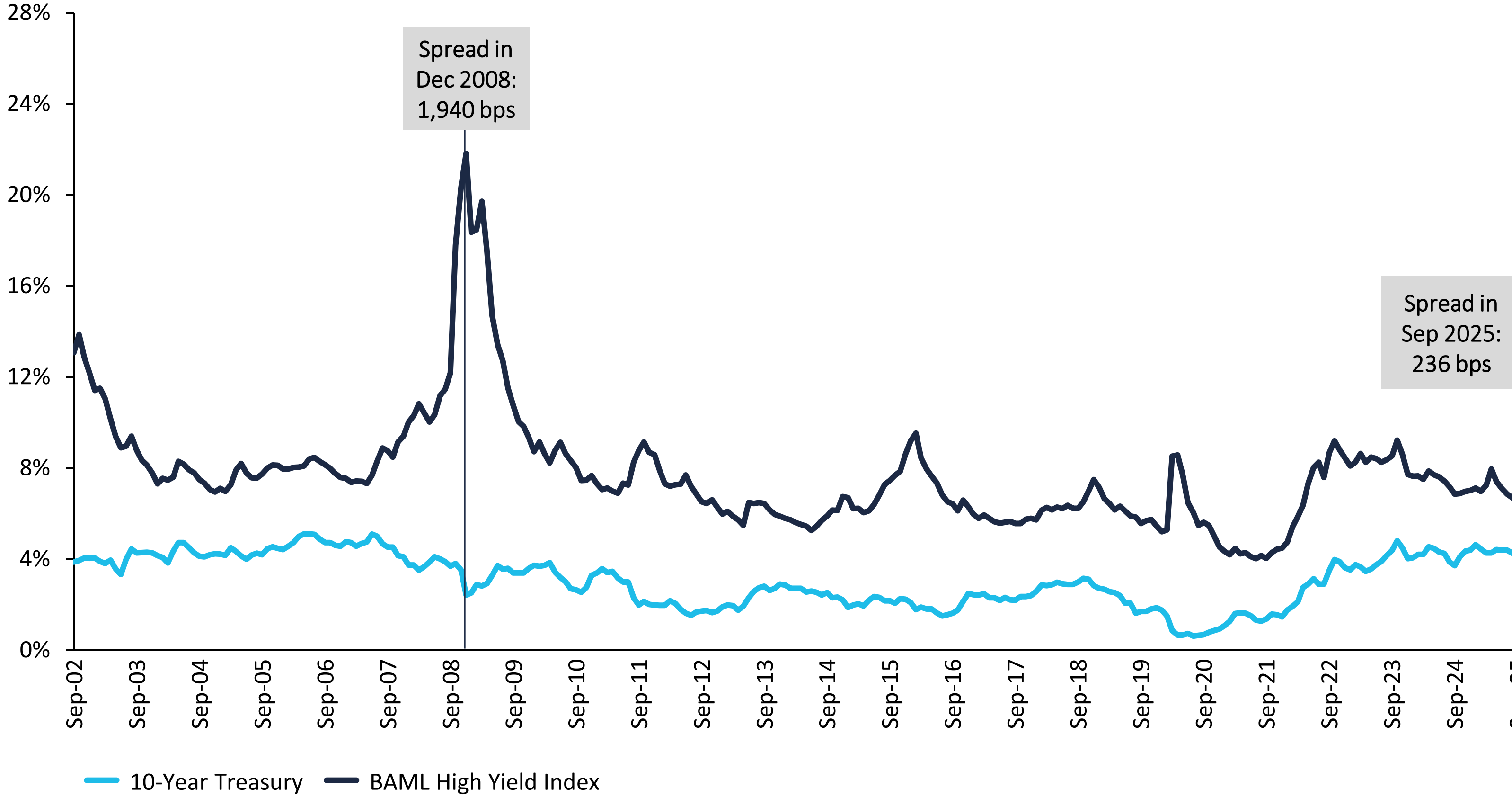
(1) LIBOR rates are no longer published as of September 30, 2024

