



Company	Ticker	Sector	Industry
Kroger Co.	KR-US	Consumer Staples	Food & Staples Retailing

Business Description

The Kroger Co. engages in the operation of supermarkets and multi-department stores. Its brands include Big K, Check This Out?, Heritage Farm, Simple Truth, and Simple Truth Organic. The company was founded by Barney Kroger in 1883 and is headquartered in Cincinnati, OH.

Price Chart



Key Info & Metrics

Empirical Research Rank:	4
Date Purchased:	11/01/2019
Price:	\$44.47
52-Week Range:	\$42.11 - \$61.67
Dividend Yield:	2.11%
Market Cap (\$M):	\$31,833
Forward Price-to-Earnings:	11
Total Return	
Year-to-Date:	-0.2%
1 Year:	1.5%
3 Year:	69.0%
5 Year:	70.6%

Investment Case - Updated: January 20, 2023

Kroger is the world's largest traditional grocer operating more than 2,700 supermarkets in 35 states, of which almost 2,300 have pharmacies and almost 1,600 have fuel centers. Kroger's increased focus on private label items provides higher margins to the firm and lower cost to consumers than branded counterparts. About 30 percent of all private label items sold in Kroger stores are produced in one of the firm's 33 production plants. Additionally, Kroger provides an opportunity for 98 percent of households to shop digitally. Food delivery was accelerated by the COVID-19 pandemic, but management has been prioritizing this service for some time by creating high efficiency warehouses. Recently, Kroger announced its intent to acquire Albertsons which would create a strong competitor to Walmart in grocery. Over time we expect Kroger to generate sales in line with inflation, but expenses should grow slower, creating operating leverage and earnings per share growth above sales growth.

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