



Insights exchange for the model-driven economy

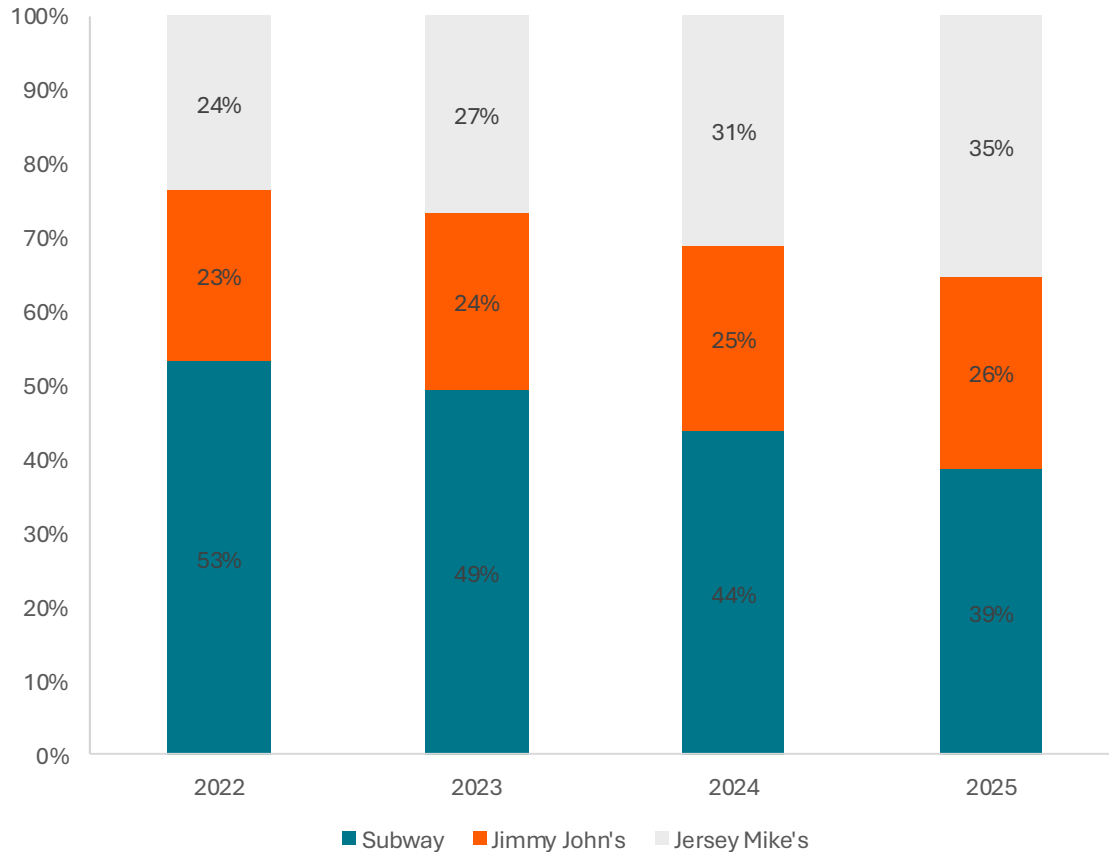
# Structural Demand Headwinds Persist for Subway, Even as Campaigns Show Promise

1. **While still the category leader, Subway's card-spend market share has declined steadily**, reflecting sustained demand softness driven more by Subway's own erosion than accelerated competitor growth.
2. **A shrinking store footprint combined with weakening same-store sales is driving structural share erosion**, with the Midwest illustrating how closures and traffic softness compound losses - mirroring national trends.
3. **Jimmy John's leads the Midwest by materially outperforming on same-store sales**, driven by higher transaction volumes
4. **Jimmy John's Midwest share gains are demand-driven, reinforced by a younger, Millennial-heavy customer mix** that favors fast, repeatable work-lunch occasions aligned with its "Freaky Fast" brand promise.
5. **Fresh Fit and SubClub emerged as Subway's most effective initiatives of 2025**, with Fresh Fit driving the strongest mid-year Y/Y lift and SubClub showing early signs of stabilizing engagement.
6. **Fresh Fit's outsized impact signals rising consumer preference for healthier offerings**, reinforcing that menu innovation - not promotions alone - can meaningfully reaccelerate demand.
7. **SubClub promotions delivered short-term YoY acceleration concentrated among working-age cohorts**, helping stabilize late-year performance but appearing more tactical than structural.
8. **Subway's SubClub launch coincided with its most diversified media mix of the year**, spanning OTT, paid social, and owned channels - contrasting with more concentrated peer strategies.
9. **Digital-only price promotions drove sharp spikes in app downloads without disrupting engagement**, expanding Subway's digital user base while daily active users remained broadly stable.

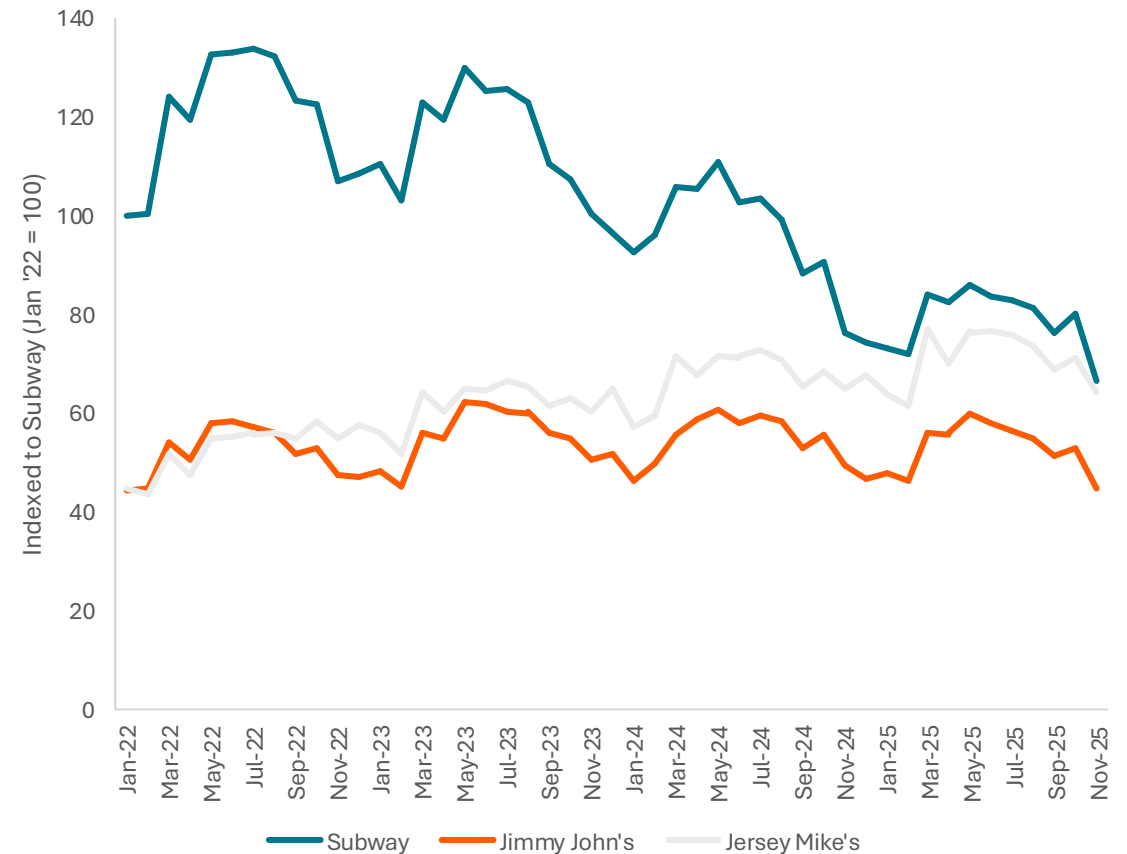
# While Still the Category Leader, Subway's Struggles Continue to Weaken Its Position

