Quarterly SpendTrend® Report: 1Q18

First Data®

Executive Summary

1Q18 Highlights (YoY Growth)

+4.8%
Total Spend Best of last **4 quarters**

+1.6%
Retail Spend In line with **4Q17**

Dining Spend

+6.6% **QSR** Winner | **-1.7%** **Upscale** Laggard

+3.8%
Luxury Spend Growth

Strong **1Q18 rebound**, led by eComm, Jewelry and Women's Apparel

By Channel

+3.2% Brick & Mortar
+8.7% eComm

Top Growth Categories

+8.9% Gasoline
+8.0% Travel
+8.0% Services

31%
eCommerce' portion of Total spend

Slowest Performers

+1.4% Leisure
+1.1% Hotel

Top Growing Cities

+7.4% San Francisco
+4.6% Philadelphia
+4.5% Miami

Regional Spend

+4.5% **West** Winner | **+2.2%** **Northeast** Laggard

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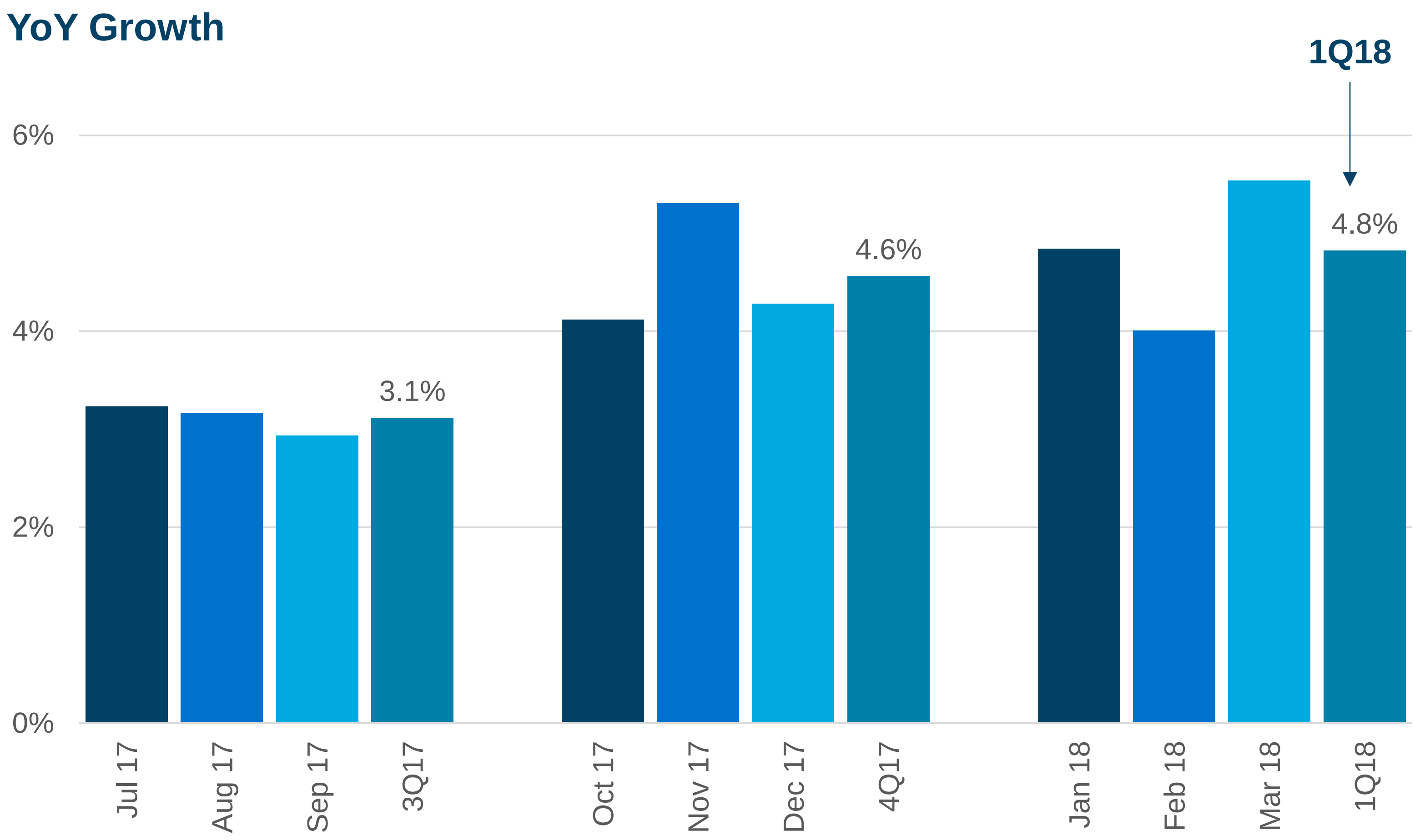
Total **spend**

The last three quarters show a strong and steady rise in Total spending growth

With 1Q18 Retail spend of 1.6%, Non-Retail spend such as in Services, Gasoline and Travel drove a 4.8% increase in total spend

Unlike the prior two quarters, 1Q18 finished strong as March was, by far, the fastest-growing month



