

ISSUED ON SEPTEMBER 22, 2025

BRG CORPORATE FINANCE

Key Economic Data

August 2025

This report may not be reproduced or redistributed without the written consent of BRG



INTELLIGENCE THAT WORKS

DISCLAIMER

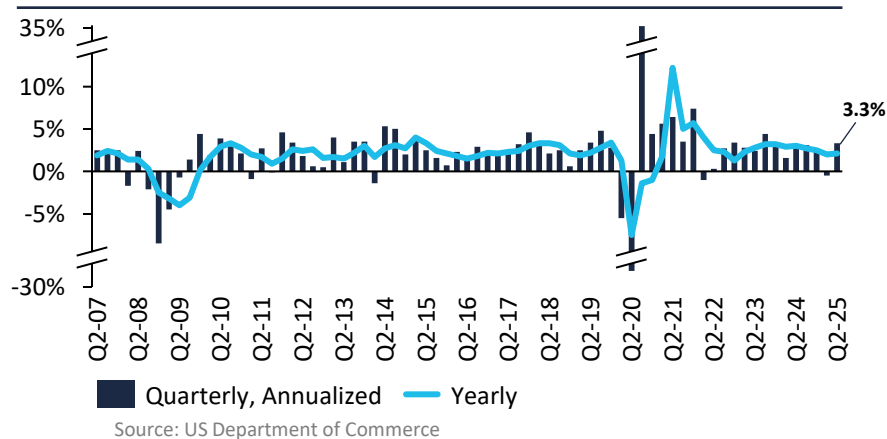
This report may not be reproduced or redistributed without the written consent of BRG. In no event shall any party be entitled to rely on this report for any purpose. The recipient will rely on its own analysis and review to make any business or other decision. Although reasonable and customary steps have been taken to generate an accurate report, BRG does not warrant or guarantee the accuracy, reliability, timeliness, or completeness of the information presented in this report and assumes no liability or responsibility for any error or omission in such content. The contents of this report are provided on a “for information only” basis. This report does not constitute or contain any legal opinion or advice, nor does it constitute or contain any fairness, investment, or accounting opinion or advice. BRG does not assume any responsibility, obligation, or liability to any party to which this report is disclosed or otherwise made available.

TABLE OF CONTENTS

1. GDP AND CONSUMER CONFIDENCE	4
2. INFLATION AND REAL EARNINGS	5
3. EMPLOYMENT	6
4. HOUSING	7
5. AUTO SALES AND PRODUCTION	8
6. RETAIL SALES	9
7. HEALTHCARE	10
8. INTEREST RATES	11
9. HIGH YIELD INDEX	12
10. BANKRUPTCIES	13
11. PAYMENT DEFAULTS AND LMES	14
12. COMMODITY PRICES	17

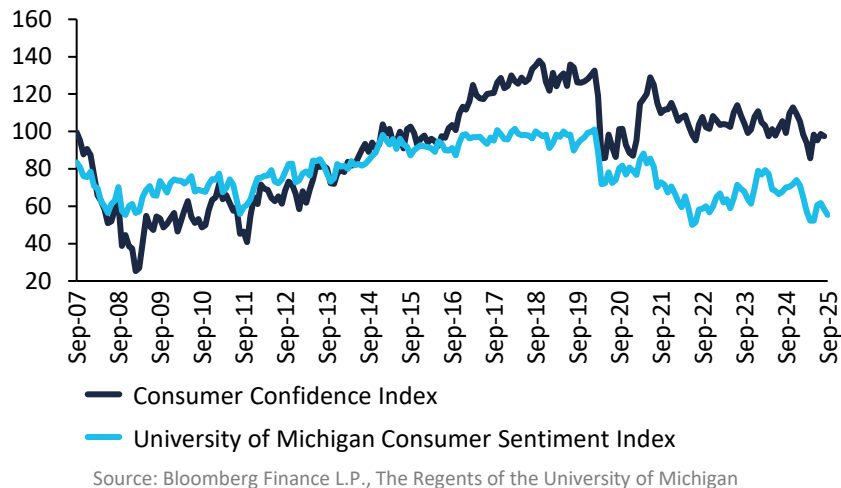
GDP AND CONSUMER CONFIDENCE

REAL GDP GROWTH



- Q2 '25 GDP was revised up in the second estimate, beating expectations
 - Consumer spending was revised up
 - Trade deficit narrowed slightly on lower imports and higher exports
 - Gross investment fell less than previously estimated
 - Government spending was revised down substantially, as federal, along with state and local were lowered
- Despite improved Q2 results, economists expect slowing growth for Q3

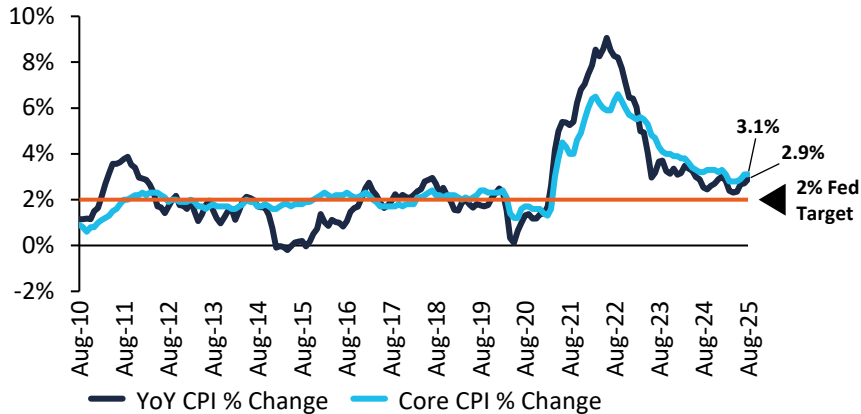
CONSUMER CONFIDENCE



- Consumer Confidence Index fell slightly, above consensus, after an upward revision to prior reading
 - Current and future assessments for employment / income worsened, while current and future assessments for business conditions improved
 - Confidence fell for consumers 35 years old and under, was unchanged for consumers aged 35 to 55, and rose for consumers over 55
- Consumer Sentiment Index⁽¹⁾ fell further in Sep '25, below consensus
 - Consumers see rising risks to business conditions, labor markets, and inflation
 - 1-year inflation expectations remained unchanged, while 5-year expectations worsened for the second consecutive month

INFLATION AND REAL EARNINGS

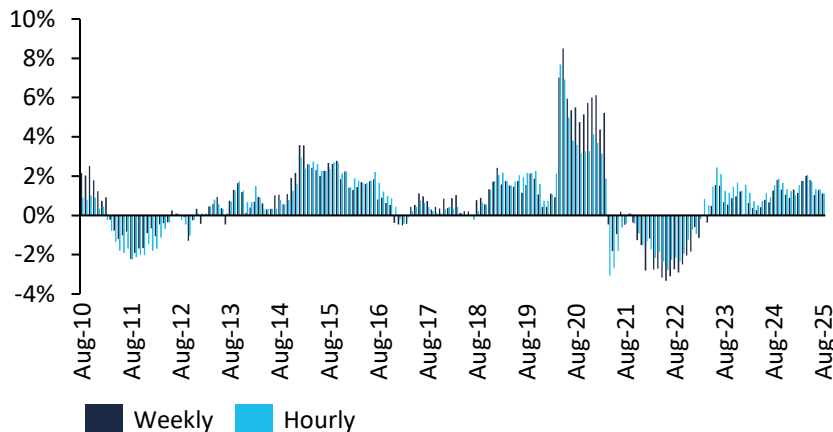
INFLATION (CPI % CHANGE YOY)