HIGH YIELD INDEX

- The High Yield vs. 10-Year Treasury spread contracted further in Sep '25 to the lowest level recorded

HIGH YIELD VS. 10-YEAR TREASURY



Source: Federal Reserve Bank of St. Louis

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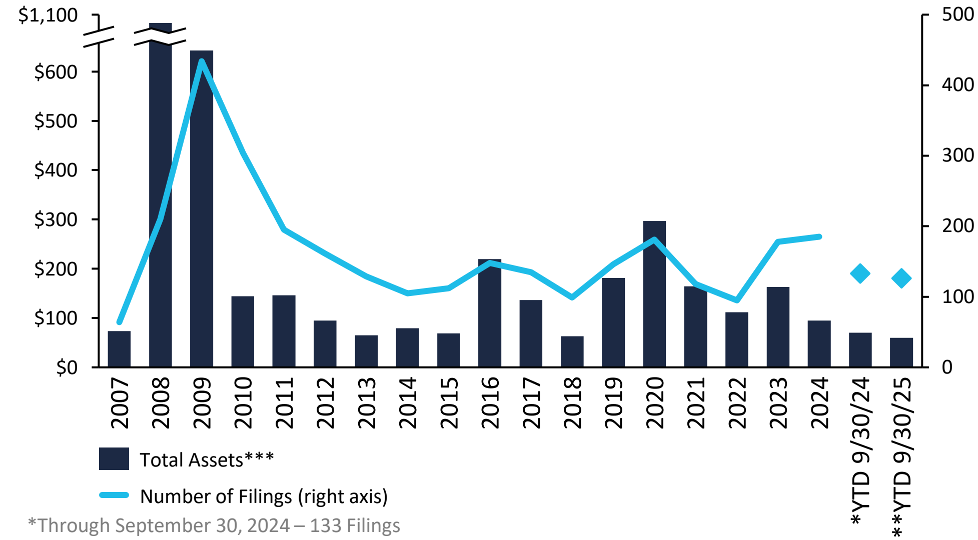
BANKRUPTCIES

US BANKRUPTCY FILINGS WITH ASSETS > $50 MILLION BY INDUSTRY					
			YTD	YTD	TOTAL
INDUSTRY	SEP-25	AUG-25	SEP-25	SEP-24	2024
Consumer / Household Prods	3	2	14	12	14
Construction	2	-	3	4	7
Real Estate	1	3	24	30	36
Healthcare	1	2	11	16	22
Automotive	1	-	8	2	8
Technology	1	-	4	10	13
Chemicals	1	-	3	-	-
Energy / Coal	-	3	18	10	16
Food	-	1	4	6	9
Media	-	1	3	2	2
Transportation	-	1	3	8	13
Manufacturing	-	1	2	4	5
Metals	-	1	1	2	2
Financial Services	-	-	8	5	10
Services	-	-	5	4	5
Telecommunication	-	-	6	2	4
Agriculture	-	-	3	1	1
Retail	-	-	1	6	9
Leisure	-	-	1	1	3
Education			4	2	3
Non Profit Organizations	-	-	-	3	3
Advisory	-	-	-	3	-
Business Communication	-	-	-	-	-
Government	-	-	-	-	-
Internet	-	-	-	-	-
Research and Development	-	-	-	-	-
Textiles	-	-	-	-	-
Total	10	15	126	133	185

Source: The Deal®, S&P Global Market Intelligence

US BANKRUPTCIES WITH ASSETS > $50M

(USD in billions)



*Through September 30, 2024 – 133 Filings
**Through September 30, 2025 – 126 Filings
***As reported by The Deal and S&P Global Market Intelligence - may be understated due to the lack of reporting for certain companies and ranges of values provided for others
Source: The Deal®, S&P Global Market Intelligence