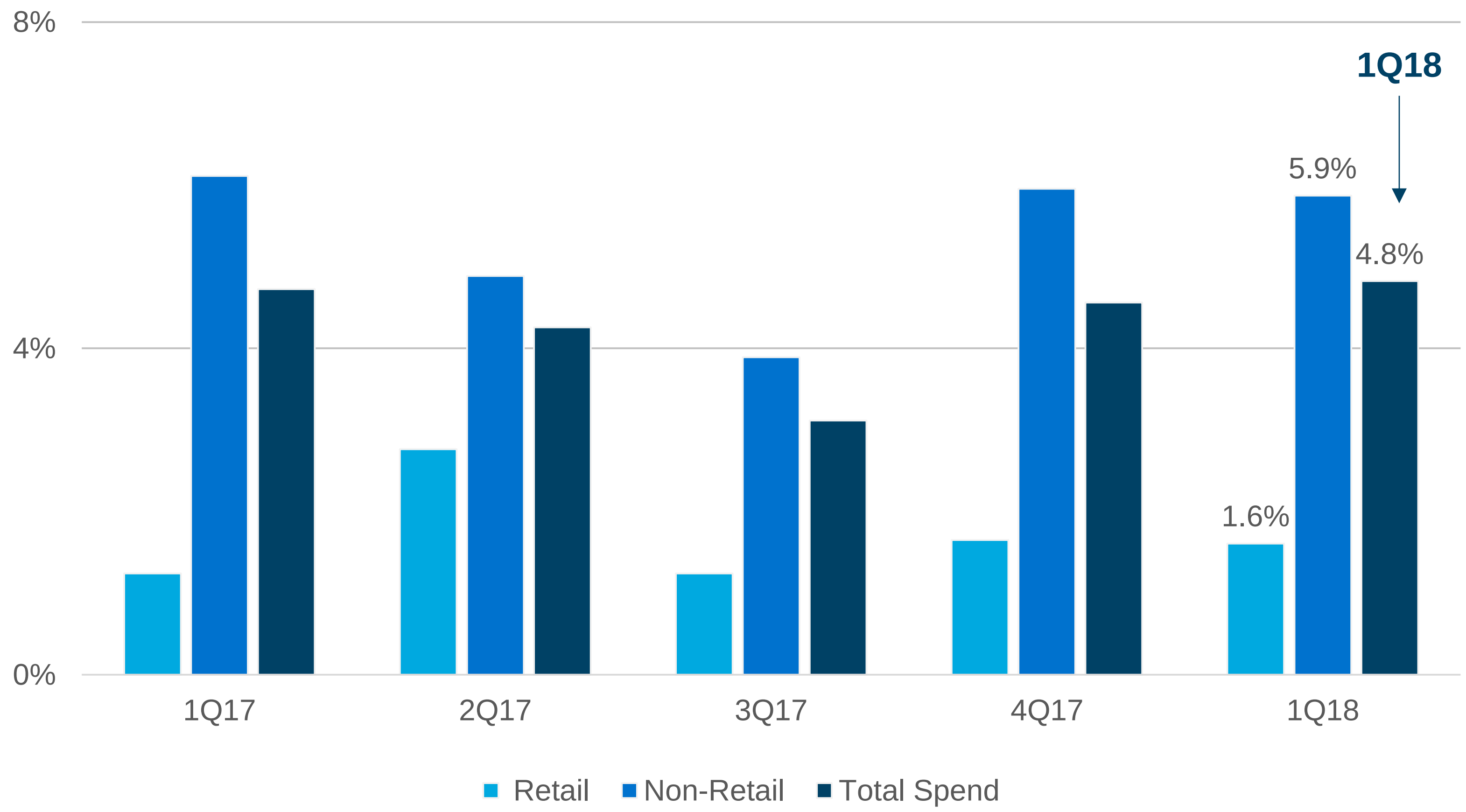
Note: Figures include all tracked spend across all categories, including Brick & Mortar and eCommerce channels.

Source: First Data aggregated same-store spending data.

Total **spend** by **category**

Non-Retail growth has significantly exceeded Retail growth in each of the past five quarters

YoY Growth



Note: Figures include all tracked spend across all categories, including Brick & Mortar and eCommerce channels.
Source: First Data aggregated same-store spending data.

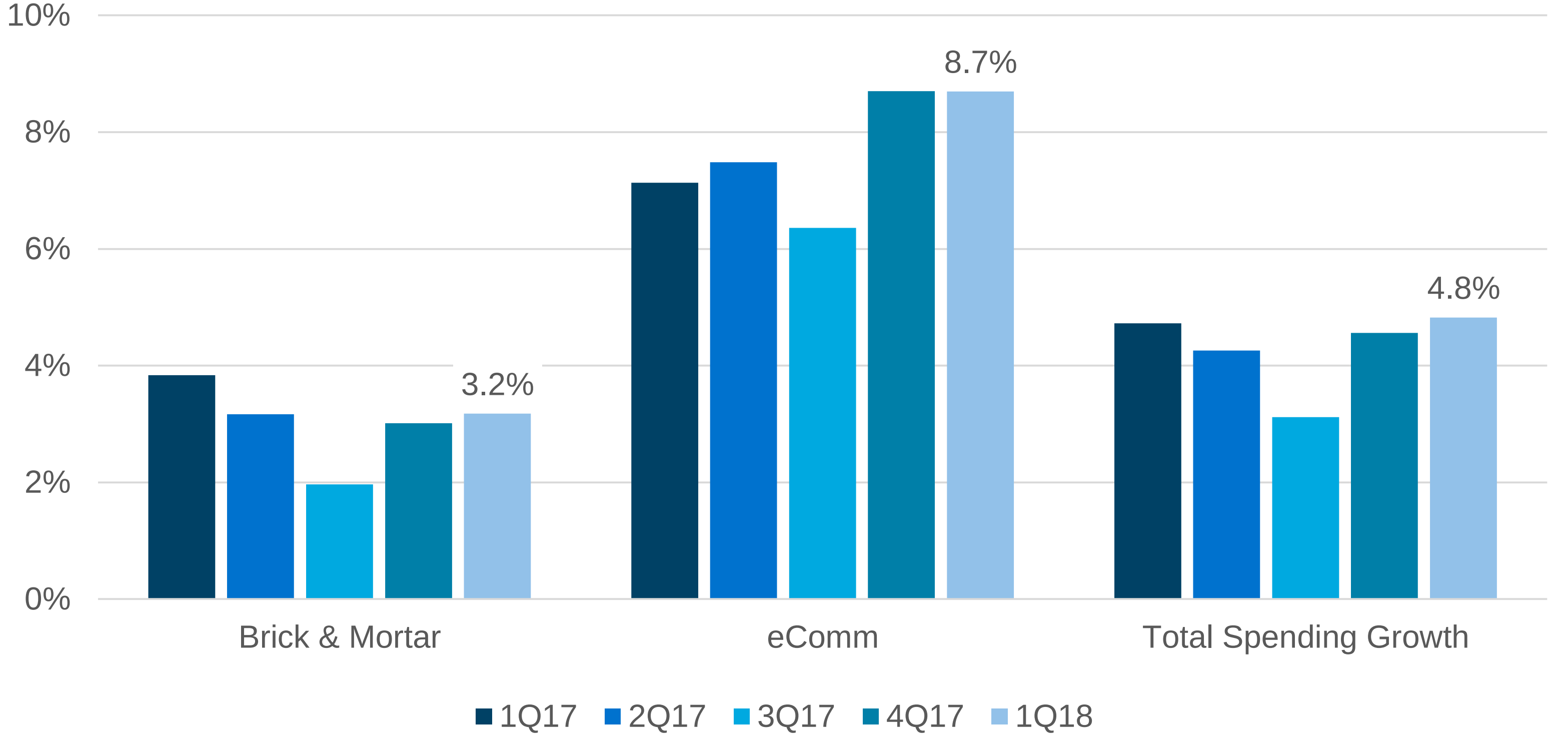
Total **spend** by **channel**

Brick & Mortar and eCommerce growth curves look *generally* similar in shape over the last five quarters