Subway's card spend market share has declined steadily over time, reflecting sustained softness in its underlying demand. While Jimmy John's and Jersey Mike's have maintained relatively stable performance, the overall shift in share appears to be driven primarily by Subway's own decline rather than accelerated growth from competitors.

Card Spend Market Share



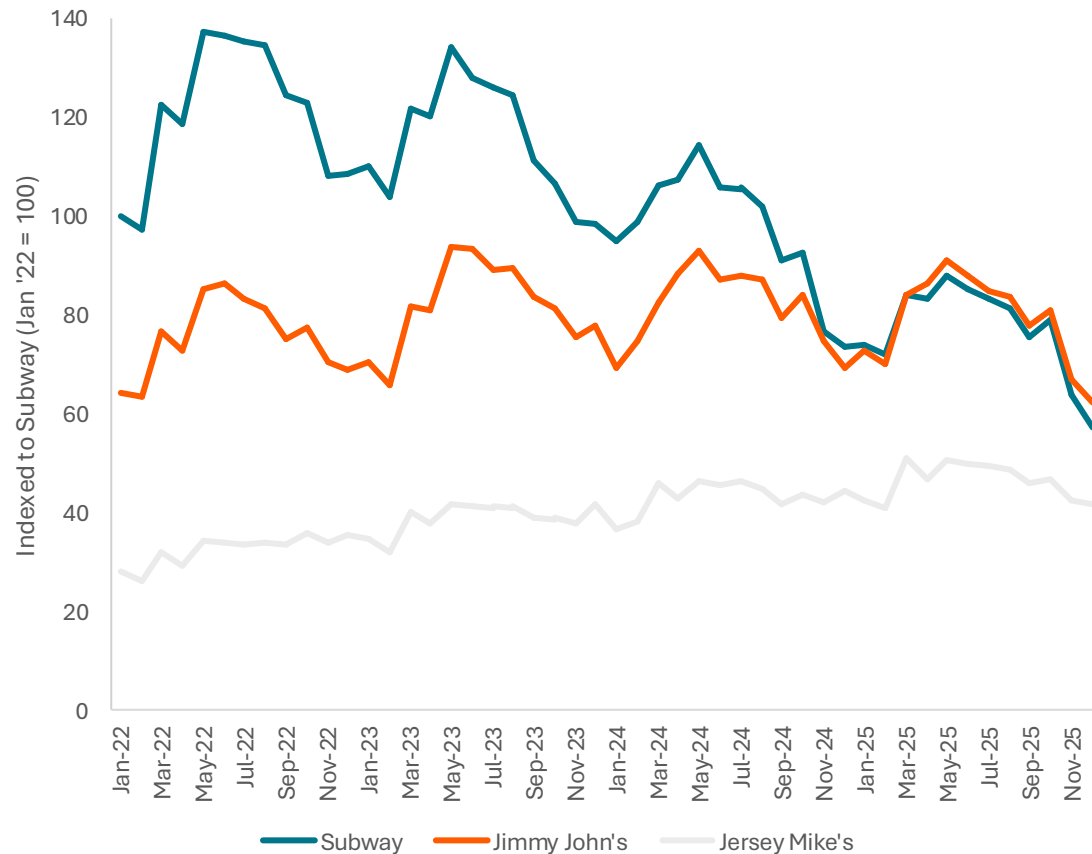
Card Spend



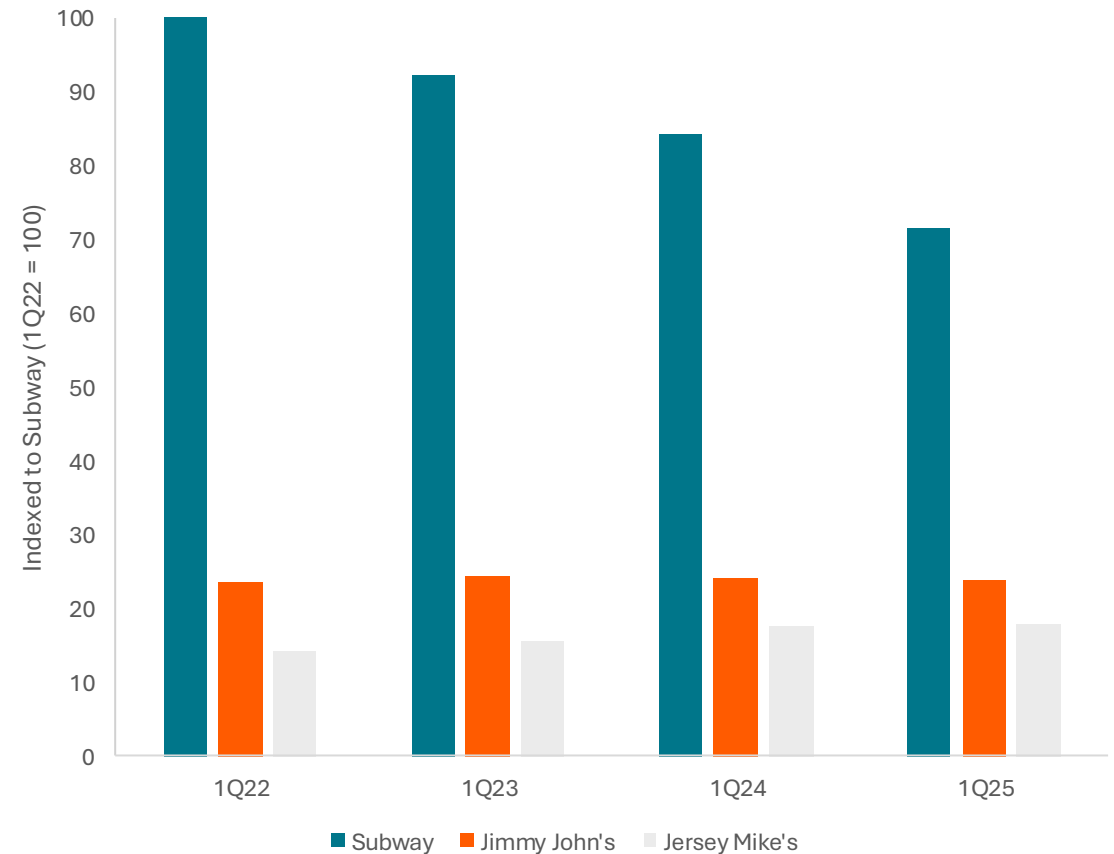
# Shrinking Footprint + Soft Sales: Midwest Slide Mirrors National Share Erosion