Source: Bureau of Labor Statistics

- US consumer price growth rose MoM, above consensus, and YoY, in-line with expectations; YoY rate is highest since Jan '25
 - Food price growth accelerated both MoM and YoY; all major grocery store food group indexes increased
 - Energy prices rebounded significantly both MoM and YoY as gasoline prices rose
- Core CPI growth remained unchanged MoM and YoY, in-line with consensus
- Prices in key consumer categories – such as shelter, energy, and groceries – all experienced accelerated price growth

YOY CHANGE IN REAL EARNINGS*



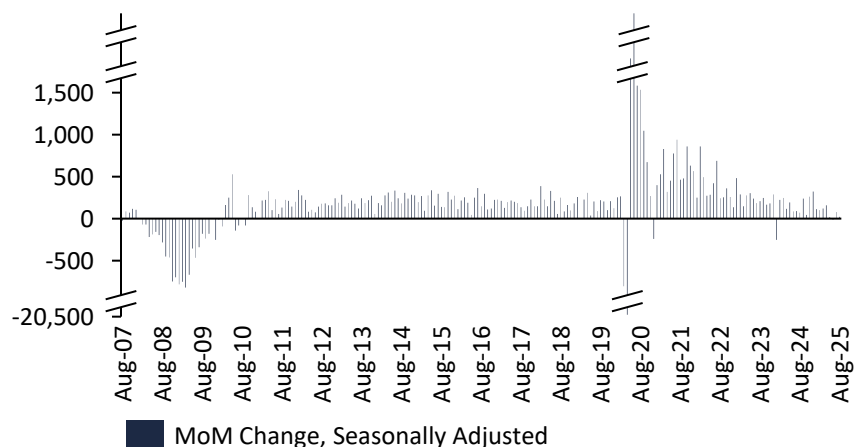
*For production and nonsupervisory employees
Source: Bureau of Labor Statistics

- Real average weekly earnings for production and nonsupervisory employees remained unchanged MoM
 - There was no change to the average workweek or real average hourly earnings
- YoY, real average weekly earnings growth eased

EMPLOYMENT

NONFARM PAYROLL EMPLOYMENT

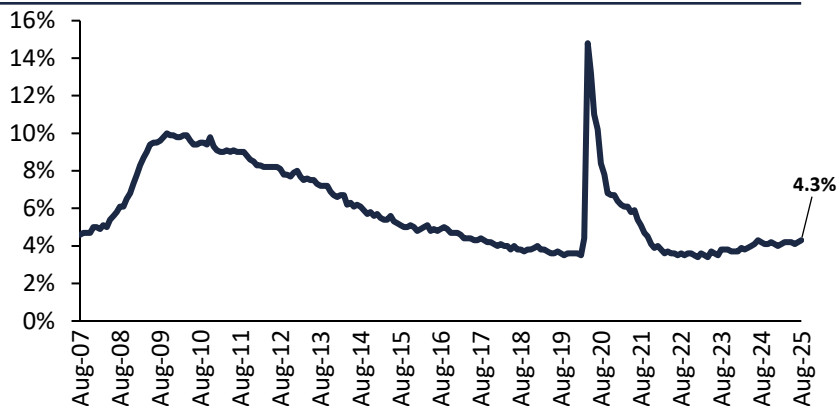
(in thousands)



Source: Bureau of Labor Statistics

- Aug '25 nonfarm payrolls growth weakened, well below consensus, after downward revisions to the prior two months
 - June results were downgraded to a decline
- Private sector payrolls slowed, well below expectations
 - Service provider growth eased as education and health services slowed, partially offset by growth to hospitality
 - Goods producer payrolls fell as manufacturing, mining, and construction all declined further
- Government payrolls fell, as federal and state payrolls declined, partially offset by slowing local

UNEMPLOYMENT RATE



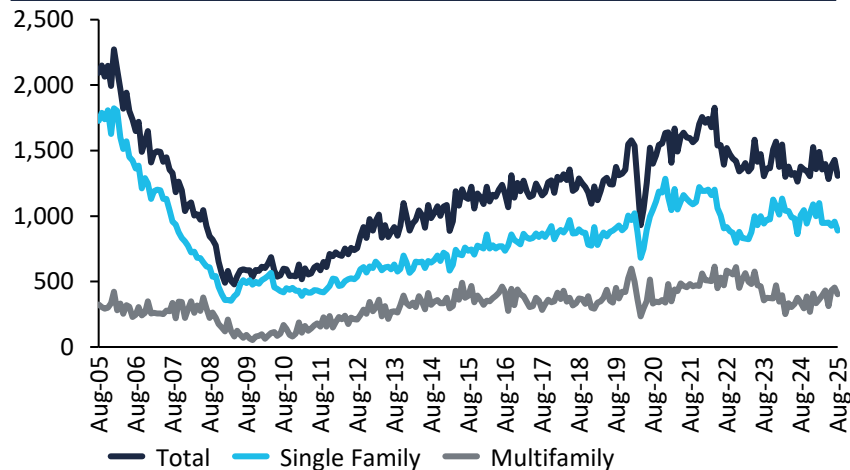
Source: Bureau of Labor Statistics

- The unemployment rate increased in Aug '25 to the highest level since Oct '21, in-line with expectations
- Participation rate ticked up to 62.3%

HOUSING

HOUSING STARTS (SAAR)

(in thousands)

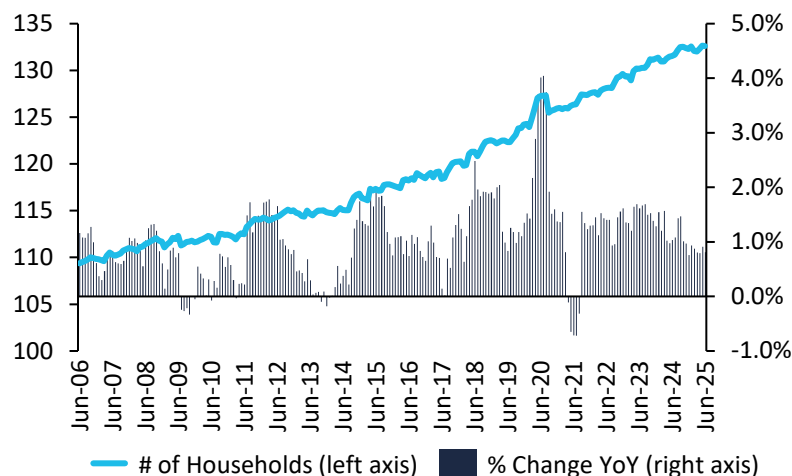


Source: US Department of Housing and Urban Development

- Housing Starts SAAR declined MoM to the lowest level since Nov '24, below consensus, and fell YoY
 - Single-family starts fell to the lowest level since Jul '24 amid poor affordability, skilled labor shortages, and competition from the supply of existing homes
 - Multi-family starts fell MoM, but rose YoY
- Case Shiller 20-City Index⁽¹⁾ declined MoM for the fourth consecutive month
 - YoY growth slowed on weak demand, reaching the lowest level in two years, below consensus
 - Home prices are now failing to keep up with broader inflation

