

Kroger Company (KR)

Earning Report Outlook

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Summary

Kroger is one of the largest supermarket chains in the United States, operating over 2,700 grocery stores across 35 states. It is also one of the world's largest retailers, serving millions of customers every day. Kroger's origins trace back to 1883 when Bernard Kroger invested his life savings to open a small grocery store in Cincinnati, Ohio. Since then, the company has grown significantly and expanded its operations to include various formats and services beyond traditional grocery retail.

Kroger operates under several banners, including Kroger, Ralphs, Fred Meyer, Food 4 Less, Harris Teeter, and many more. Each banner caters to specific regions and customer needs, ensuring a diverse range of products and services across different markets. This multi-brand strategy allows Kroger to reach a broader customer base and adapt to local preferences.

As a supermarket chain, Kroger's primary focus is providing a wide variety of grocery items to customers. Their stores typically offer a comprehensive selection of fresh produce, meat, dairy products, bakery goods, and pantry staples. In addition to the essentials, Kroger stocks a range of household products, health and wellness items, and general merchandise to meet customers' everyday needs. The company prides itself on offering quality products at affordable prices, catering to customers across various income levels.

Kroger has also embraced the digital age by expanding its online presence and introducing innovative services. They have developed an e-commerce platform that allows customers to order groceries online for pickup or delivery. Through the Kroger website or mobile app, shoppers can browse through a wide range of products, select items, and choose their preferred method of receiving their groceries. This convenient service has gained popularity, especially during the COVID-19 pandemic, as it offers a contactless shopping experience and saves time for busy individuals.

Beyond traditional grocery retail, Kroger has ventured into different areas to enhance its value proposition and meet evolving customer demands. One significant initiative is the focus on health and wellness. Kroger operates pharmacies in many of its stores, providing prescription medications, over-the-counter drugs, and other healthcare products. Additionally, they have expanded their offering to include organic and natural food options, promoting healthier choices for their customers. Kroger's commitment to wellness extends to their in-store dietitians, who offer expert advice on nutrition, meal planning, and specific dietary needs.

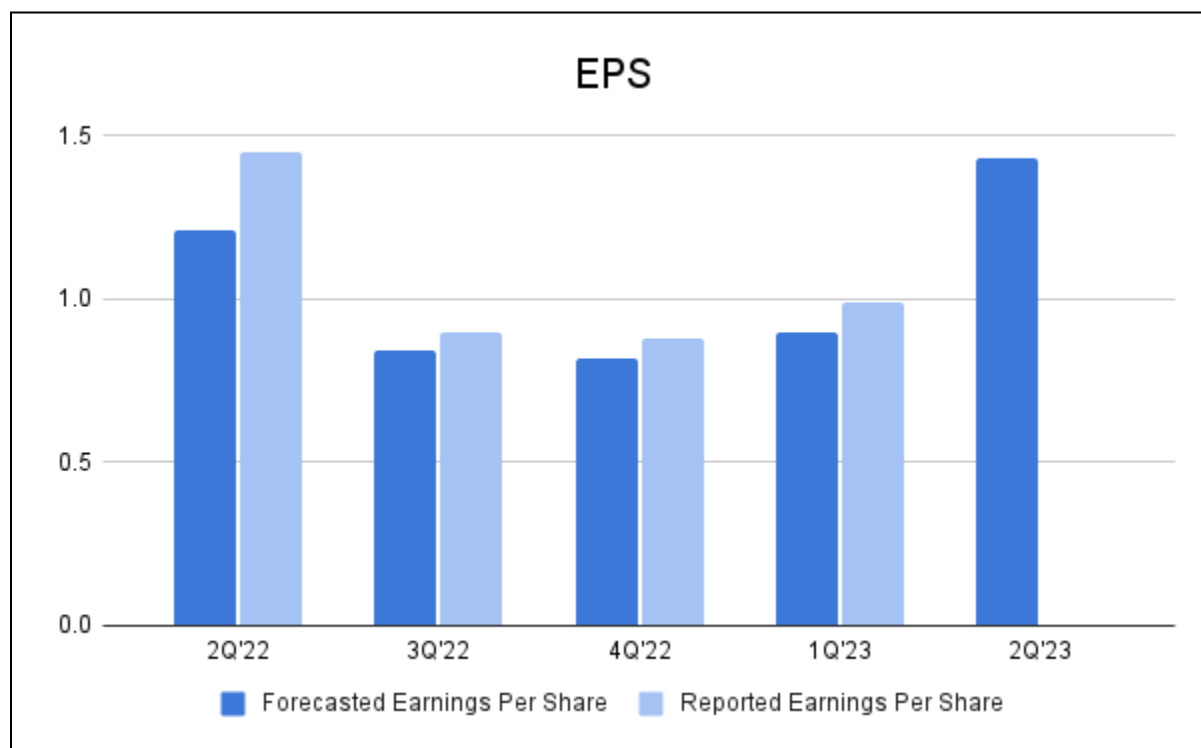
Kroger has also recognized the growing interest in prepared meals and convenience foods. Many Kroger stores feature delis, offering a variety of ready-to-eat meals, salads, sandwiches, and other freshly prepared options. This appeals to customers looking for quick and convenient meal solutions without compromising on taste or quality. In recent years, Kroger has expanded its meal kit offerings as well, providing pre-portioned ingredients and recipes to facilitate home cooking.