Jimmy John's has overtaken Subway in the Midwest as store closures and sustained traffic softness compound. While regional share leaders vary, the national pattern is clear: Subway's declining footprint and weakening sales are driving structural share erosion.

Midwest Region - Card Spend



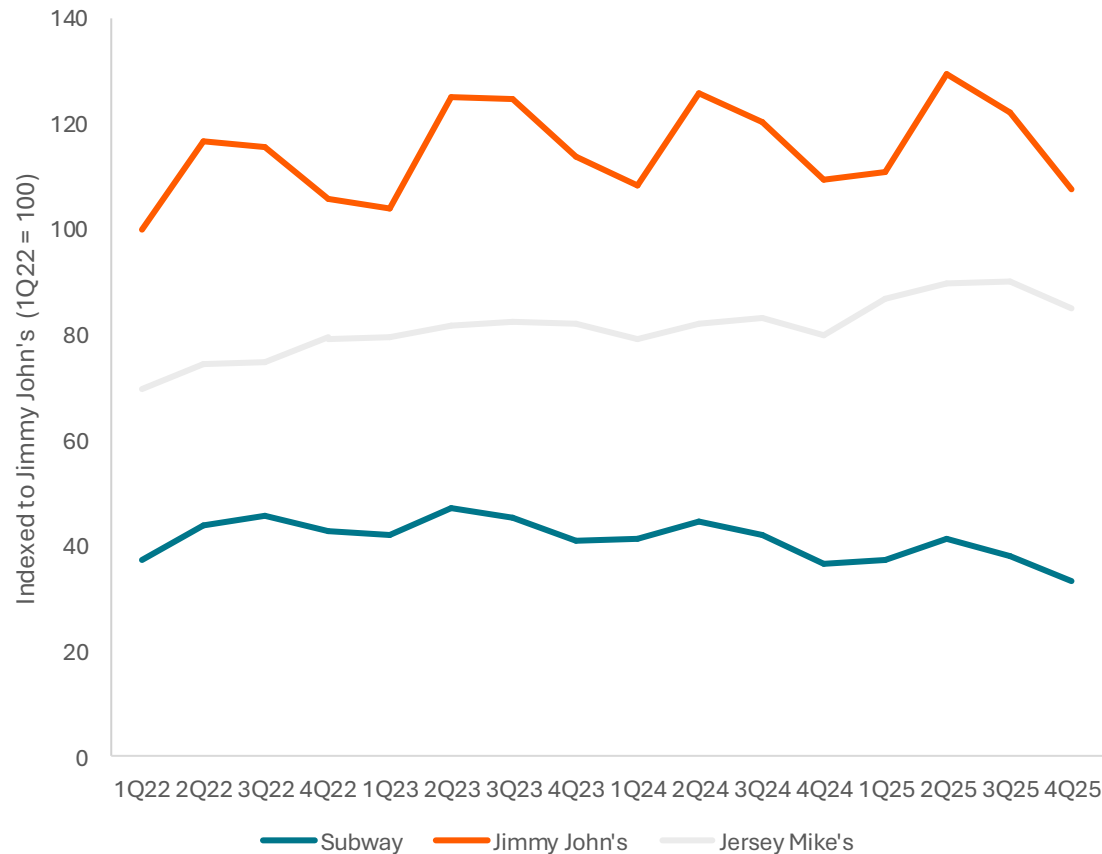
Midwest Region - Store Count



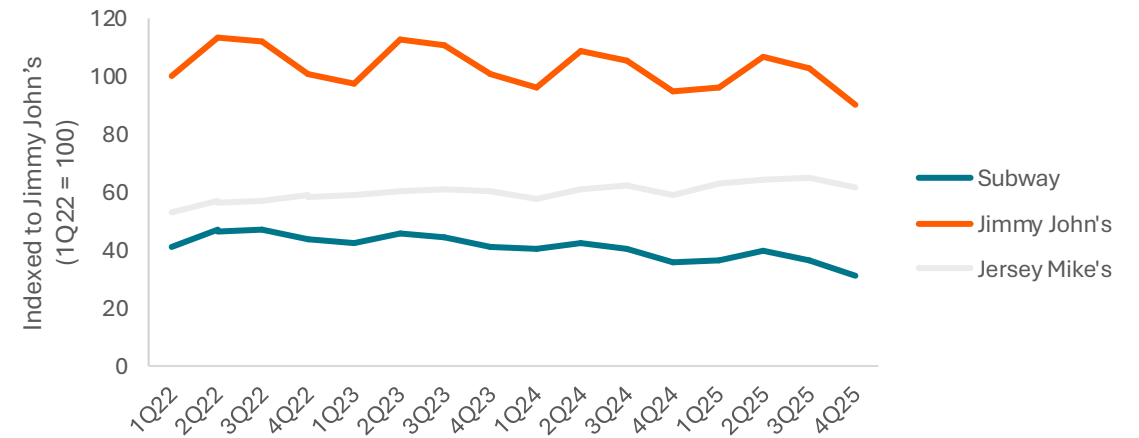
# Jimmy John's Leads the Midwest on Same-Store Sales, Not Pricing

Jimmy John's has emerged as the Midwest market-share leader by materially outperforming Subway on same-store sales, driven by higher transaction volumes rather than elevated average order value. Comparable pricing across brands suggests demand strength - not price or mix - is the primary driver of Jimmy John's regional advantage.