The same industries are driving growth in both channels:

- Retail
- Restaurants
- Gasoline Stations
- Travel

YoY Growth



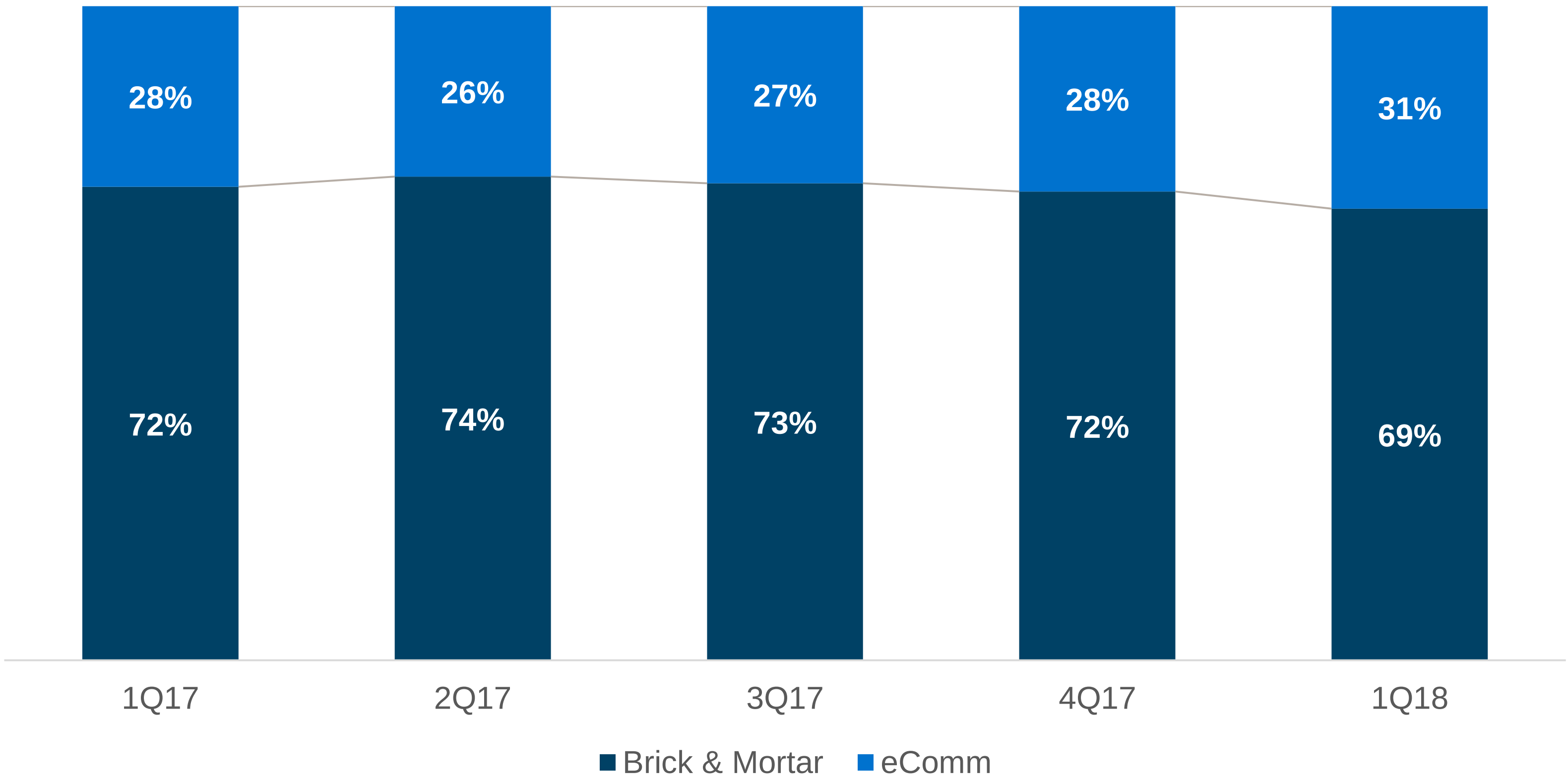
Note: Figures include all tracked spend across all categories, including Brick & Mortar and eCommerce channels.
Source: First Data aggregated same-store spending data.

Total **spend distribution** by **channel**

Not surprisingly, eCommerce continues to capture a growing share of total spend

1Q18 saw a notable jump in eCommerce spend share, primarily driven by Retail, Restaurants, Travel, and Leisure

Distribution of Spend



Note: Figures include all tracked spend across all categories, including Brick & Mortar and eCommerce channels.
Source: First Data aggregated same-store spending data.

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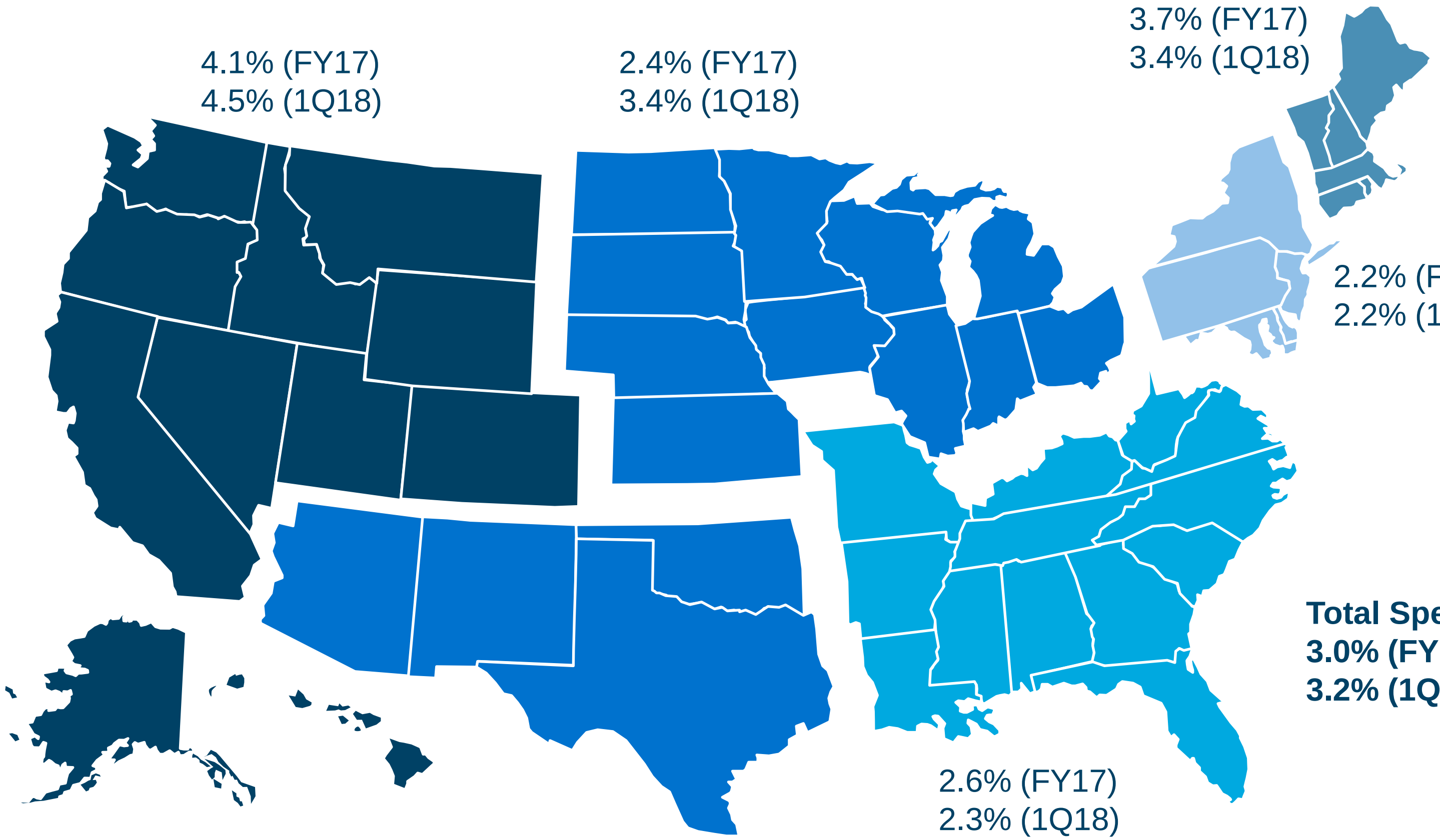
Total **spend** by **region**