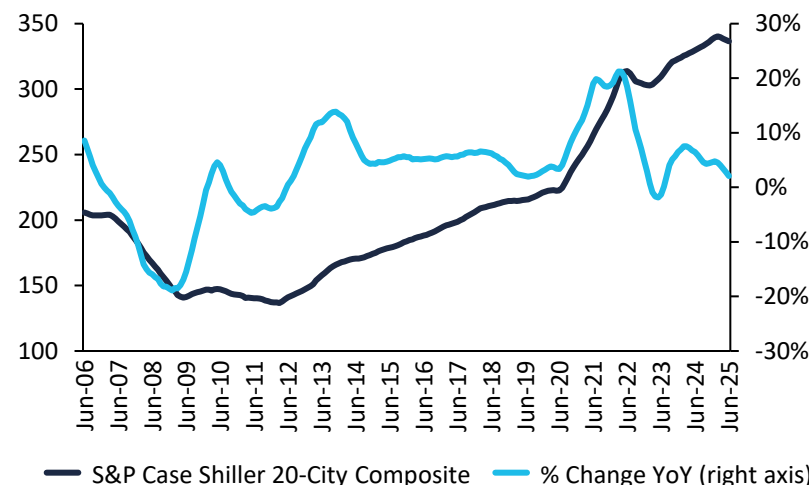
HOUSEHOLD FORMATION

(in millions)



Source: US Census Bureau

HOUSING PRICES (SEASONALLY ADJUSTED)

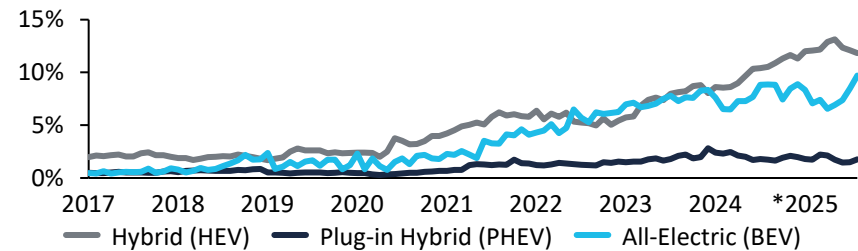


Source: S&P Global Market Intelligence

AUTO SALES AND PRODUCTION

- Aug '25 US Light-Vehicle Sales (SAAR) fell MoM, but remained slightly above consensus; unit sales increased both MoM and YoY as Labor Day weekend landed in August this year
- Tariffs are now adding an estimated average cost of \$4,275 per vehicle, but manufacturers have managed to keep price increases relatively restrained
- EV retail share reached a record high of 11.5% as the federal EV credit is set to expire by the end of September

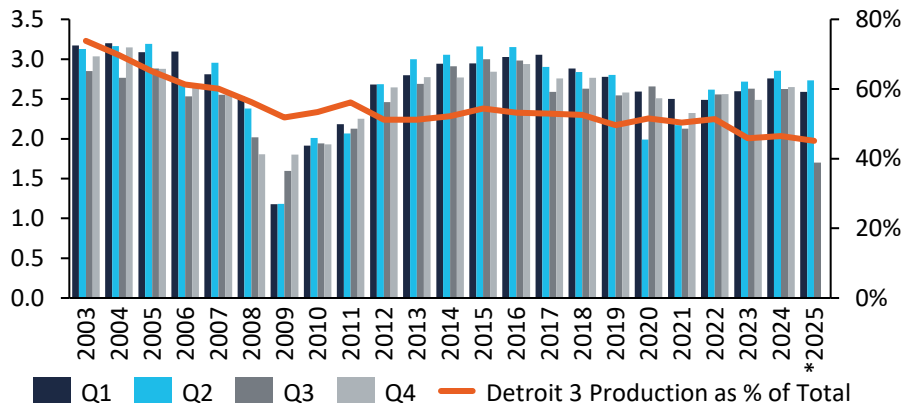
EV'S AS % OF US AUTO SALES



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

US AUTO PRODUCTION

(in millions)

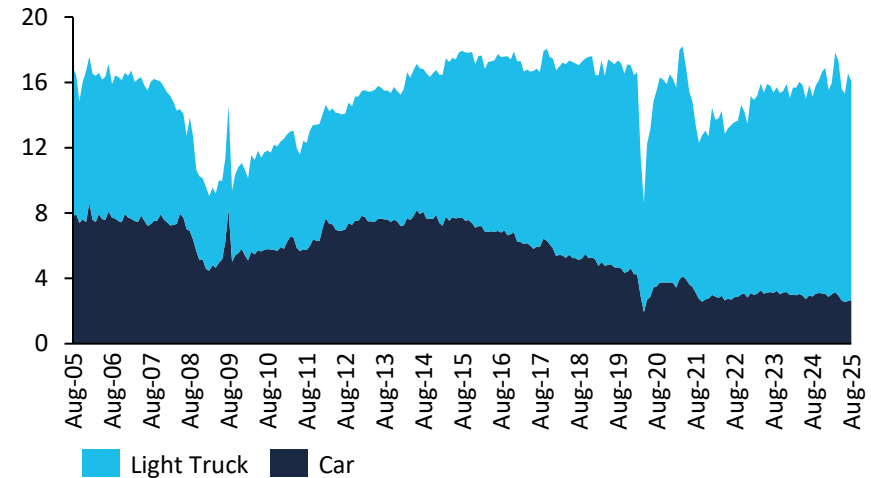


*Through August 31, 2025

Source: Automotive News

US LIGHT VEHICLE SALES (SAAR)

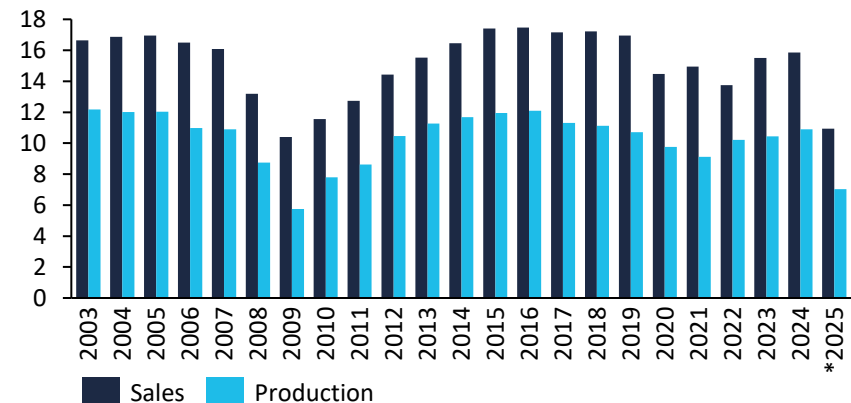
(in millions)



Source: Bureau of Economic Analysis

US AUTO SALES AND PRODUCTION

(in millions)