Furthermore, Kroger has made significant strides in sustainability and social responsibility. The company has set ambitious goals to reduce waste, conserve natural resources, and promote responsible sourcing. They have implemented various initiatives such as recycling programs, energy-efficient store designs, and partnerships with suppliers committed to sustainable practices. Kroger also actively engages in philanthropic efforts, supporting local communities through food donations, charitable giving, and educational programs.

In summary, Kroger is a prominent supermarket chain that operates a vast network of grocery stores across the United States. With a strong emphasis on providing quality products at affordable prices, Kroger has become a trusted name in the retail industry. Through their multi-brand strategy, they cater to diverse customer preferences and adapt to local markets. With a focus on health and wellness, online shopping, convenience foods, sustainability, and community engagement, Kroger continues to evolve to meet the needs of its customers in an ever-changing retail landscape.

Analysis

Fundamental



Kroger Company has depicted good earnings in the past four quarters since the second quarter of 2022. The ability for an asset to beat the forecasted earnings per share (EPS) consistently is very important because it gives investors confidence in the future financial quarters of the stock. Although Kroger has reported less EPS since the second quarter of 2022, the company has still been able to beat forecasted EPS made by analysts, which is good for investors and the company.

Since the beginning of 2023 Kroger Company has had a growth of stock value of 6.16%, due to factors such as the merger of Kroger and another popular grocery chain Albertsons which allowed Kroger Company to acquire 5,000 grocery store locations and an estimated 700,000 employees. The growth of the stock value was outweighed with the drop in May due to

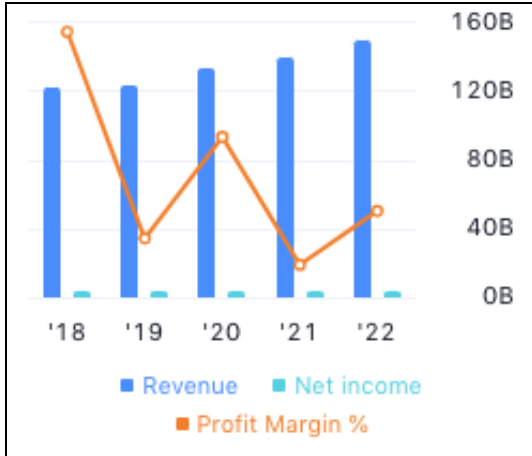
the company discontinuing their weekly newspaper ads, and also the continued closing of stores even after the merging of Albertsons which caused employee lay-offs.

From a technical perspective of the stock it has shown growth since March after a period of consolidation since the beginning of 2023, and has dropped through the end of May/beginning of June. There are strong resistance levels observed at the 50 dollar price point and a support level at around the 45 dollar price point. The Relative Strength Index (RSI) is an indicator that shows the volatility of a given asset for a period of time, currently the RSI for Kroger Company is at around 50 which has risen from a low of 30 after the company announced the closing of stores and stopping their newspaper advertisements. Although RSI is a good tool to provide information on volatility, it should never be used as the only form of research done for an asset and should always be used alongside further technical and fundamental research when making financial decisions.