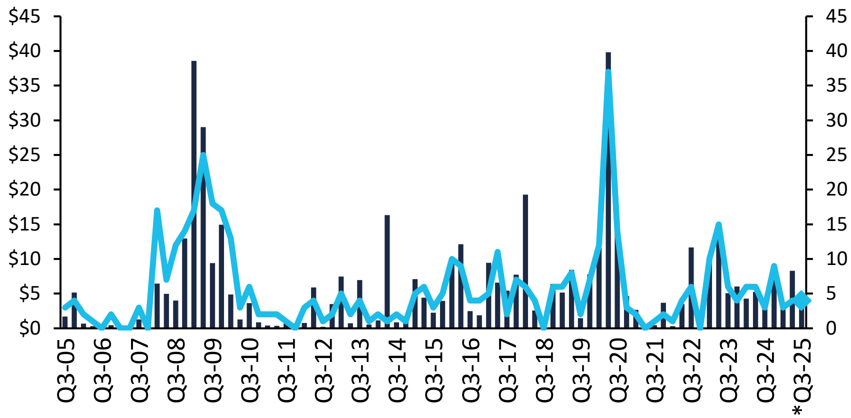
10 LARGEST CHAPTER 11 FILINGS IN SEPTEMBER 2025*					
	FILING	ASSETS	LIABILITIES		
COMPANY	DATE	($ IN M)	($ IN M)	COURT	INDUSTRY
Anthology Inc.	9/29/2025	$ 1,000	$ 1,000	SDTX	Technology
First Brands Group, LLC	9/28/2025	1,000	1,000	SDTX	Automotive
Pinstripes Holdings, Inc.	9/8/2025	163	259	DE	Consumer Products
Omnicare LLC	9/22/2025	100	1,000	NDTX	Healthcare
Thrill Holdings LLC	9/29/2025	100	100	NV	Consumer Products
Worldwide Machinery Group, Inc.	9/11/2025	100	100	SDTX	Construction
US Magnesium LLC	9/10/2025	100	100	DE	Chemicals
Vankirk Electric Inc.	9/19/2025	50	50	MDGA	Construction
7 at Blue Lagoon (1) LLC	9/26/2025	50	10	SDFL	Real Estate
SPAC Recovery Co	9/26/2025	50	1	SDNY	Consumer Products

* By assets reported by The Deal and S&P Global Market Intelligence
Source: The Deal®, S&P Global Market Intelligence

PAYMENT DEFAULTS AND LMES[1]

INSTITUTIONAL LOAN DEFAULTS

(USD in billions)



Loan Volume   Number of Defaults (right axis)

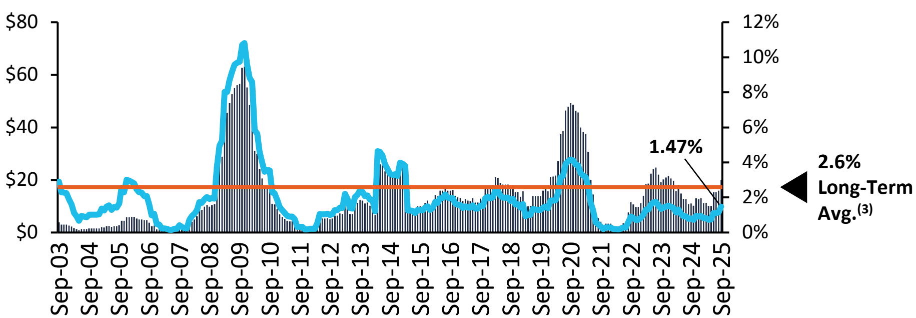
*Through September 30, 2025
Source: PitchBook | LCD

- 11 defaults YTD through Sep '25 ($15.8B in volume) vs. 15 defaults YTD through Sep '24 ($12.5B in volume)
- With 2 new defaults in the Index[2] and 1 default rolling off the TTM calculation, the default rate:
  - By principal amount jumped to 1.47%
  - By number of issuers rose to 1.47%

  } Highest since Jan '24
- The distress ratio of loans priced below 80 eased
- The three-month rolling downgrade-to-upgrade ratio improved to the best level since Apr '24