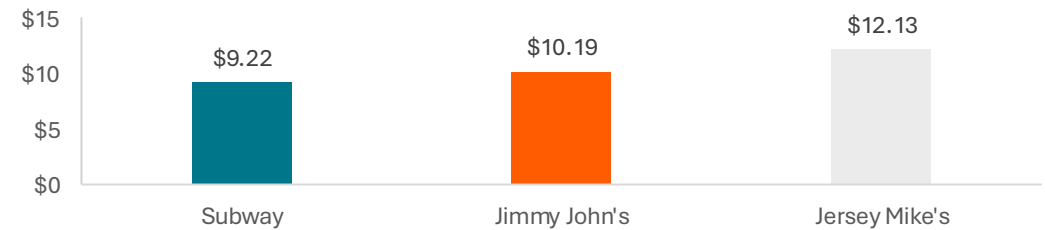
Midwest Region - Average Spend per Store



Midwest Region - Average Transactions per Store



Midwest Region - Comparable Sandwich Pricing (2025)

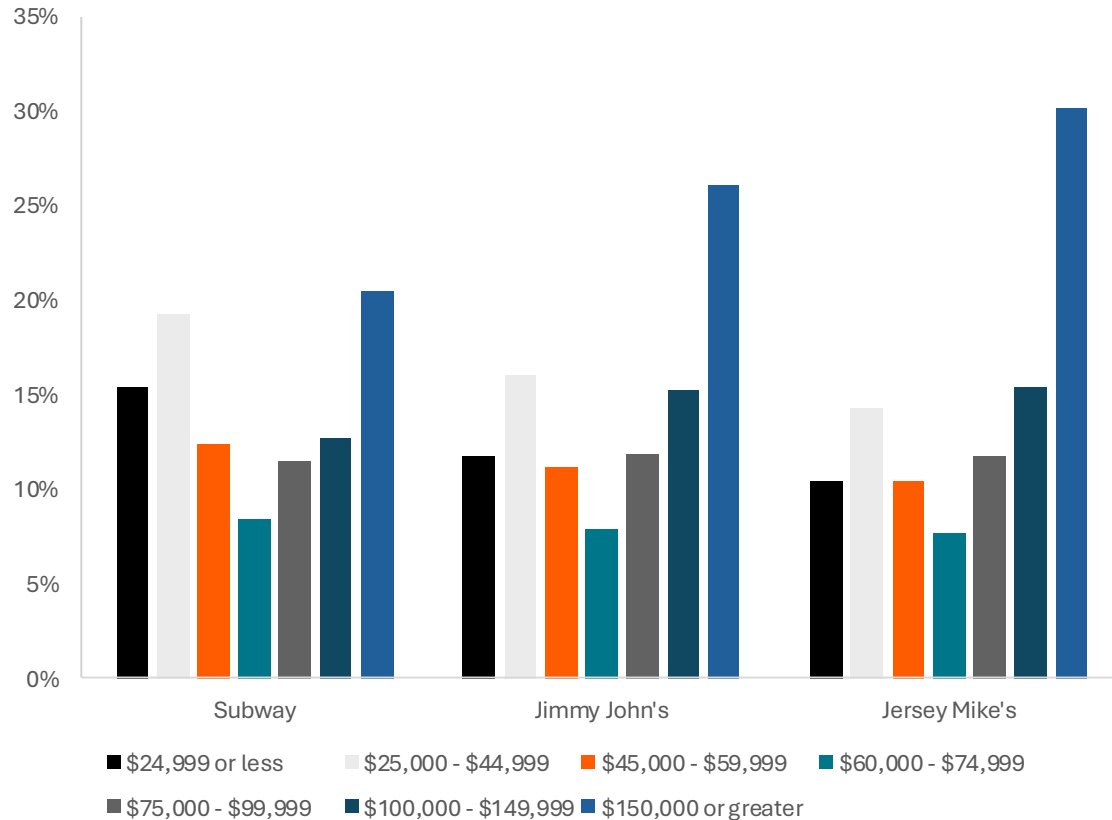


Note: Pricing reflects the average of a standardized basket of six comparable sandwiches per chain.

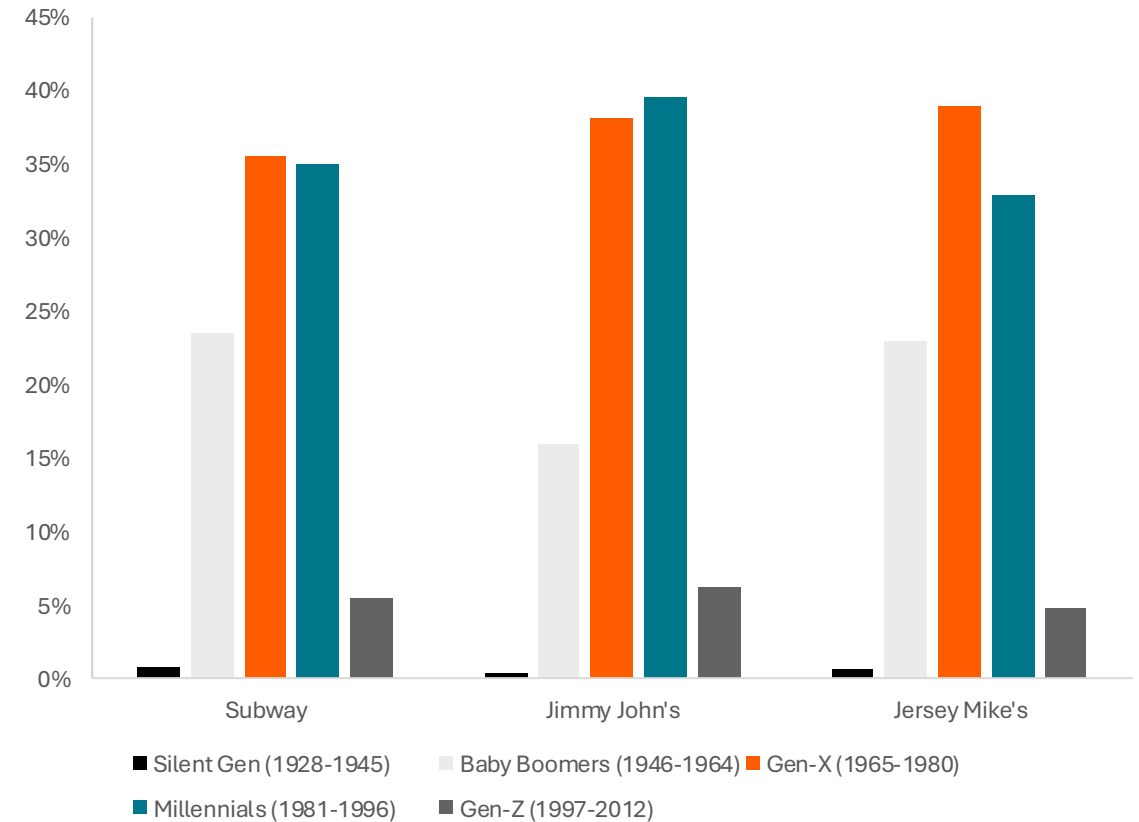
# Jimmy John's Younger Customer Mix Reinforces "Freaky Fast" Work-Lunch Appeal

Jimmy John's Millennial-heavy customer base aligns with high-frequency, value-oriented work-lunch occasions where speed matters. Its "Freaky Fast" positioning supports stronger transaction volume, helping drive same-store sales outperformance and Midwest share leadership.