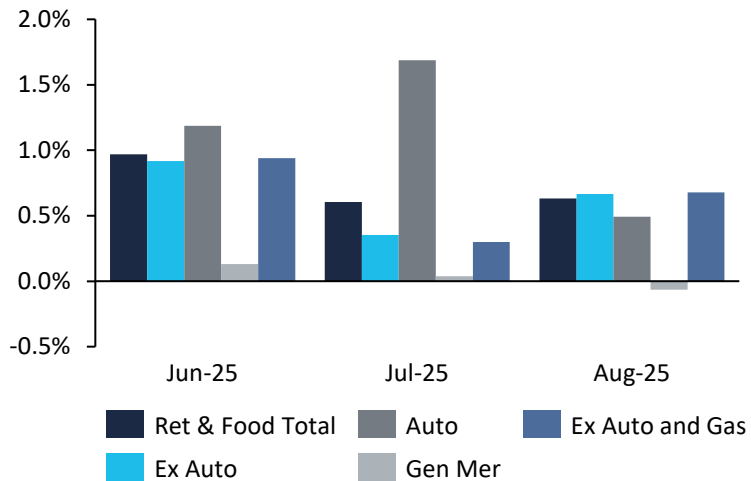
*Through August 31, 2025

Source: Bureau of Economic Analysis, Automotive News

RETAIL SALES

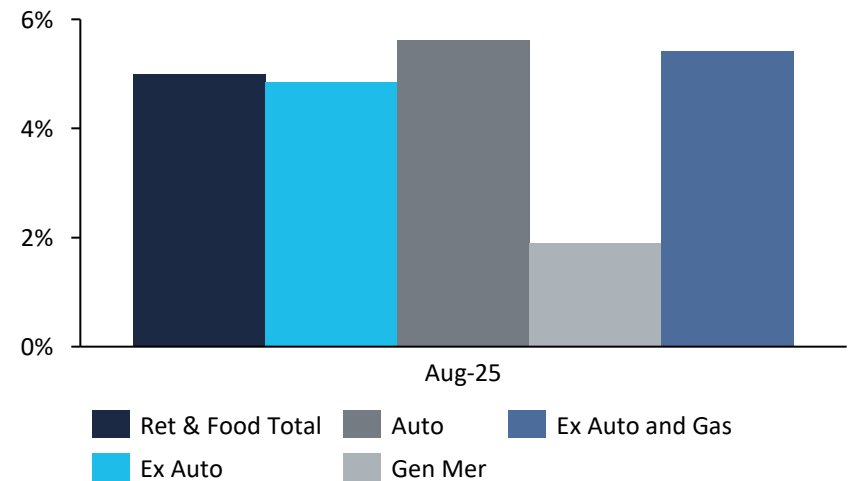
- US retail sales came in above expectations, improving slightly MoM in Aug '25, after an upward revision to Jul '25
 - Auto, the largest share of retail sales, grew slower than the month prior
 - The August gain was driven in part by back-to-school categories including clothing, sporting goods / book stores, and non-store retailers
- On a year-over-year basis, retail sales rose 5.0%
 - Excluding gas and auto, sales gained 5.4% YoY
 - Nonstore sales rose 10.1% YoY, while department store sales fell 1.0% YoY

RETAIL AND FOOD SERVICES SALES (% CHANGE MOM)



Source: US Census Bureau

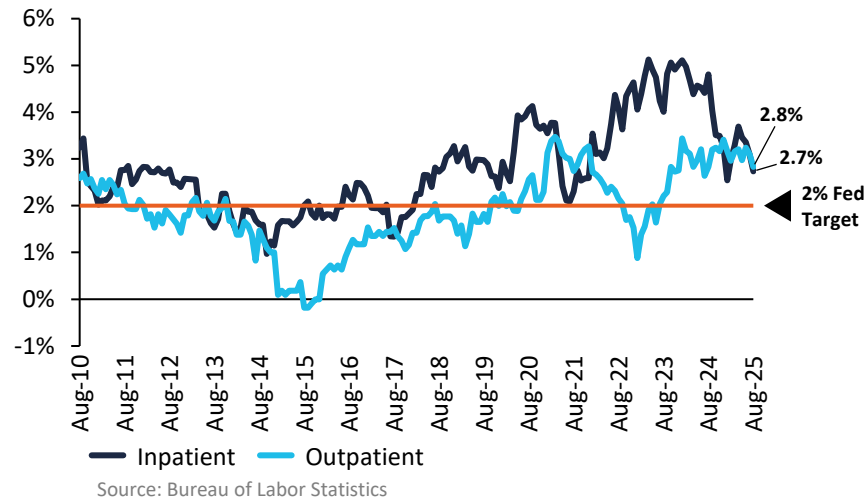
RETAIL AND FOOD SERVICES SALES (% CHANGE YOY)



Source: US Census Bureau

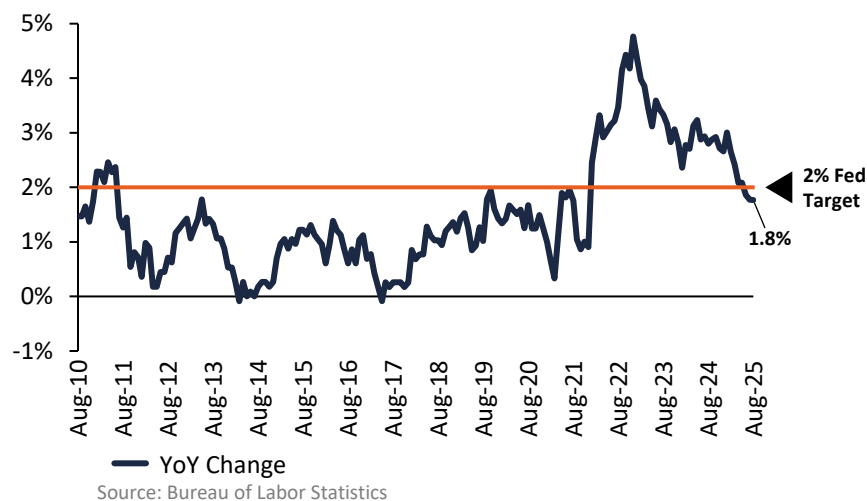
HEALTHCARE

INPATIENT VS OUTPATIENT PPI (% CHANGE YOY)

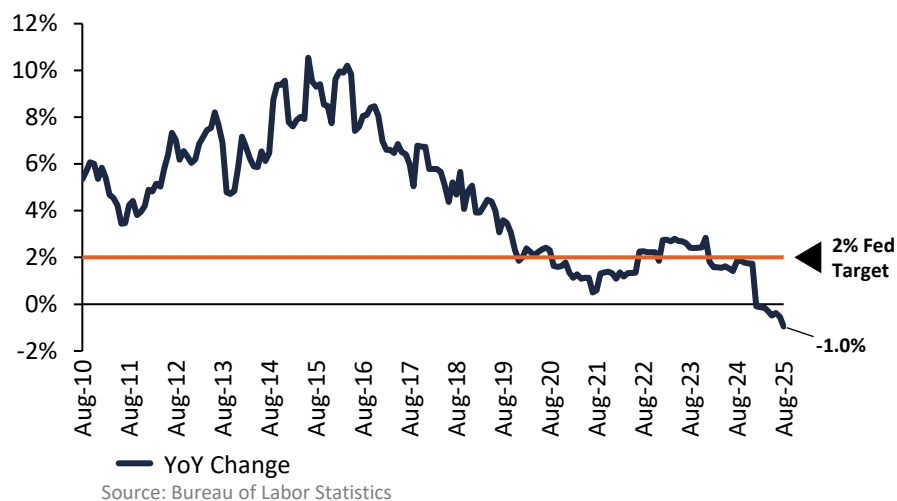


- In Aug '25, the PPI growth for inpatient care remained unchanged MoM, but eased YoY; 2025 growth remains significantly slower than in '23 and '24
 - Outpatient care price growth remained flat MoM, but eased YoY
- PPI growth for medical equipment and supplies rebounded slightly MoM, but remained unchanged YoY; equipment PPI growth has slowed by over one full percentage point since the beginning of 2025
- Pharmaceutical manufacturing PPI growth ticked down MoM and declined YoY to the lowest level on record, marking the 8th consecutive month of negative growth

MEDICAL EQUIPMENT / SUPPLIES PPI (% CHANGE YOY)