DEFAULTS BY PRINCIPAL AMOUNT

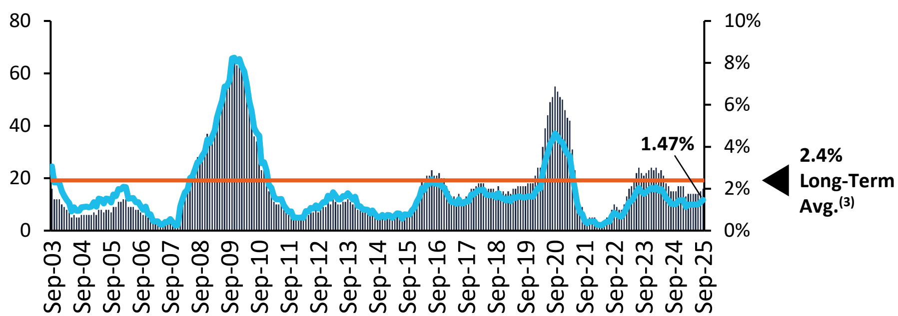
(USD in billions)



Rolling 12-months Principal Amount to Default
Lagging 12-months Default Rate By Principal Amount

Default rate is calculated as the amount defaulted over the last twelve months divided by the amount outstanding at the beginning of the twelve-month period
Source: PitchBook | LCD; Morningstar LSTA US Leveraged Loan Index

DEFAULTS BY NUMBER OF ISSUERS



Rolling 12-months Number of Defaults
Lagging 12-months Default Rate

Default rate is calculated as the number of defaults over the last twelve months divided by the number of issuers in the Index at the beginning of the twelve-month period
Source: PitchBook | LCD; Morningstar LSTA US Leveraged Loan Index

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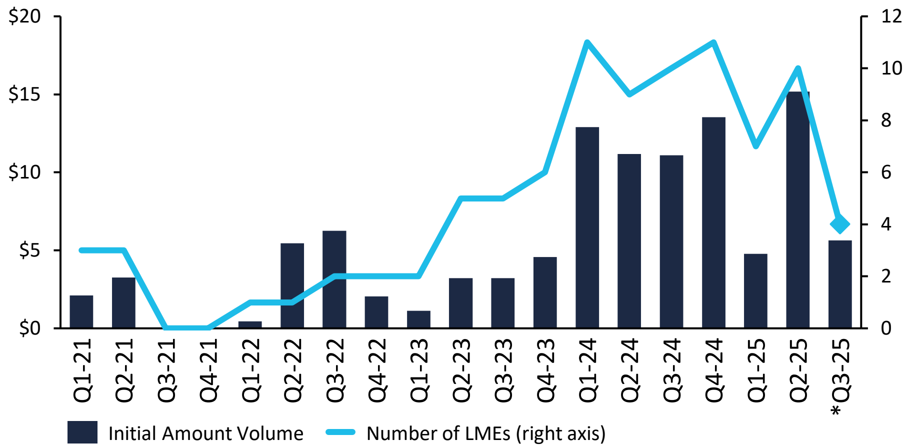
(1) Liability management exercise
(2) Morningstar LSTA US Leveraged Loan Index
(3) Since 1998

LMES

(USD in billions)

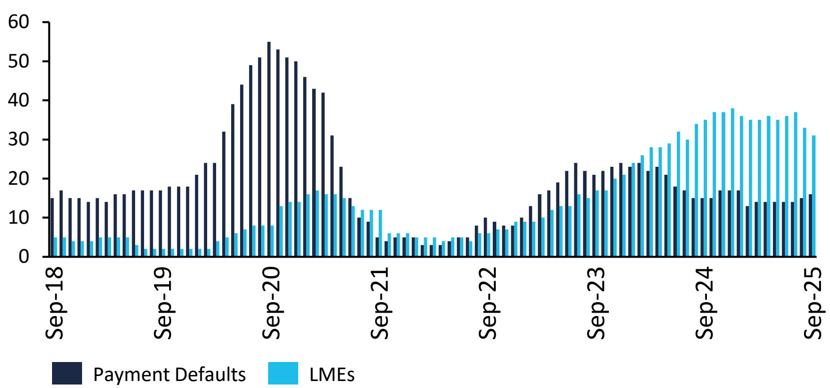


*Through September 30, 2025
Source: PitchBook | LCD

- 21 LMEs YTD through Sep '25 ($25.6B in volume) vs. 30 LMEs YTD through Sep '24 ($33.7B in volume)
- On a trailing 12-month basis, LMEs outpaced payment defaults 31 to 16 in September
  - LMEs outpaced defaults in every month since Jan '24
- The dual track default rate(1) by issuer count fell to 4.32%