Customer Income Distribution by Brand  
(2025 Transactions)



Customer Generation Distribution by Brand  
(2025 Transactions)

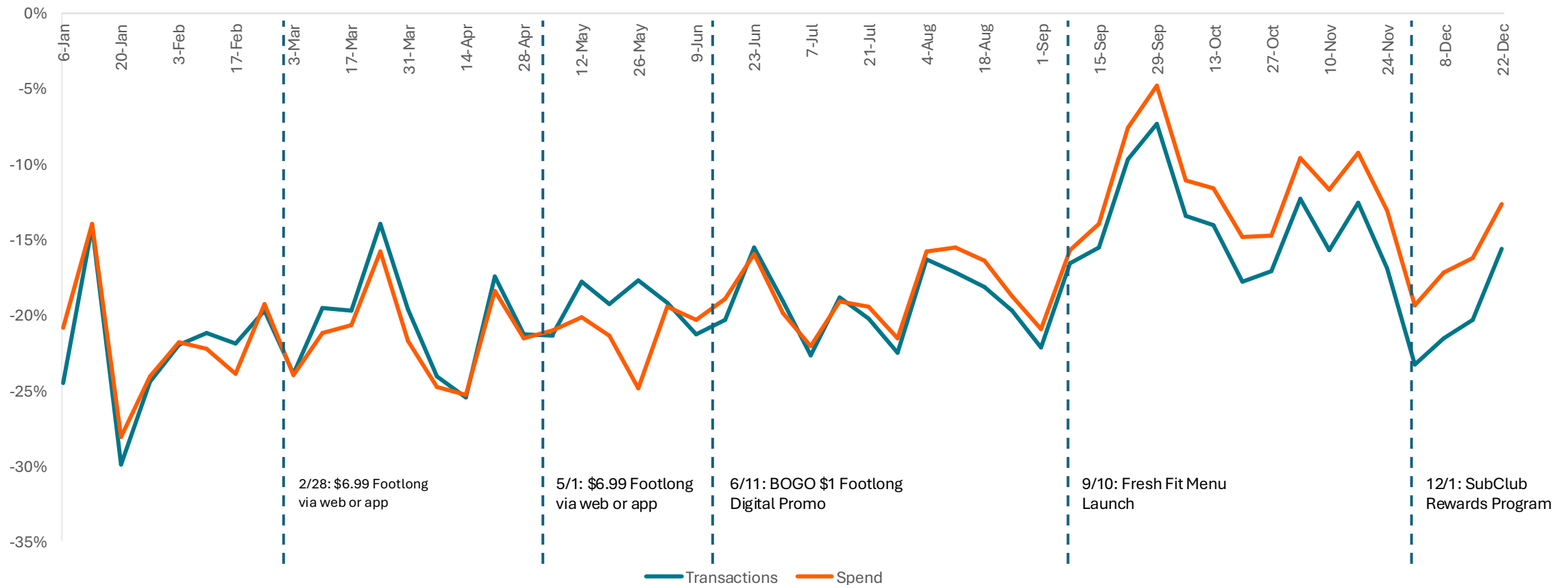


Note: Income distribution data is sourced from a historical-only dataset, with coverage through August 2025.

# SubClub and Fresh Fit Stand Out as Subway's Most Successful Campaigns of the Year

SubClub Rewards and the Fresh Fit menu emerged as Subway's most successful initiatives of 2025. Fresh Fit drove the strongest mid-year Y/Y lift, signaling growing consumer preference for healthier offerings and a demand tailwind beyond promotions. SubClub Rewards shows early signs of success, suggesting loyalty-driven engagement may help support baseline demand.

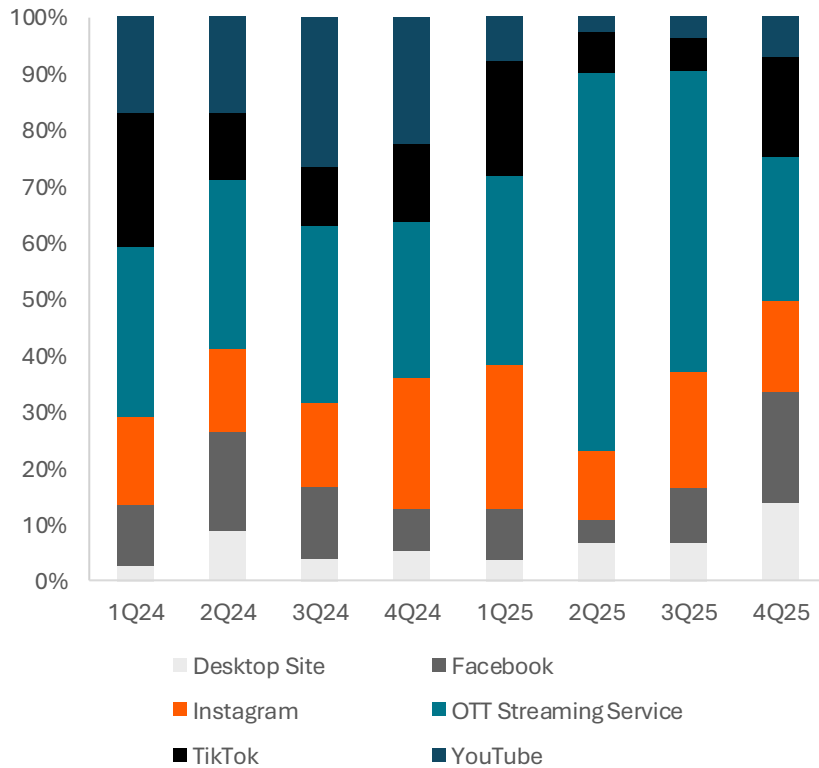
Subway Y/Y Growth - Credit Card – U.S. Complete Panel