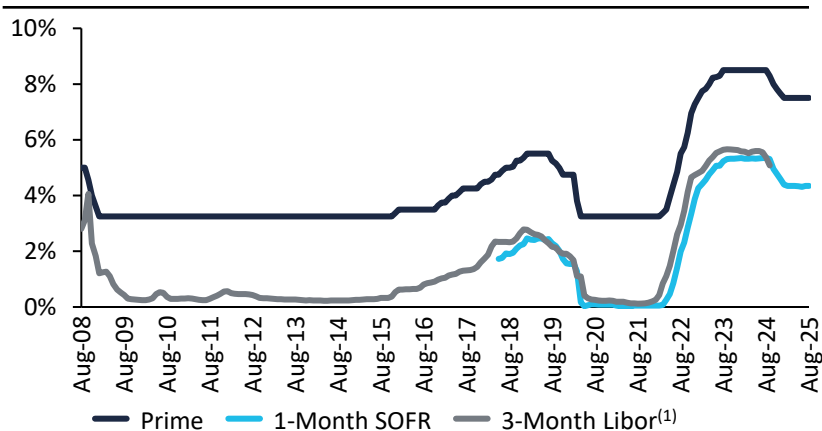


PHARMACEUTICAL AND MEDICINE PPI (% CHANGE YOY)



INTEREST RATES

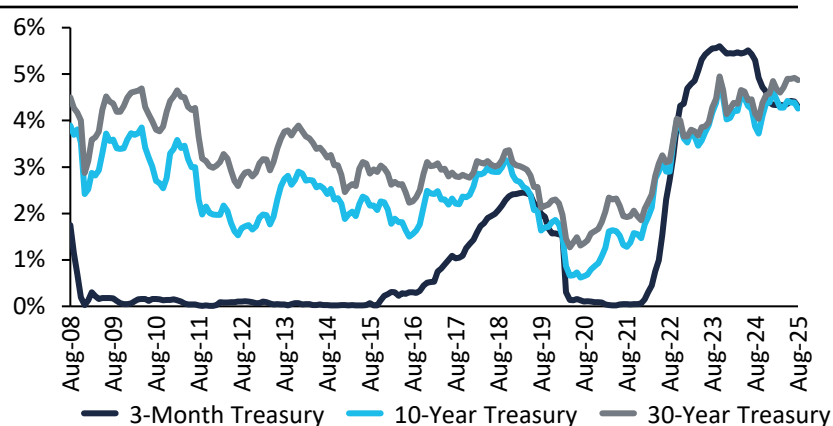
INTEREST RATES



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
- The Committee no longer described the labor market as “solid,” stating that job gains “have slowed,” while the unemployment rate has “edged up but remains low” and adding that “downside risks to employment have risen”
 - Inflation “has moved up and remains somewhat elevated”
- The Fed’s median forecasts to 2025, 2026, and 2027 GDP growth were revised up; the 2026 and 2027 unemployment rate forecasts were revised down slightly
 - The 2026 inflation forecast was revised up
- Two further rate cuts are expected by the end of 2025, with no further reductions expected in 2026

TREASURY YIELDS



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

	AUG-25	JUL-25	AUG-24	CHANGE FROM	
				PRIOR MON.	YEAR AGO
Prime	7.50%	7.50%	8.50%	0.00%	-1.00%
1-Month SOFR	4.34%	4.34%	5.35%	0.00%	-1.01%
3-Month Treasury	4.30%	4.41%	5.30%	-0.11%	-1.00%
10-Yr Treasury	4.26%	4.39%	3.87%	-0.13%	0.39%
30-Yr Treasury	4.87%	4.92%	4.15%	-0.05%	0.72%

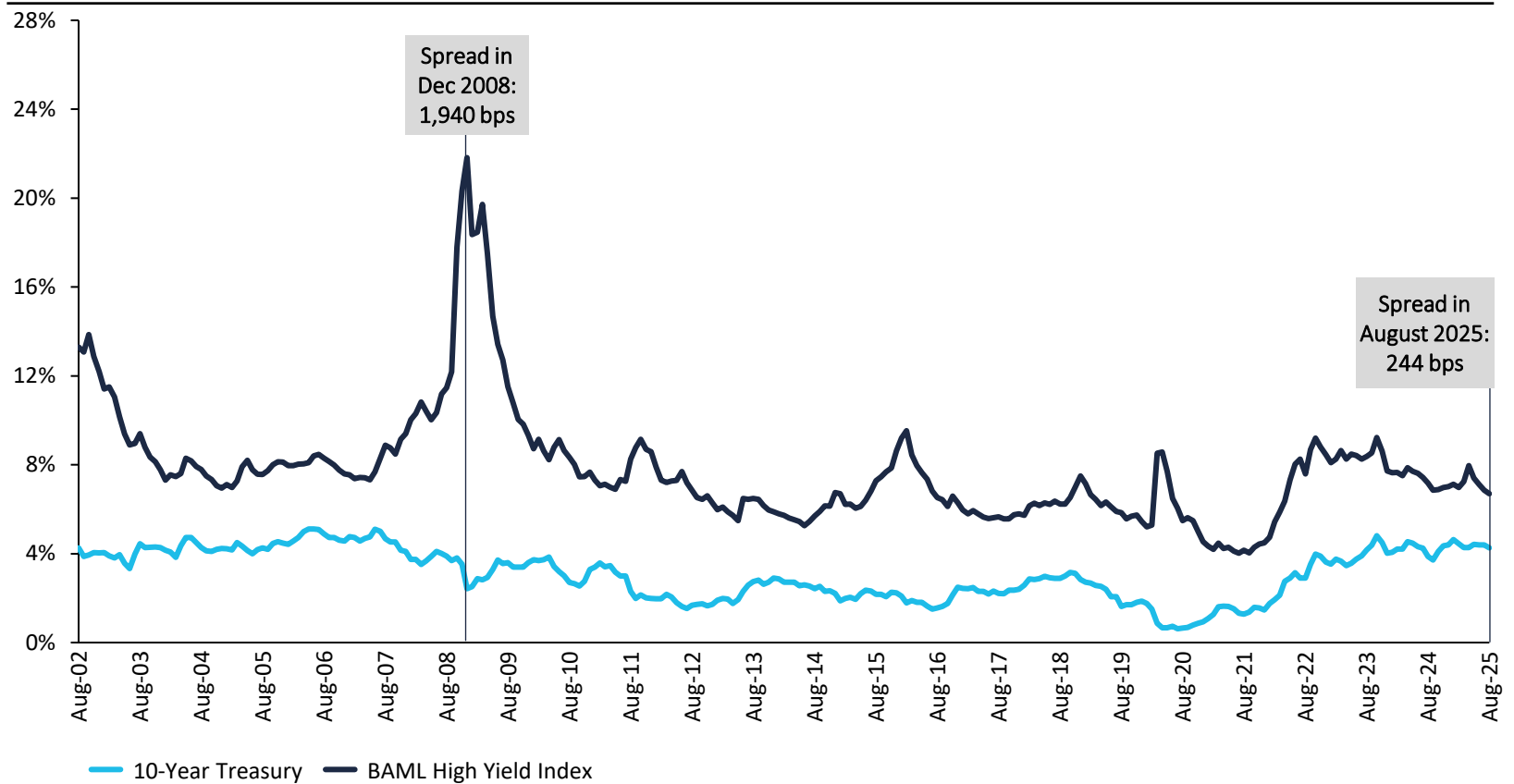
Note: Rates shown as monthly average rates

Source: Federal Reserve, Federal Reserve Bank of St. Louis, Bloomberg Finance L.P.