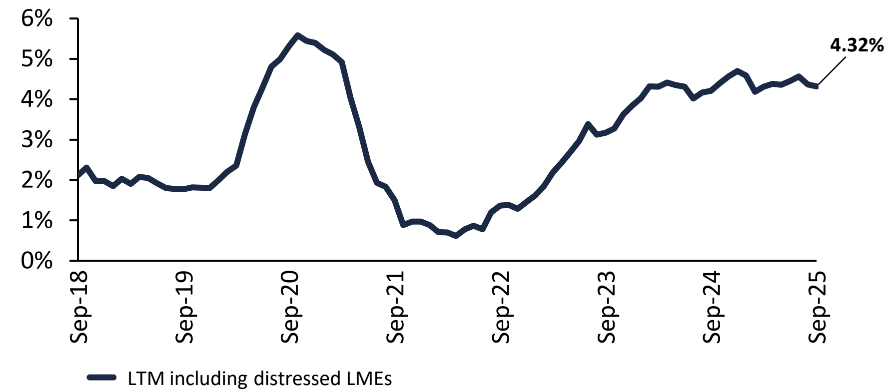
PAYMENT DEFAULTS VS LMES: TTM COUNT

(USD in billions)



Source: PitchBook | LCD

DUAL TRACK DEFAULT RATE BY ISSUER COUNT

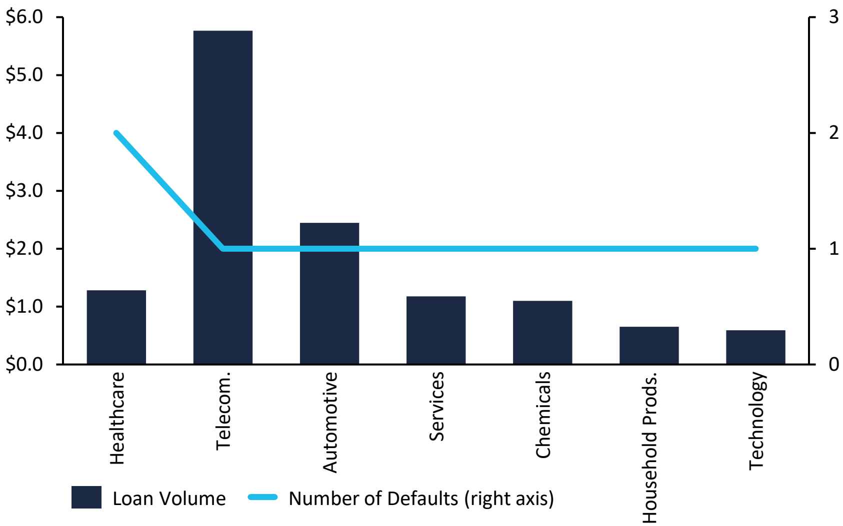


Source: PitchBook | LCD

(1) Includes distressed liability management transactions that prompted a downgrade to 'D' or 'SD'