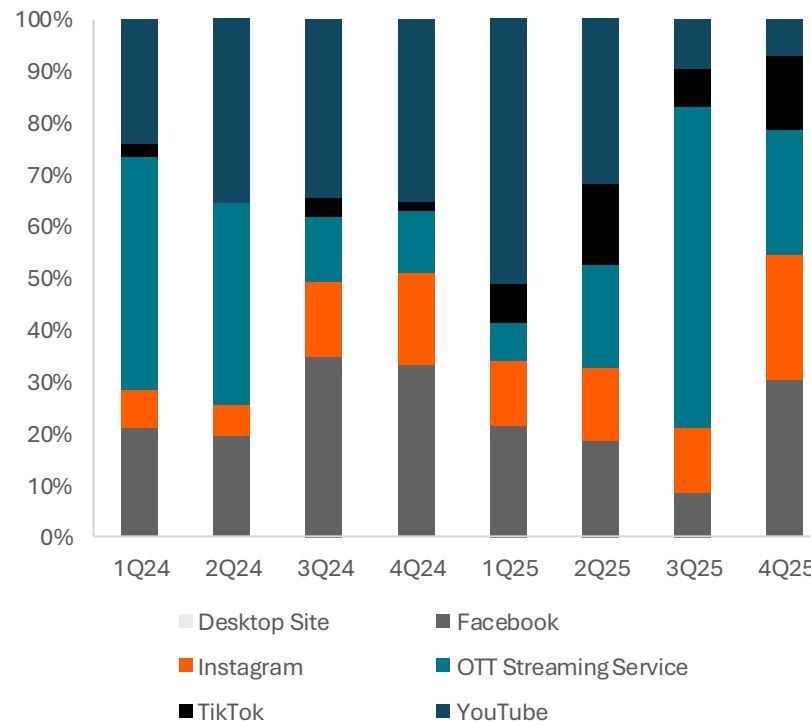
# Subway Leads QSR Peers with the Most Diversified Media Mix

Subway's SubClub launch in 4Q25 coincided with its most diversified media mix of the year. Jimmy John's executed a concentrated OTT push in 3Q25 before rebalancing in 4Q25. Jersey Mike's broke from its OTT-first strategy in 4Q25, expanding meaningfully into paid social to support late-year promotions.

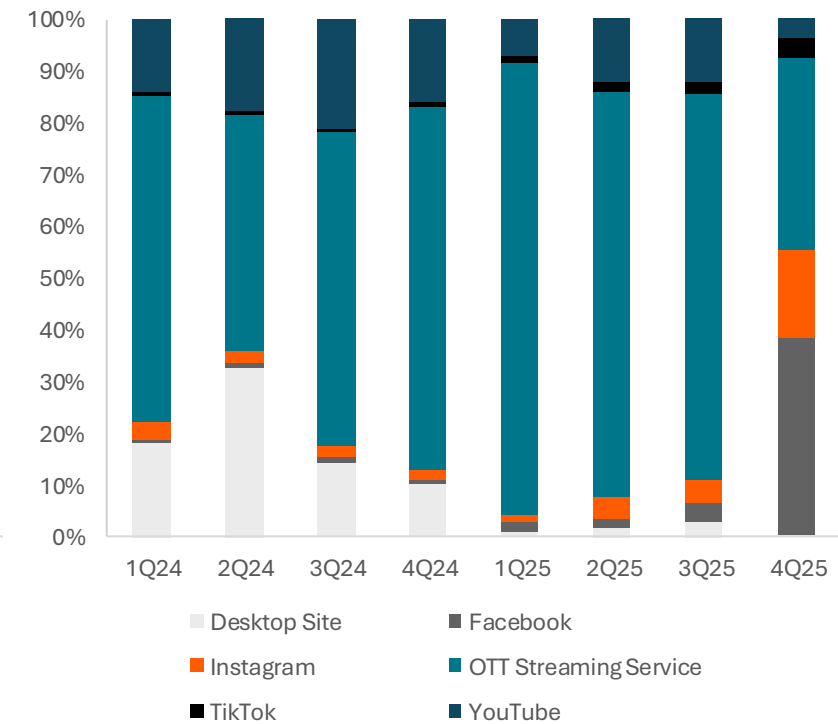
Subway Advertising Spend Market Share



Jimmy John's Advertising Spend Market Share



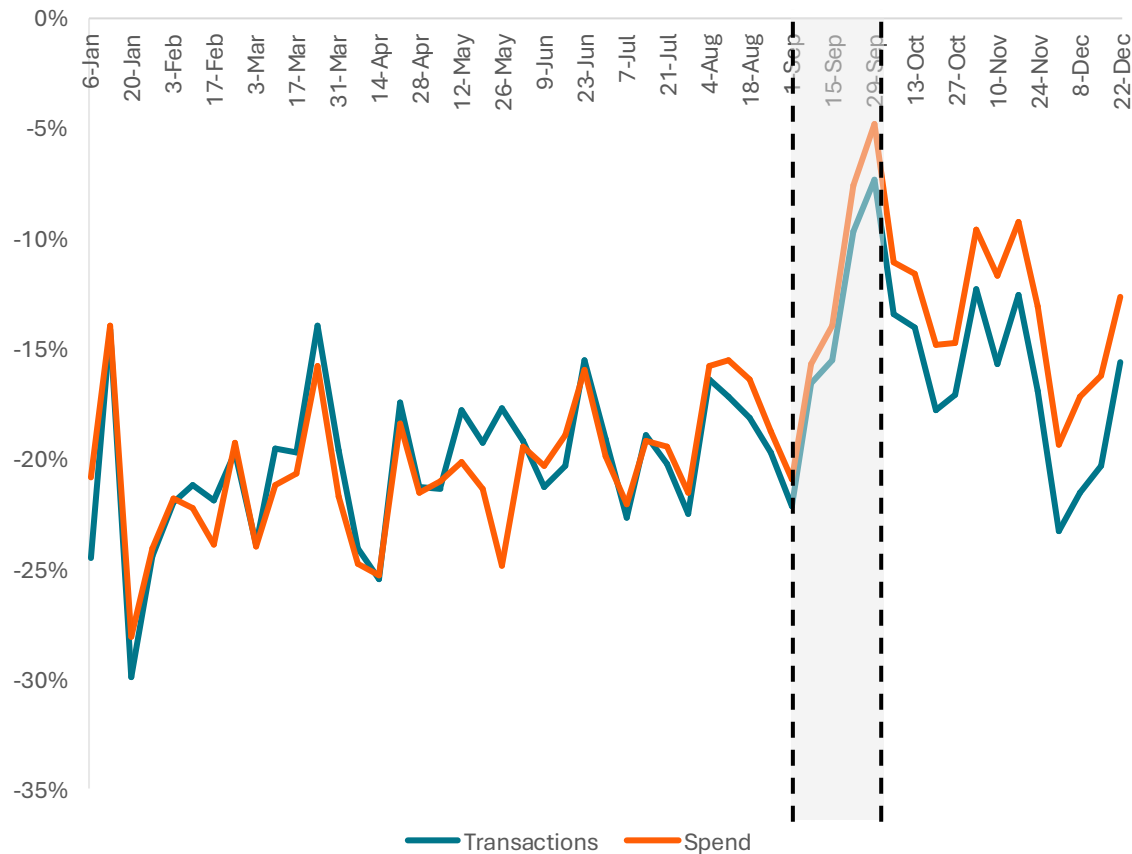
Jersey Mike's Advertising Spend Market Share