HIGH YIELD INDEX

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

HIGH YIELD VS. 10-YEAR TREASURY



Source: Federal Reserve Bank of St. Louis

BANKRUPTCIES

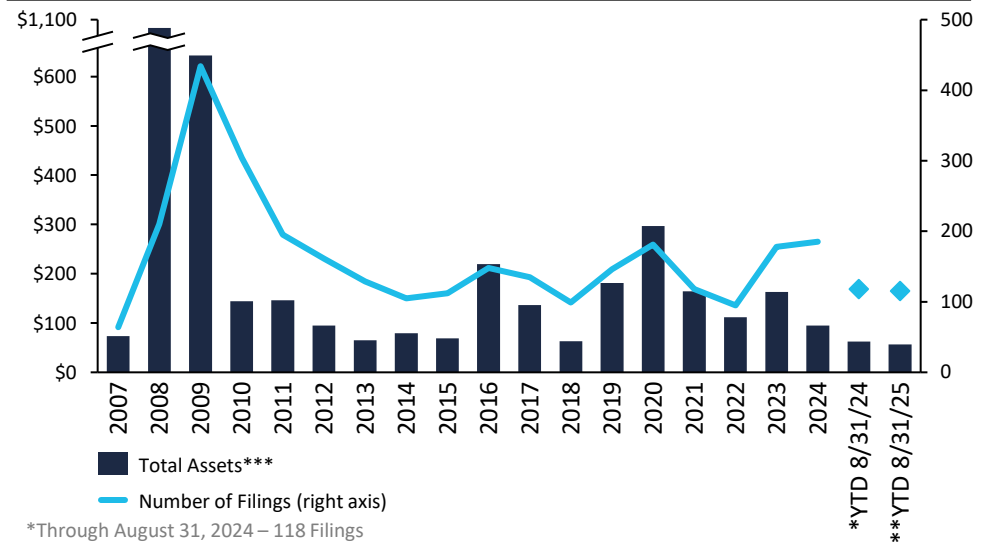
US BANKRUPTCY FILINGS WITH ASSETS > \$50 MILLION BY INDUSTRY

INDUSTRY	AUG-25	JUL-25	YTD AUG-25	YTD AUG-24	TOTAL 2024
Real Estate	3	4	23	26	36
Energy / Coal	3	1	18	10	16
Consumer / Household Prods	2	3	11	9	14
Healthcare	2	3	10	16	22
Media	1	2	3	2	2
Transportation	1	-	3	8	13
Food	1	-	4	4	9
Manufacturing	1	-	2	4	5
Metals	1	-	1	2	2
Financial Services	-	1	8	4	10
Services	-	1	5	4	5
Technology	-	1	3	10	13
Automotive	-	-	7	1	8
Telecommunication	-	-	6	2	4
Education	-	-	4	1	3
Agriculture	-	-	3	1	1
Chemicals	-	-	2	-	-
Retail	-	-	1	6	9
Construction	-	-	1	4	7
Leisure	-	-	1	1	3
Non Profit Organizations	-	-	-	3	3
Advisory	-	-	-	-	-
Business Communication	-	-	-	-	-
Government	-	-	-	-	-
Internet	-	-	-	-	-
Research and Development	-	-	-	-	-
Textiles	-	-	-	-	-
Total	15	16	116	118	185

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

US BANKRUPTCIES WITH ASSETS > \$50M

(USD in billions)



*Through August 31, 2024 – 118 Filings

**Through August 31, 2025 – 116 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 AUGUST 2025*

COMPANY	FILING DATE	ASSETS (\$ IN M)	LIABILITIES (\$ IN M)	COURT	INDUSTRY
Spirit Aviation Holdings Inc.	8/29/2025	\$ 1,000	\$ 1,000	SDNY	Transportation
ModivCare Inc.	8/20/2025	1,000	1,000	SDTX	Healthcare
Claire's Holdings LLC	8/6/2025	1,000	1,000	DE	Consumer Products
TPI Composites Inc. (Nasdaq:TPIC)	8/11/2025	592	1,077	SDTX	Manufacturing
Aleon Metals, LLC	8/17/2025	100	100	SDTX	Metals
Wohali Land Estates, LLC	8/8/2025	100	100	UT	Real Estate
AGDP Holding Inc.	8/4/2025	50	100	DE	Media
NLC Energy Denmark LLC	8/16/2025	50	100	EDWI	Energy
Bravo Brio Restaurants, LLC	8/18/2025	50	50	MDFL	Food
University Park Berkeley LLC	8/14/2025	50	50	CDCA	Real Estate

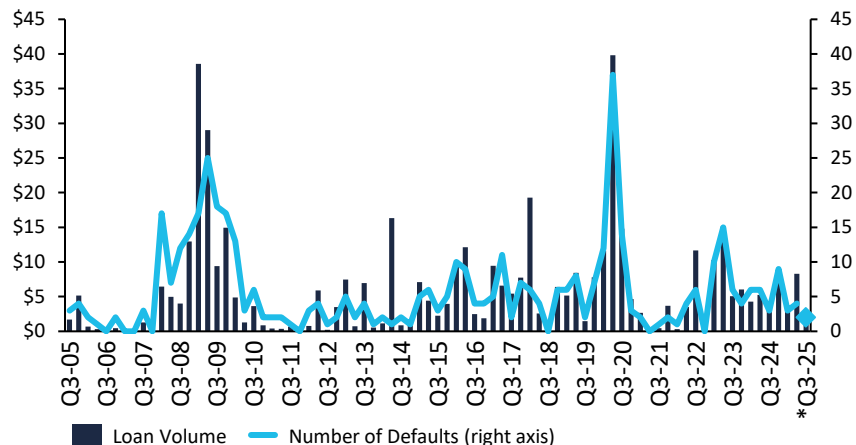
* By assets reported by The Deal and S&P Global Market Intelligence

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

PAYMENT DEFAULTS AND LMES⁽¹⁾

INSTITUTIONAL LOAN DEFAULTS

(USD in billions)



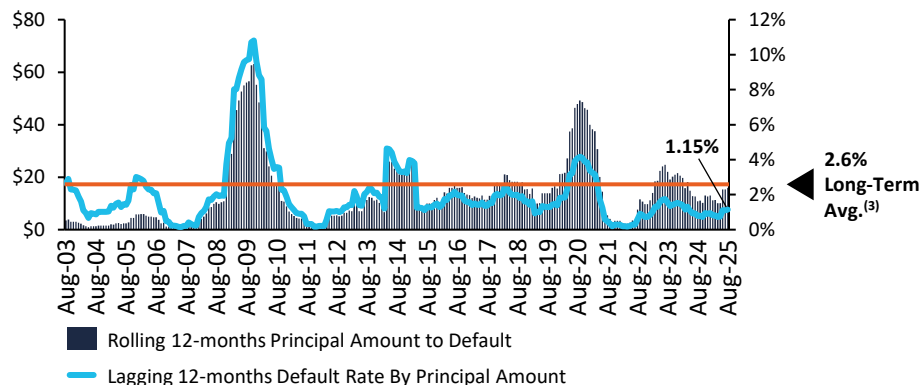
*Through August 31, 2025

Source: PitchBook | LCD

- 9 defaults YTD through Aug '25 (\$12.8B in volume) vs. 13 defaults YTD through Aug '24 (\$10.3B in volume)
- With 1 new default in the Index⁽²⁾ and no defaults rolling off the TTM calculation, the default rate:
 - By principal amount increased to 1.15%
 - By number of issuers rose to 1.36%
- The distress ratio of loans priced below 80 rose, after reaching a three-year low the month prior
- The three-month rolling downgrade-to-upgrade ratio worsened