The West led all regions for spending growth, followed by New England

YoY Growth



Total Spend Growth
3.0% (FY17)
3.2% (1Q18)

Note: Brick & Mortar only.

Source: First Data aggregated same-store spending data.

Total **spend** by **top US cities***

Many of the top growing US cities in 1Q18 also saw an acceleration in growth from full year 2017 levels

YoY Growth

Total Spending	FY17	1Q18
San Francisco	7.5%	7.4%
Philadelphia	3.0%	4.6%
Miami	4.2%	4.5%
Houston	2.4%	3.9%
Dallas/Fort Worth	2.9%	3.6%
Los Angeles	3.0%	3.2%
New York	3.3%	2.9%
Chicago	2.2%	2.8%
Boston	3.6%	2.7%
Atlanta	4.0%	1.7%
Grand Total	**4.2%**	**4.8%**

Notable acceleration Notable deceleration

Note: *Top US cities based on total spending volume as reported by First Data.
Figures include all tracked spend across all Retail categories, including Brick & Mortar and eCommerce channels.
Source: First Data aggregated same-store spending data.

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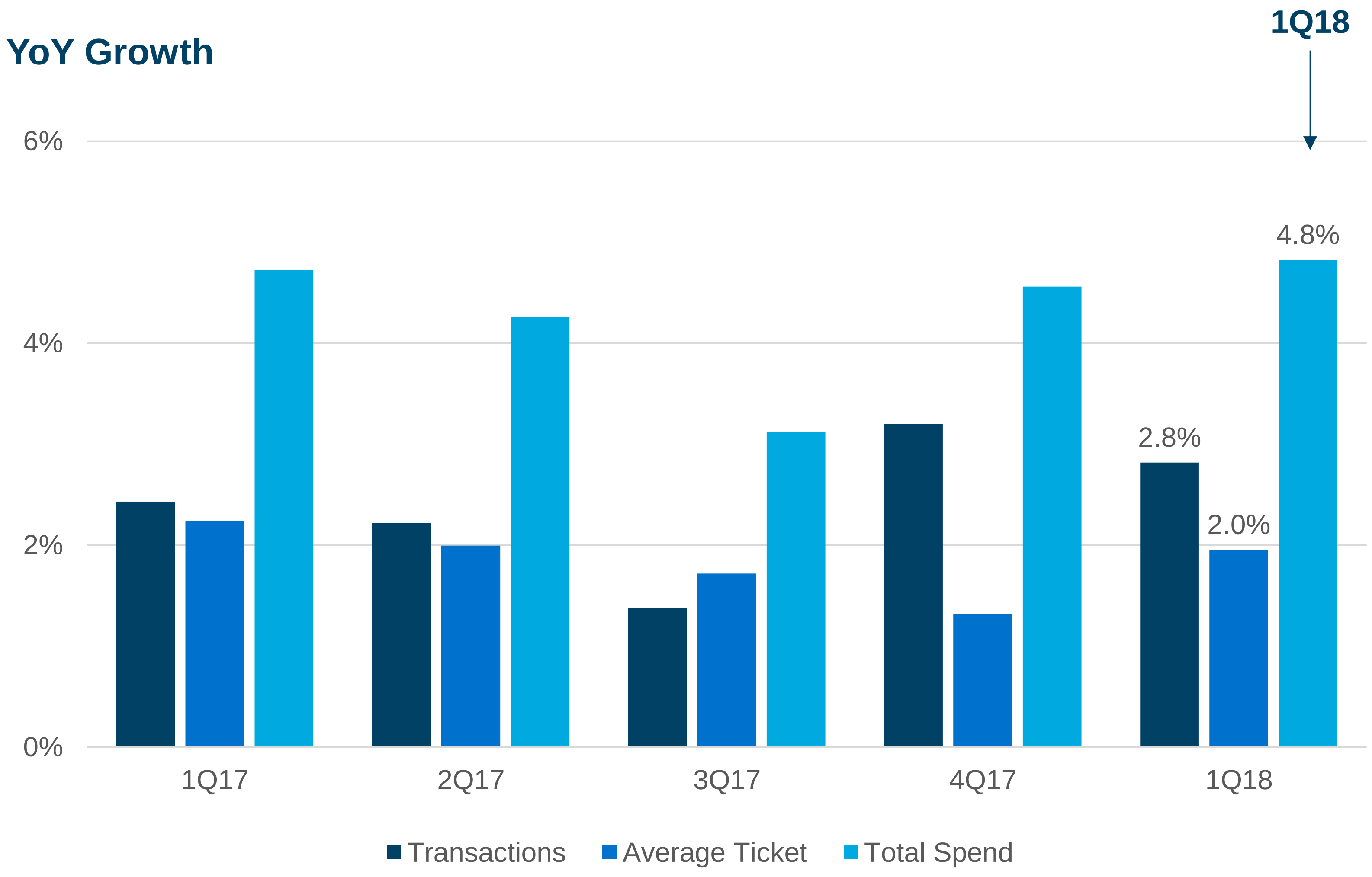
Total **spend** by **component**