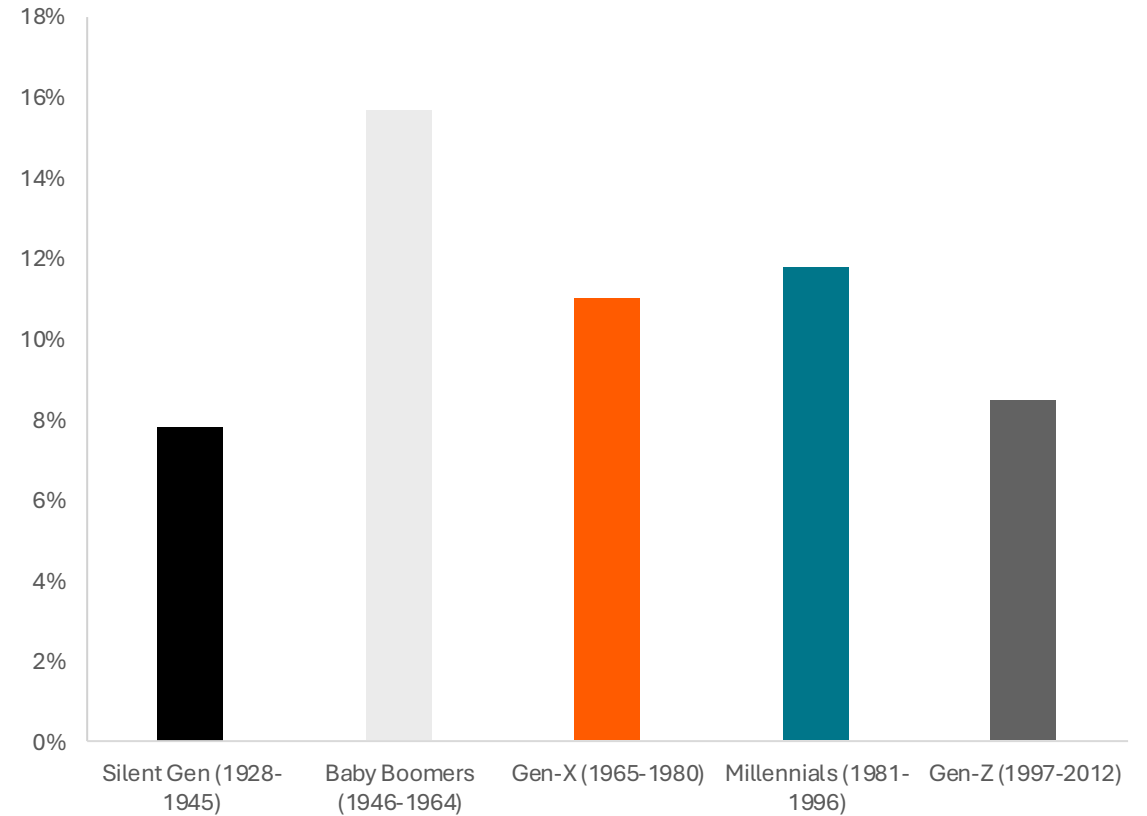
# Health-Focused Offerings Reignite Y/Y Growth Across Key Age Cohorts

Fresh Fit drove a meaningful shift in generational performance, with Baby Boomers and Gen-X overtaking Millennials in Y/Y growth - marking a sharp departure from Subway's historical customer mix and highlighting outsized demand for health-forward options among older cohorts.

Subway Weekly Y/Y Growth



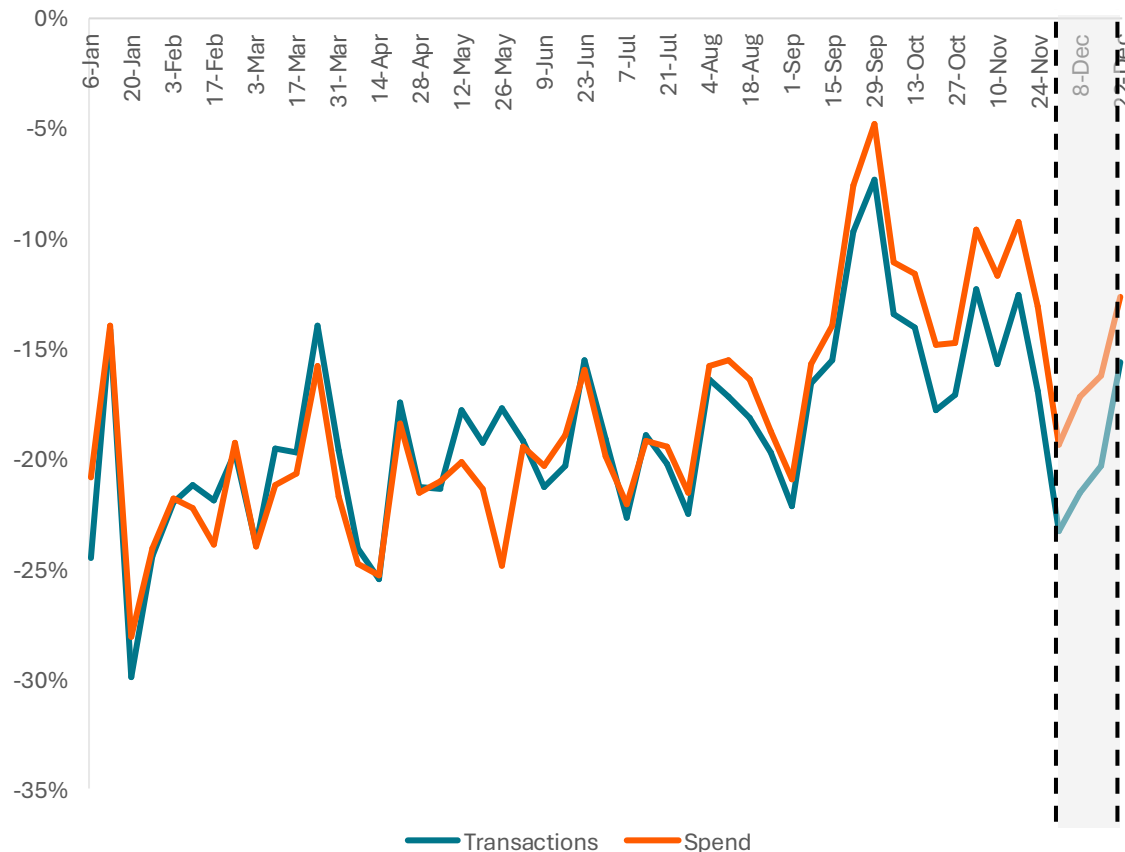
September Y/Y Transaction Growth Acceleration (By Age Cohort)