DEFAULTS BY PRINCIPAL AMOUNT

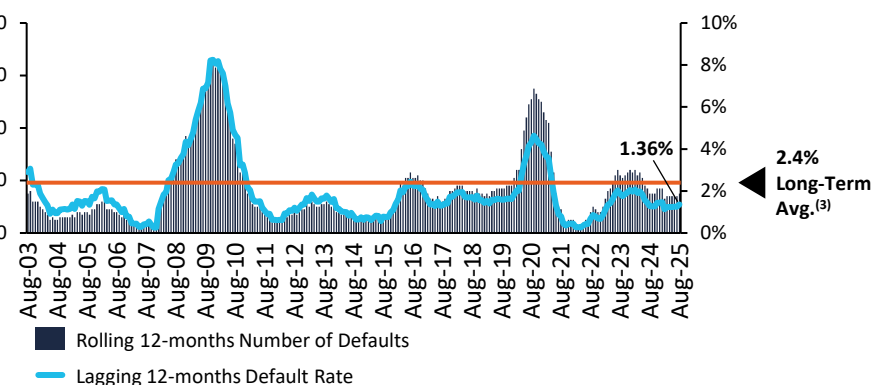
(USD in billions)



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



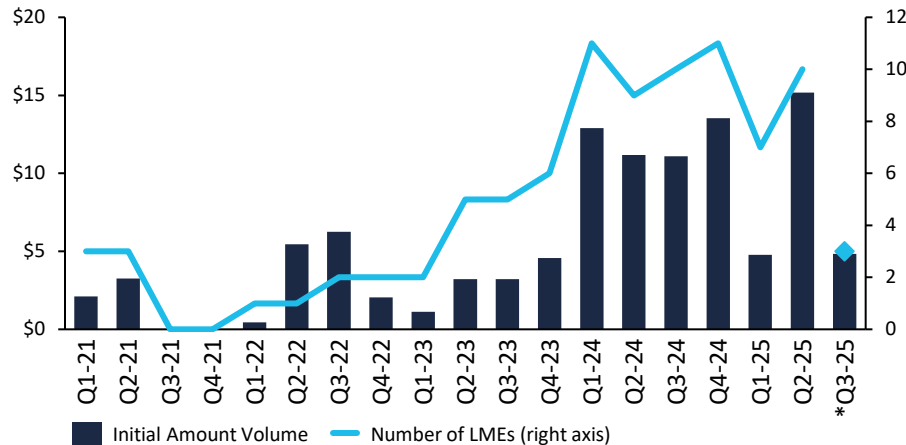
Default rate is calculated as the number of defaults over the last twelve months divided by the number of issuers in the Index at the beginning of the twelve-month period

Source: PitchBook | LCD; Morningstar LSTA US Leveraged Loan Index

PAYMENT DEFAULTS AND LMEs (CONT'D)

LMEs

(USD in billions)



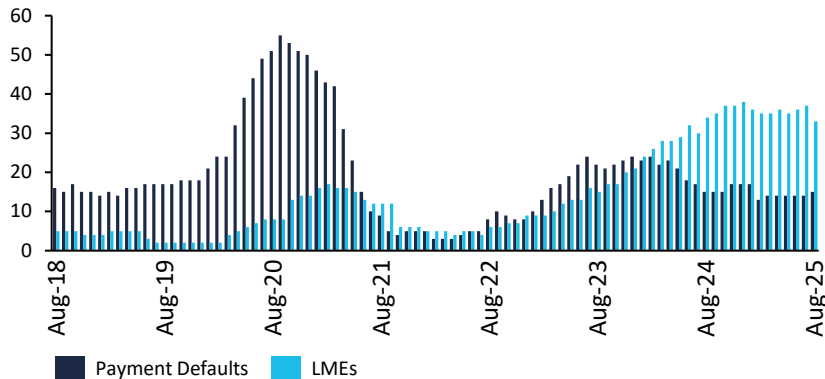
*Through August 31, 2025

Source: PitchBook | LCD

- 20 LMEs YTD through Aug '25 (\$24.8B in volume) vs. 25 LMEs YTD through Aug '24 (\$32.3B in volume)
- On a trailing 12-month basis, LMEs outpaced payment defaults 33 to 15 in August
 - LMEs outpaced defaults in every month since Jan '24
- The dual track default rate⁽¹⁾ by issuer count fell to 4.37%

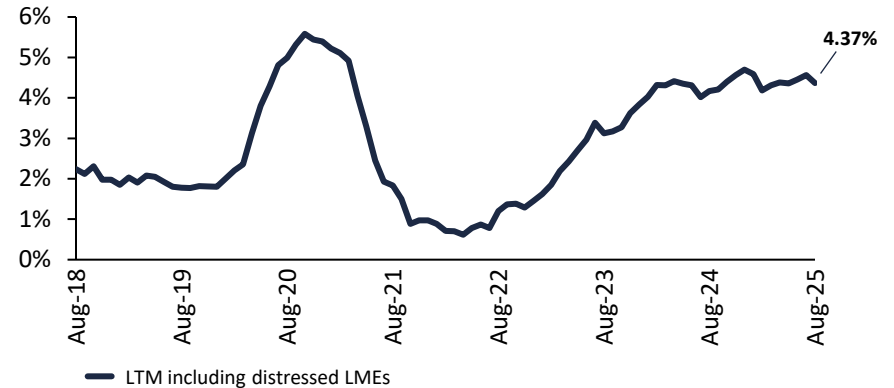
PAYMENT DEFAULTS VS LMEs: TTM COUNT

(USD in billions)



Source: PitchBook | LCD

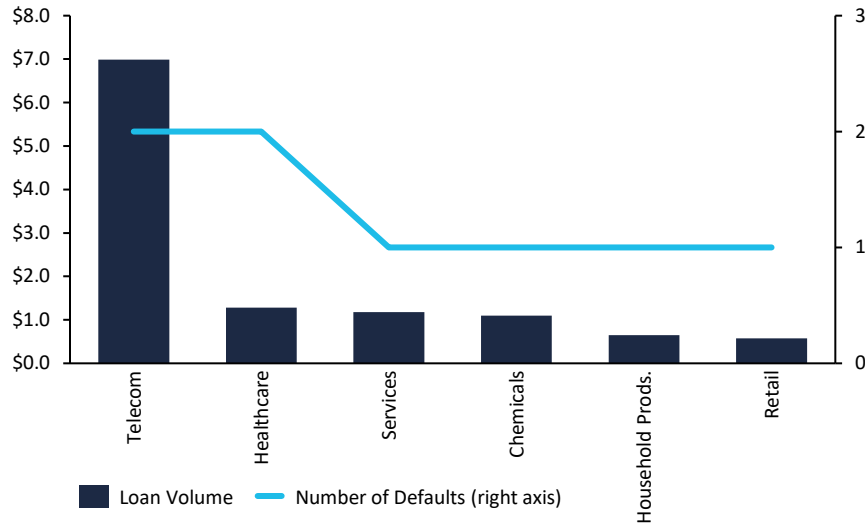
DUAL TRACK DEFAULT RATE BY ISSUER COUNT



Source: PitchBook | LCD

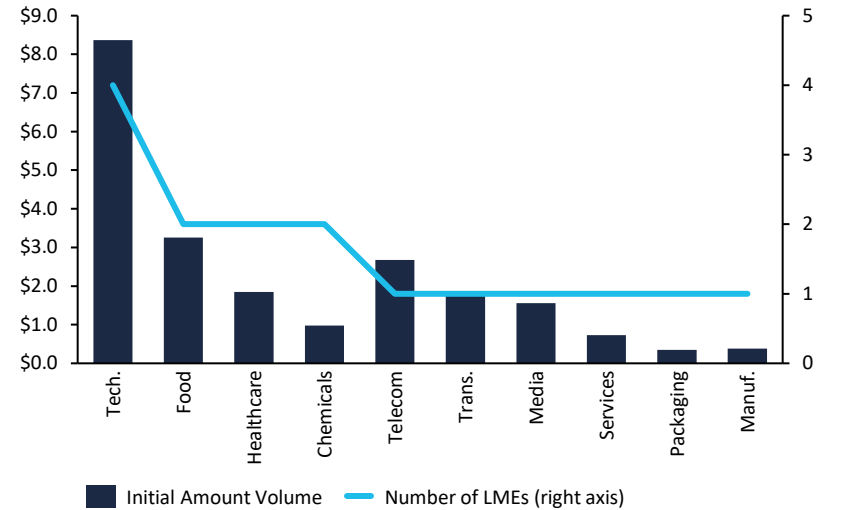
PAYMENT DEFAULTS AND LMEs (CONT'D)