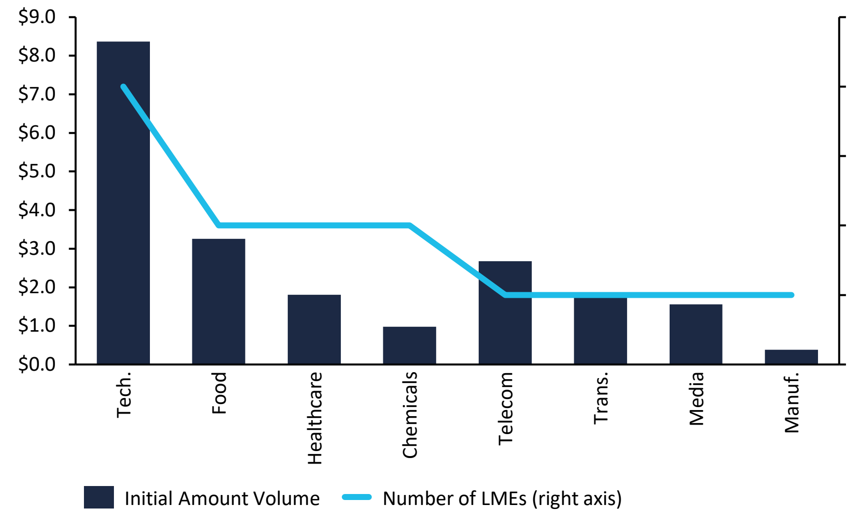
PAYMENT DEFAULTS AND LMES (CONT'D)

DEFAULTS BY INDUSTRY FOR PAST SIX MONTHS *(USD in billions)*



Source: PitchBook | LCD

LME BY INDUSTRY FOR PAST SIX MONTHS *(USD in billions)*



Source: PitchBook | LCD

- **There were 2 new institutional defaults and 1 new LME in Sep '25**

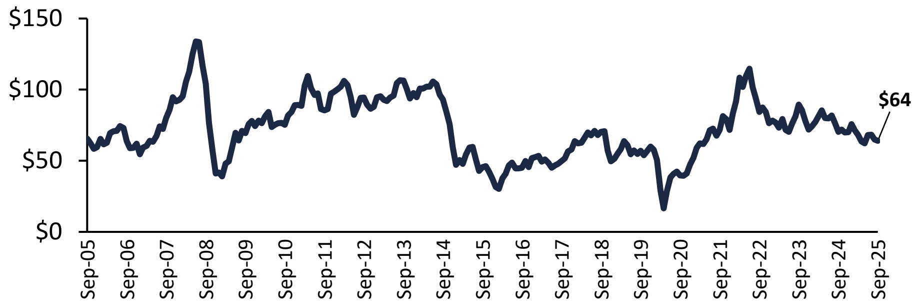
INSTITUTIONAL DEFAULTS IN THE PAST MONTH COMPANY	INDUSTRY	DEAL DATE	DEFAULT DATE	FILING DATE	INITIAL AMOUNT ($ IN MM)	INITIAL INST'L AMOUNT ($ IN MM)
First Brands	Automotive	3/30/21	9/29/25	9/29/25	$ 2,448.0	$ 2,448.0
Astra	Technology	4/19/24	9/30/25	9/29/25	590.0	340.0

LMES IN THE PAST MONTH COMPANY	INDUSTRY	DEAL DATE	LME DATE	INITIAL AMOUNT ($ IN MM)
Summit Behavioral Healthcare LLC	Healthcare	4/26/24	9/2/25	$ 796.0

COMMODITY PRICES

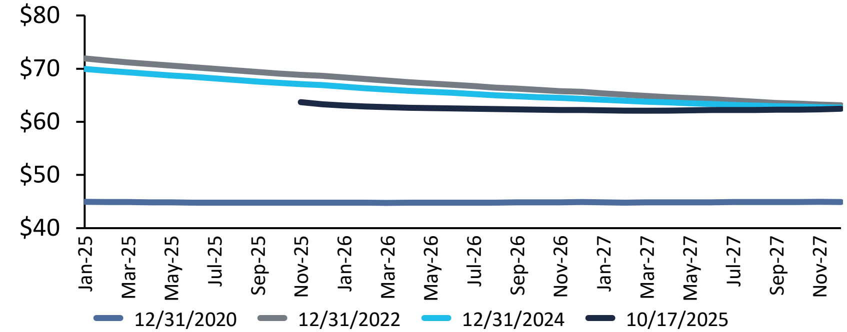
WTI CRUDE OIL PRICES[1]

(USD per barrel)