A larger portion of growth in Total spend has come from growth in transactions, rather than ticket size

Transaction growth has outpaced average ticket growth in four of the past five quarters



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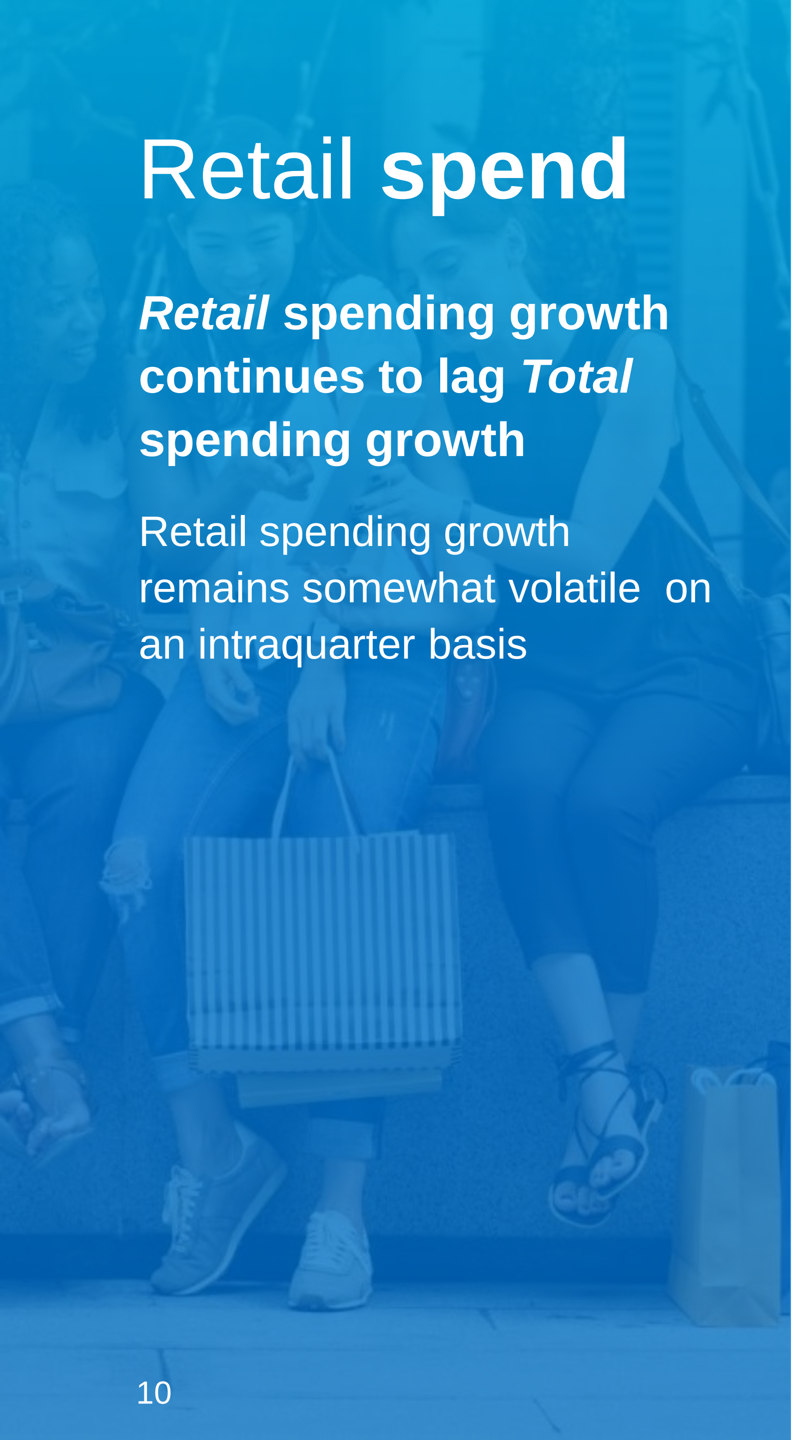
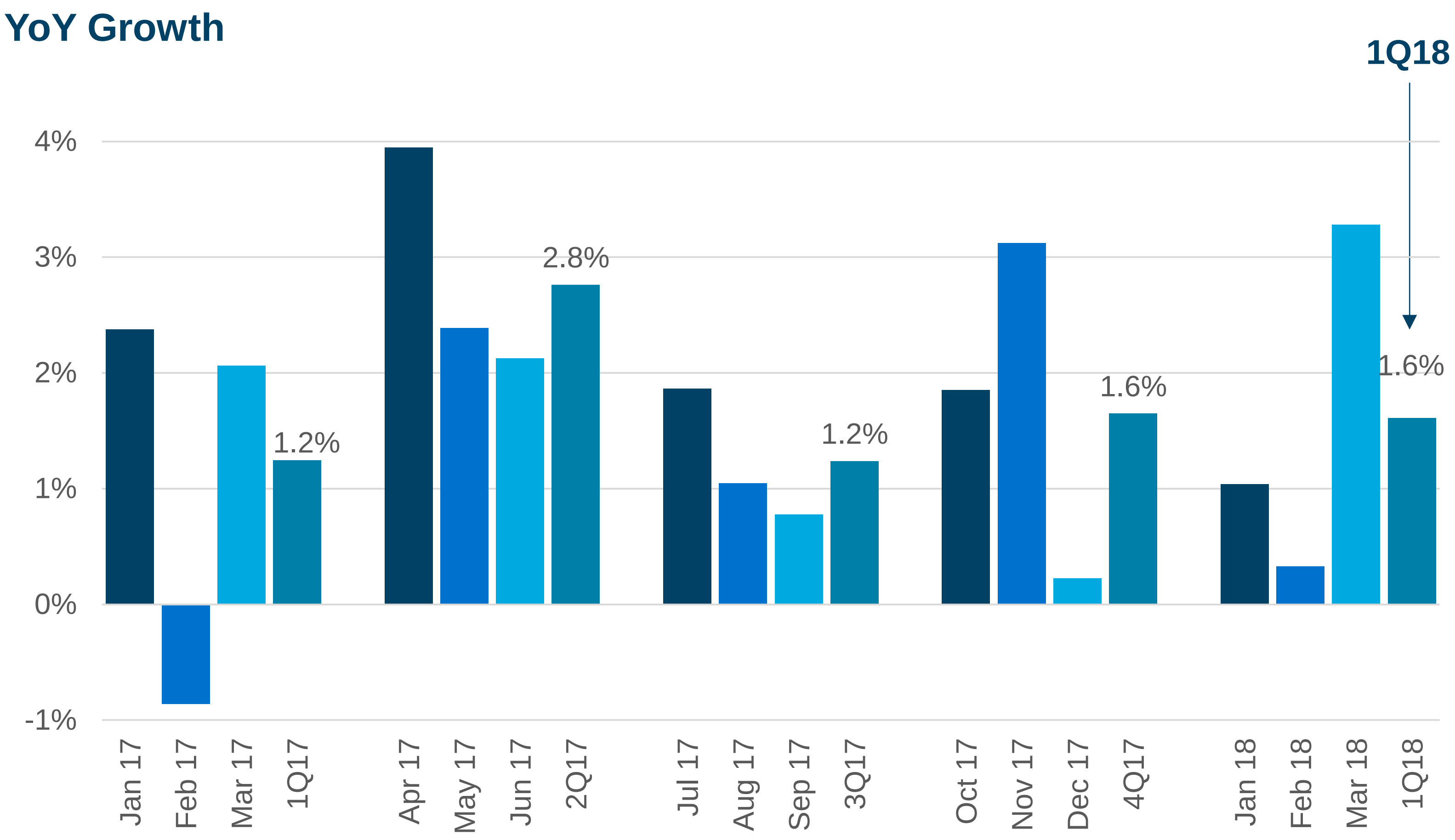