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 Aug '25

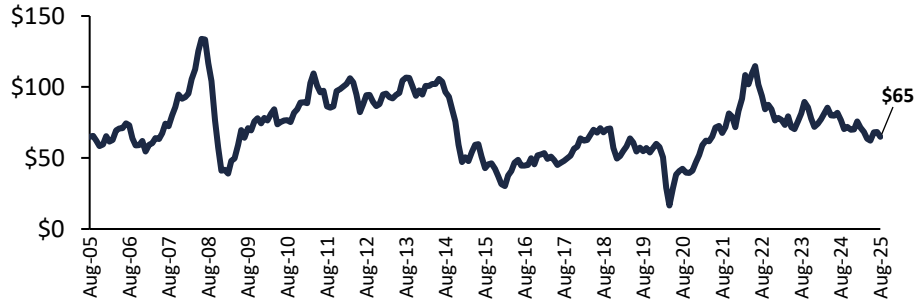
INSTITUTIONAL DEFAULTS IN THE PAST MONTH		DEAL DATE	DEFAULT DATE	FILING DATE	INITIAL AMOUNT (\$ IN MM)	INITIAL INST'L AMOUNT (\$ IN MM)
COMPANY	INDUSTRY					
Anastasia Beverly Hills	Household Products	8/10/18	8/11/25		\$ 650.0	\$ 650.0
Spirit Airlines	Transportation	1/2/25	8/29/25	8/29/25	300.0	-

LMEs IN THE PAST MONTH		DEAL DATE	LME DATE	INITIAL AMOUNT (\$ IN MM)
COMPANY	INDUSTRY			
Brook & Whittle	Manufacturing	12/14/21	8/19/25	\$ 378.0

COMMODITY PRICES

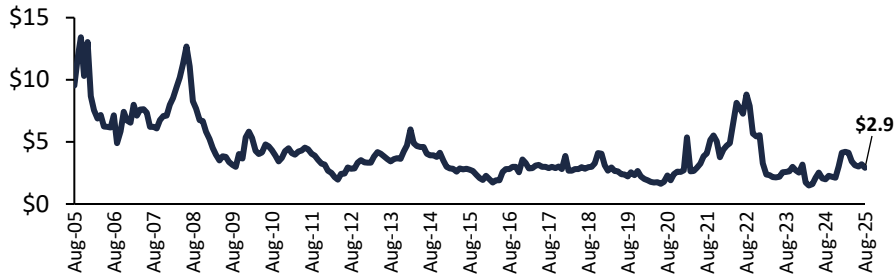
WTI CRUDE OIL PRICES⁽¹⁾

(USD per barrel)



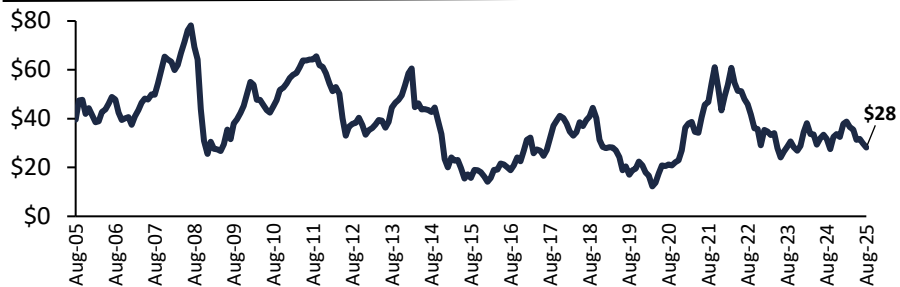
HENRY HUB NATURAL GAS PRICES⁽¹⁾

(USD per MMBTU)



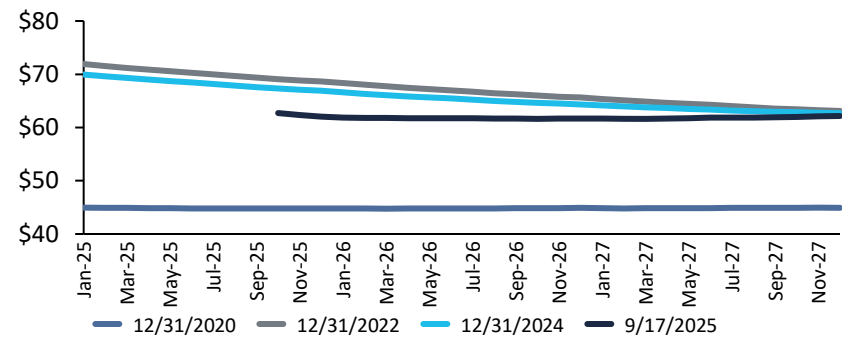
MONT BELVIEU NGL PRICES⁽¹⁾

(USD per barrel)



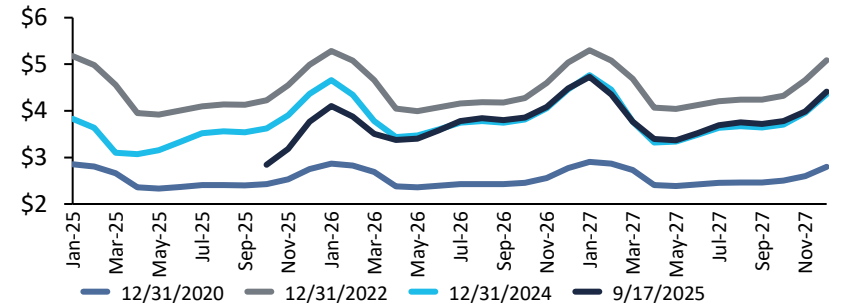
WTI CRUDE OIL FUTURES

(USD per barrel)



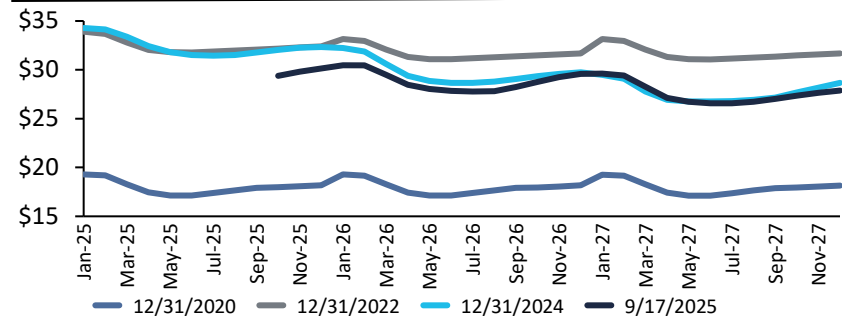
NYMEX NATURAL GAS FUTURES

(USD per MMBTU)



MONT BELVIEU NGL FUTURES

(USD per barrel)



Copyright © 2025, S&P Global Market Intelligence (and its affiliates, as applicable).

Disclaimer Notice:

Reproduction of any information, data or material, including ratings (“Content”) in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers (“Content Providers”) do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.