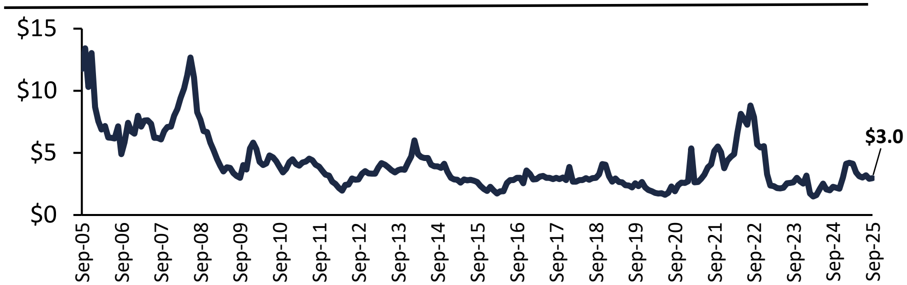
WTI CRUDE OIL FUTURES

(USD per barrel)



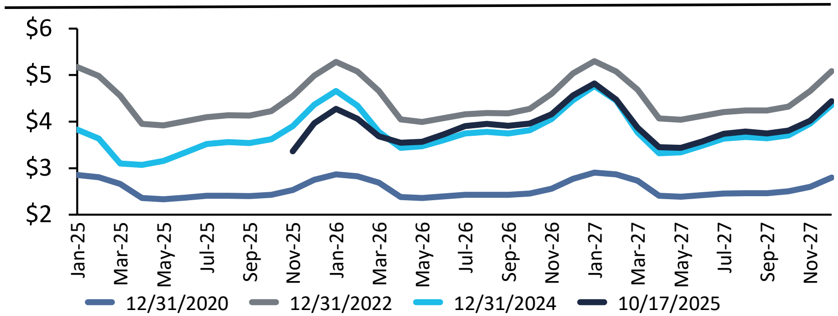
HENRY HUB NATURAL GAS PRICES[1]

(USD per MMBTU)



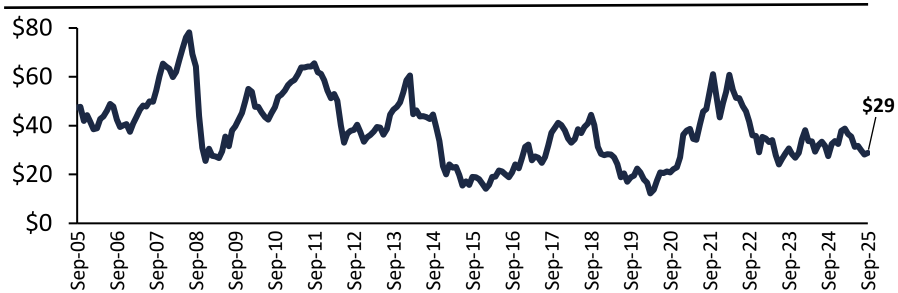
NYMEX NATURAL GAS FUTURES

(USD per MMBTU)



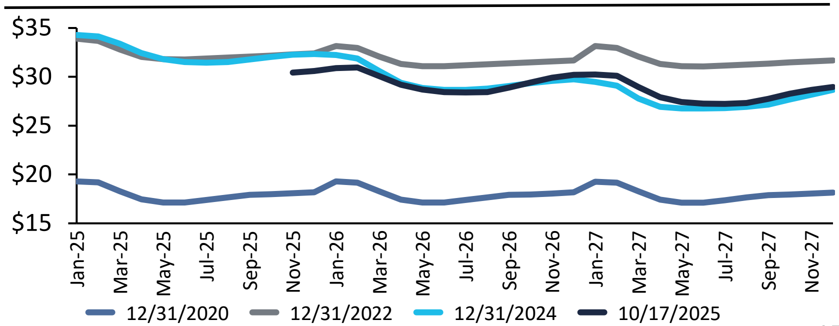
MONT BELVIEU NGL PRICES[1]

(USD per barrel)



MONT BELVIEU NGL FUTURES

(USD per barrel)



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Source: Bloomberg Finance L.P.

(1) Monthly Averages

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