Retail **spend**

***Retail* spending growth continues to lag *Total* spending growth**

Retail spending growth remains somewhat volatile on an intraquarter basis



Note: Figures include all tracked spend across all Retail categories, including Brick & Mortar and eCommerce channels.
Source: First Data aggregated same-store spending data.

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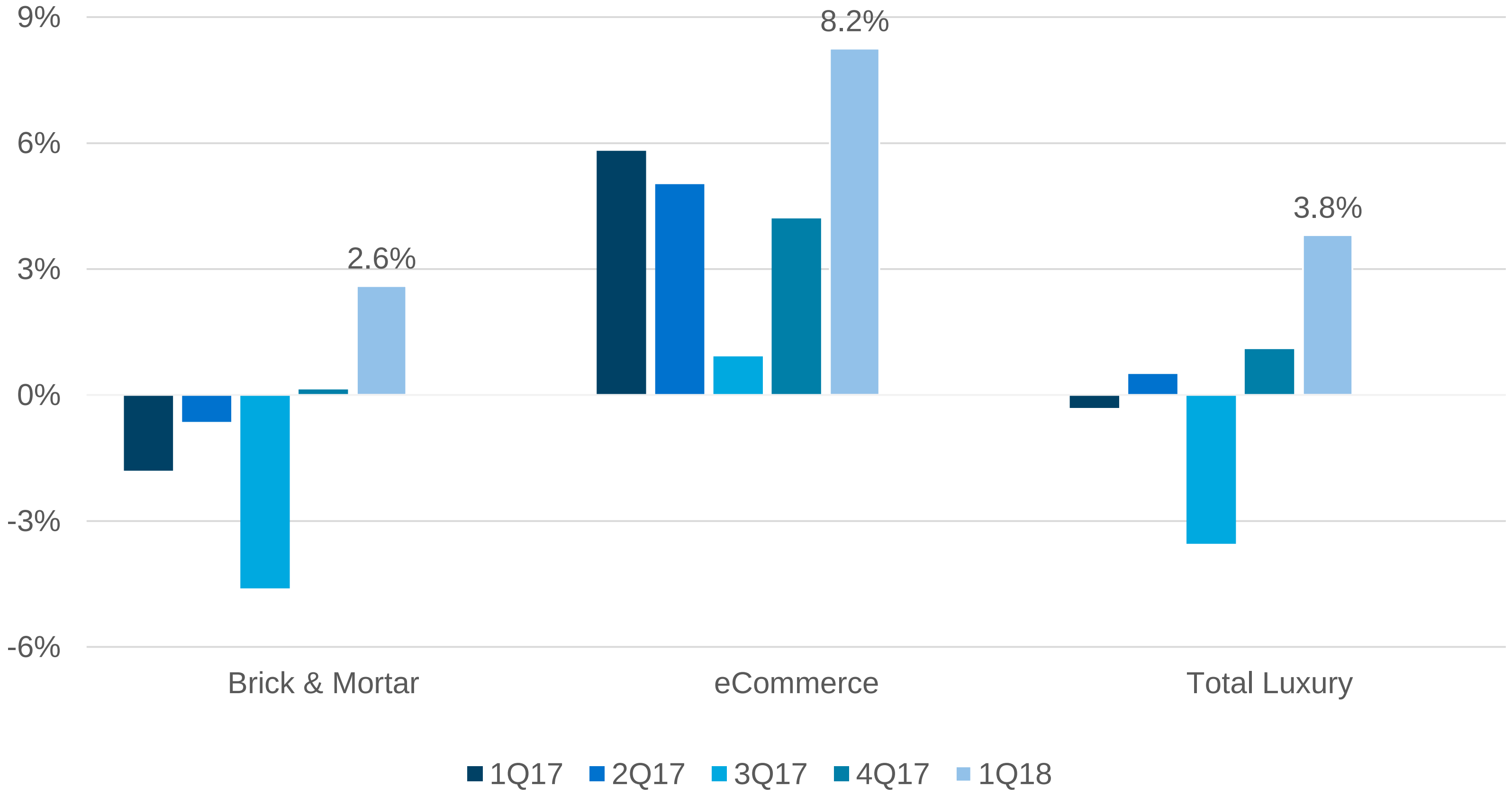
Segment look: **Luxury**

eCommerce continues to be the primary driver of growth in the Luxury category

Brick & Mortar Luxury started a notable turnaround in growth trends in 4Q17

The prime drivers of total Luxury growth in 1Q18 were Jewelry Stores, Women's Accessories, and Specialty Apparel

YoY Growth



Note: "Luxury" is defined by a collection of well-known consumer brands which offer high-priced designer clothing, accessories, and shoes.
Source: First Data aggregated same-store spending data.