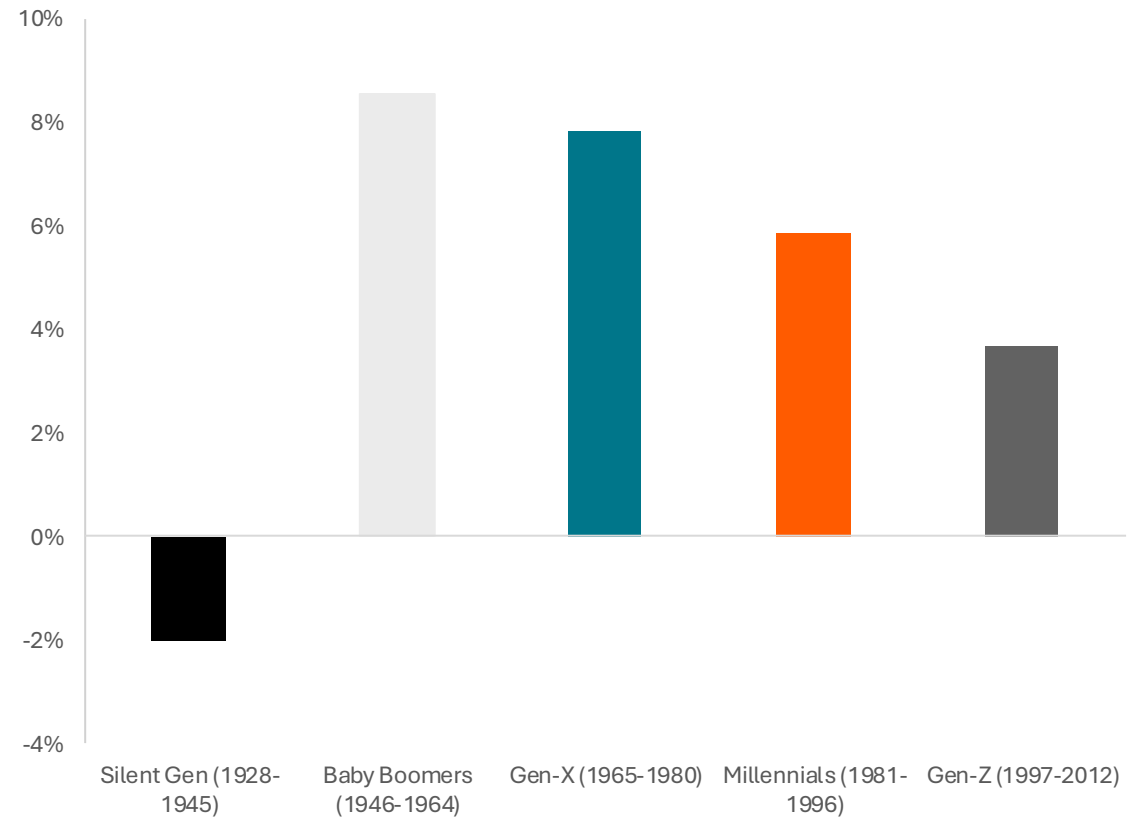
# SubClub Promotions Spark Short-Term Y/Y Acceleration

Y/Y growth acceleration following the SubClub launch is driven primarily by working-age cohorts - suggesting promotions are resonating with value-sensitive customers. While this has helped stabilize performance into December, the impact appears driven by near-term promotional responsiveness rather than a sustained demand inflection, with overall Y/Y trends still in decline.

Subway Weekly Y/Y Growth



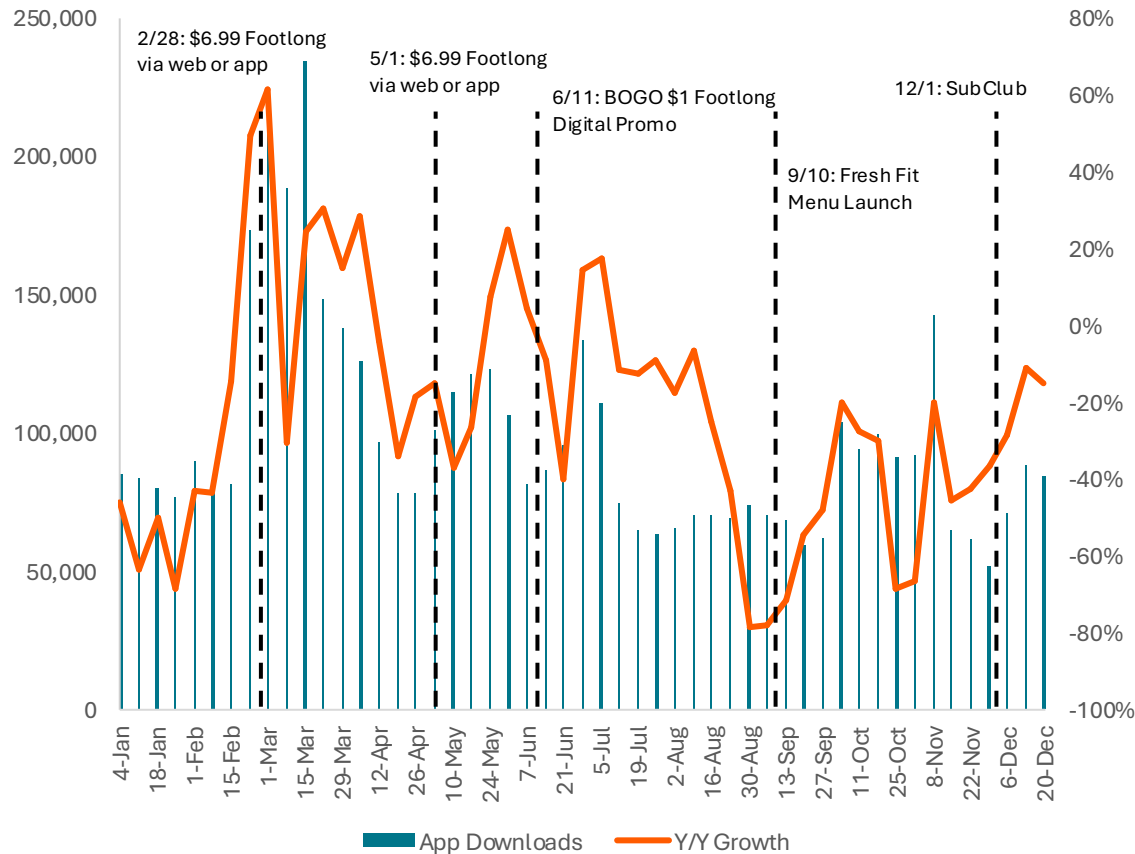
December Y/Y Transaction Growth Acceleration (By Age Cohort)



# Digital Price Promotions Drove Adoption Without Disrupting Engagement

Digital-only value offers (e.g., \$6.99 Footlong, BOGO) drove sharp spikes in app downloads, establishing a larger digital base that carried through subsequent menu launches. Daily active users remained broadly stable across both digital and non-digital campaigns, signaling durable engagement rather than one-off promotional behavior.

Subway App Downloads



Subway Daily Active Users