Segment look: **Dining**

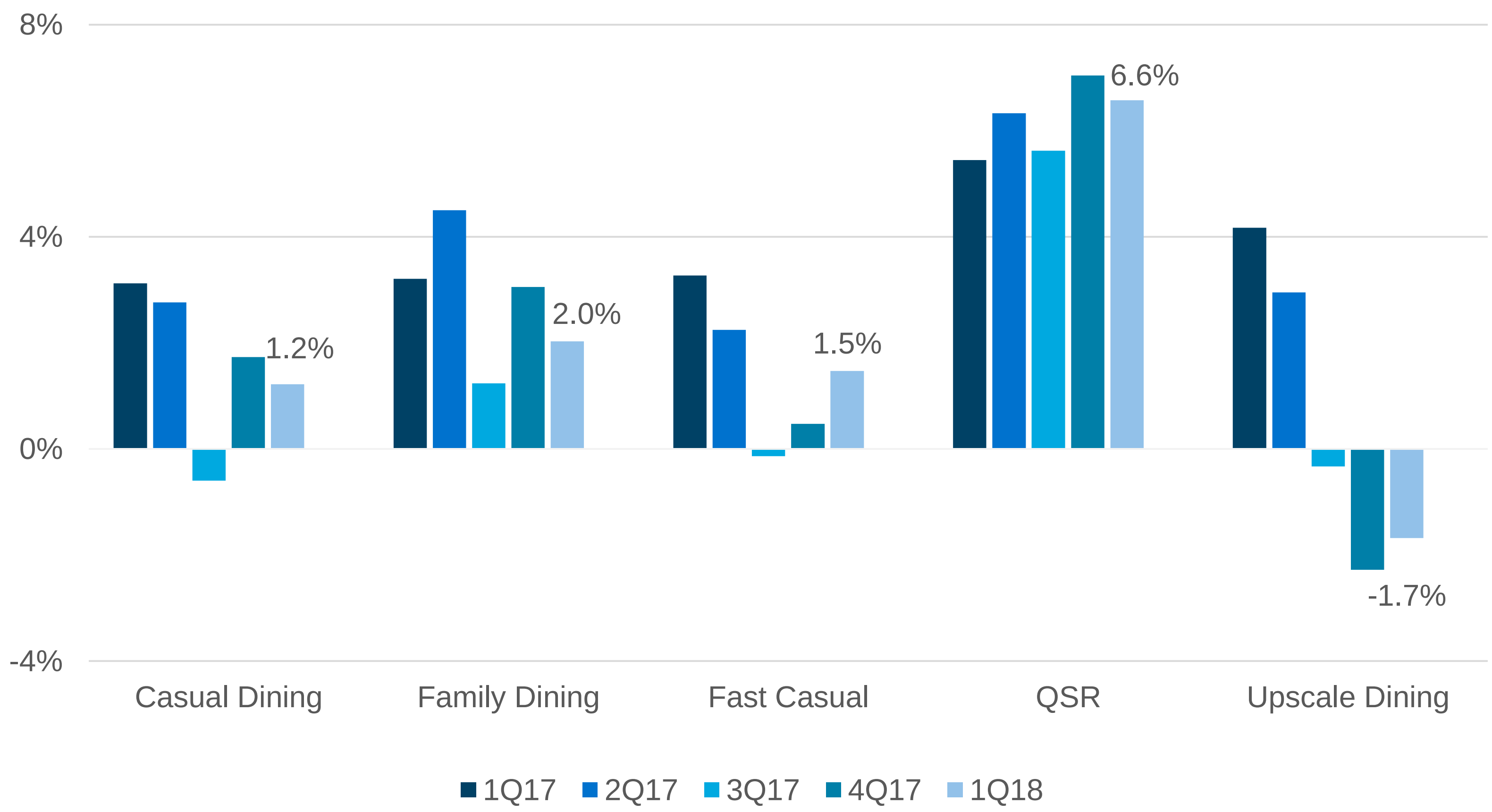
2017 was a great year for QSR growth, which continues into 1Q18

Digital enablement has been key driver of QSR growth

Upscale Dining struggled significantly during the last three quarters

Casual, Family, and Fast Casual Dining were weak in 3Q17, but have been on an improving trend the last two quarters

YoY Growth



Note: "Casual Dining" includes full service restaurants which serve alcohol. "Family Dining" includes full service restaurants which do not offer alcohol. "Fast Causal" is a quick service restaurant that serves wine/beer. "QSR" represents traditional fast food restaurants. "Upscale Dining" includes full-service restaurants which serve alcohol, and are characterized by certain service standards and comparatively higher average ticket sizes. Data does not include coffee houses and other sub-categories of Dining.

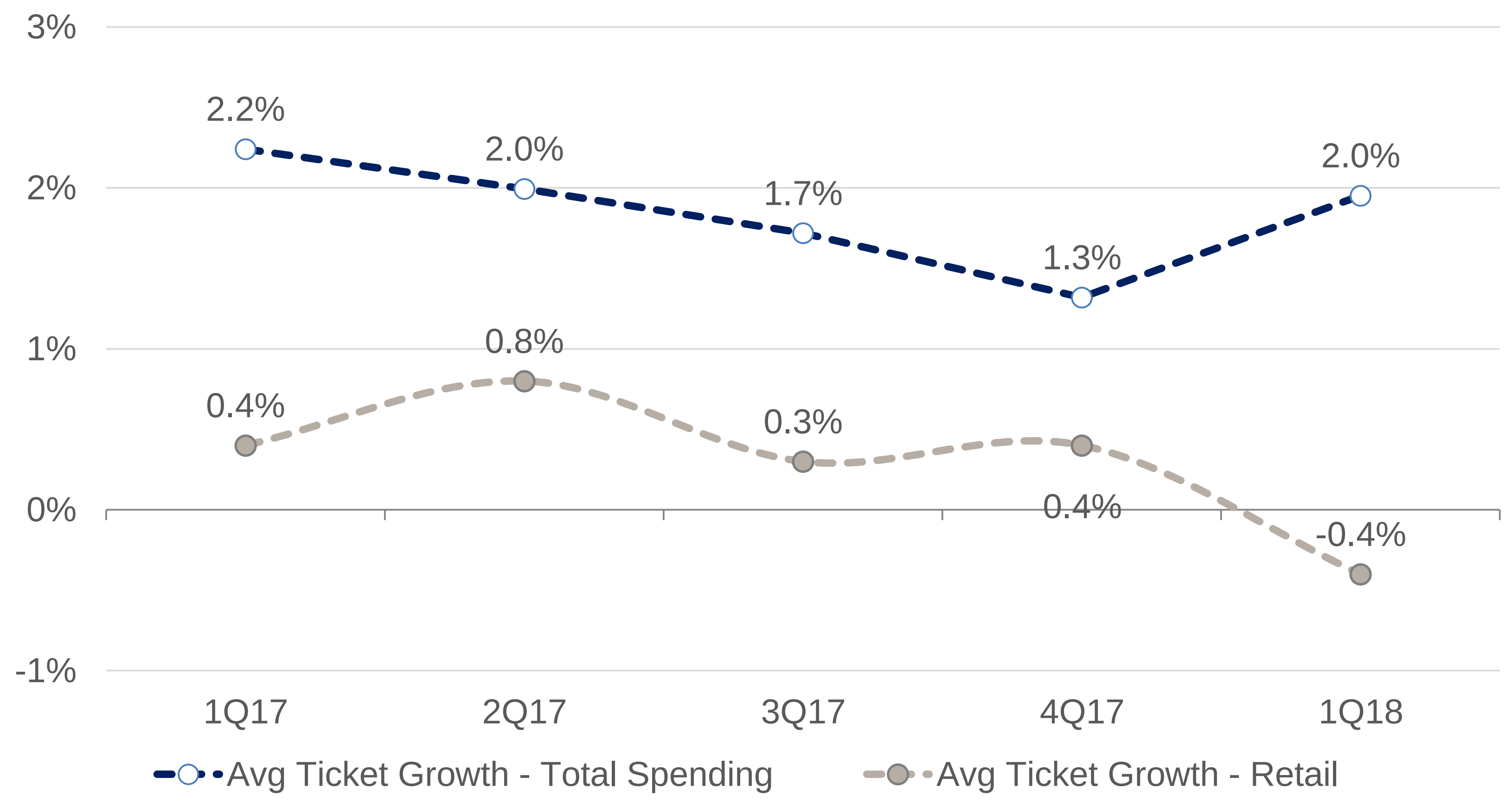
Source: First Data aggregated same-store spending data.

Average **ticket** size

Growth in average ticket size has been *generally* slowing over the last several quarters

In 1Q18 Retail avg. ticket size was **$73.25**; Total avg. ticket size was **$50.76**

Average Ticket YoY Growth



Note: Figures include all tracked spend across all categories, including Brick & Mortar and eCommerce channels.

Source: First Data aggregated same-store spending data.

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Retail **spend** by **category**

Brick & Mortar showed marginal improvements in 1Q18 for some categories

Notable growth acceleration in 1Q18 across Specialty Retail, Clothing, and General Merchandise was driven by better Brick & Mortar performance

YoY Growth

Notable acceleration   Notable deceleration

Retail Categories	Brick & Mortar FY17	Brick & Mortar 1Q18	eCommerce FY17	eCommerce 1Q18	Total Retail FY17	Total Retail 1Q18
Electronic & Appliances	6.0%	6.0%	3.0%	4.7%	5.0%	5.6%
Building Materials	6.3%	2.1%	8.8%	4.6%	6.6%	2.7%
Specialty Retailers	0.6%	1.7%	4.3%	4.2%	1.6%	2.4%
Health & Personal Care Stores	3.5%	2.4%	7.2%	1.2%	5.7%	1.7%
Clothing & Accessories	-3.3%	0.9%	0.5%	4.4%	-2.6%	1.7%
General Merchandise Stores	-2.5%	-0.3%	14.0%	9.8%	-1.2%	0.6%
Furniture & Home Furnishings	-2.2%	-2.8%	4.4%	3.4%	-0.4%	-1.2%
Sporting Goods, Hobby, Book & Music	-4.0%	-3.1%	-1.5%	-2.1%	-3.6%	-2.9%
Total Retail	**0.9%**	**0.8%**	**4.5%**	**3.7%**	**1.7%**	**1.6%**

Note: Figures include all tracked spend across all Retail categories, including Brick & Mortar and eCommerce channels.
Source: First Data aggregated same-store spending data.

Non-Retail **spend by category**

eCommerce outperformed Brick & Mortar in FY17 and 1Q18

Overall numbers were mixed due to deceleration in certain Brick & Mortar categories including Gasoline Stations, Food & Beverage, and Leisure

YoY Growth

Notable acceleration (green) | Notable deceleration (red)

Non-Retail Categories	Brick & Mortar FY17	Brick & Mortar 1Q18	eCommerce FY17	eCommerce 1Q18	Total Non-Retail FY17	Total Non-Retail 1Q18
Gasoline Stations	10.1%	8.9%	10.3%	11.0%	10.1%	8.9%
Other Services	1.4%	2.7%	10.5%	12.7%	5.9%	8.0%
Travel - Air/Rail/Car/Ship	5.3%	6.5%	8.9%	11.3%	6.5%	8.0%
Restaurants	3.2%	2.9%	6.8%	6.5%	3.6%	3.3%
Motor Vehicles & Parts Dealers	3.1%	2.9%	3.9%	4.4%	3.3%	3.2%
Food & Beverage	3.0%	2.3%	3.7%	3.6%	3.1%	2.4%
Leisure	1.8%	1.0%	1.3%	1.8%	1.6%	1.4%
Hotels	1.1%	1.4%	2.6%	0.9%	1.7%	1.1%
Total Retail	**3.7%**	**3.7%**	**8.5%**	**10.1%**	**5.1%**	**5.7%**

Note: Figures include all tracked spend across all Non-Retail categories, including Brick & Mortar and eCommerce channels.
Source: First Data aggregated same-store spending data.

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Top growth categories

Several of the fastest-growing categories in 1Q18 were Travel & Leisure related

YoY Growth

Computer Software Stores **11.6%**	Steamship/ Cruise Lines **11.6%**	Amusement Parks **10.3%**
Toll and Bridge Fees **9.8%**	Travel Agencies **9.8%**	Miscellaneous Apparel **9.0%**
Service Stations/ Automated Gas Dispensers **8.9%**	Bowling Alleys **6.2%**	Motor Vehicle Supplies and New Parts **5.6%**

Note: Figures include all tracked spend across all categories, including Brick & Mortar and eCommerce channels.
Source: First Data aggregated same-store spending data.

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Methodology

- All data is proprietary transaction data from First Data's systems
- Our analysis includes all card-based forms of payment and is based on actual, same-store spending activity
- Analysis covers transaction activity during January 2017 through March 2018
- All growth rates reflect a year-over-year basis
- Data is grouped into "Retail" and "Total"
  - "Retail" includes Electronic & Appliances, Building Materials, Clothing & Accessories, Furniture/Home Furnishings, General Merchandise, Sporting Goods, Health and Personal Care Stores, Specialty Retail
  - "Total" includes "Retail", plus all other SpendTrend-tracked industries including Food & Beverage Stores, Restaurants, Hotel, Leisure, Travel, Aftermarket Vehicle Parts, Gasoline Stations, and Services