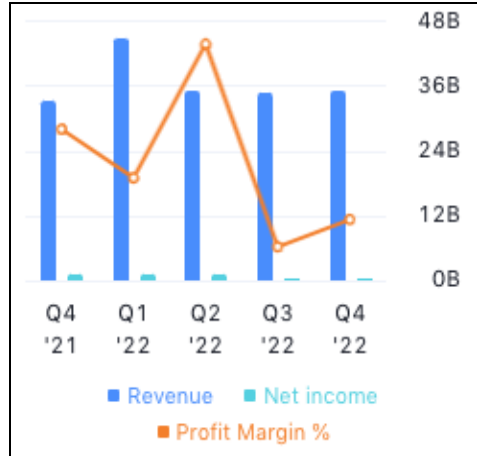
Income statements show varying percentages of profit margin annually, but it shows a consistent downtrend although revenue continues to grow. Balance sheets depict a consistent level of liabilities and total assets with a consistent downtrend of debt to assets, except in the fourth quarter of 2022 where debt had risen. Cash flow shows consistent levels of all factors within the chart, except operating costs which have consistently lowered in the past few years.

Technical

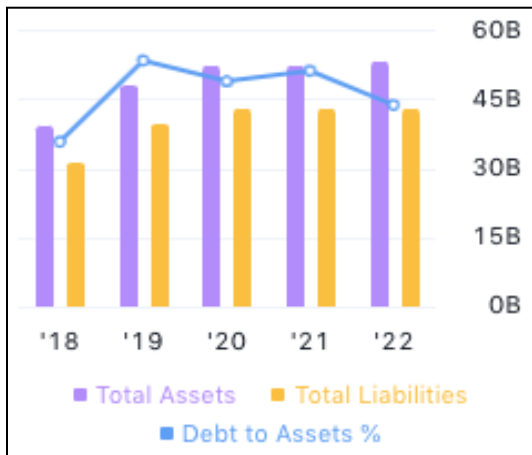




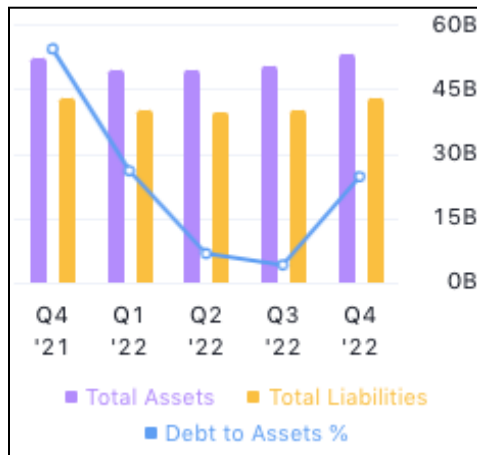
Income Statements (Annual)



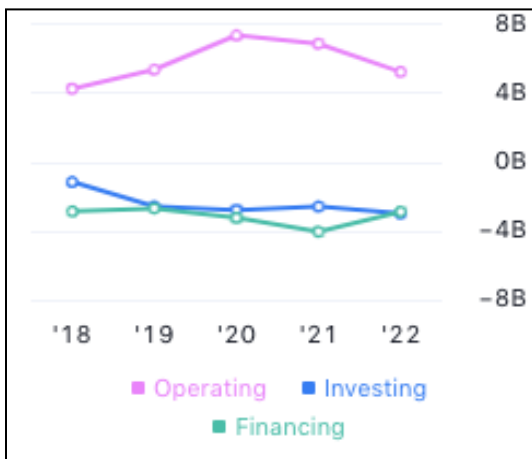
Income Statements (Quarterly)



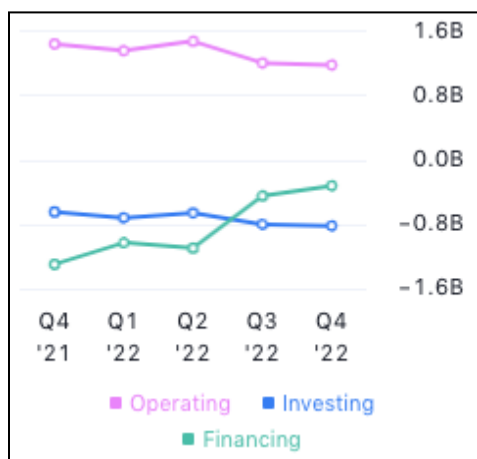
Balance Sheet (Annual)



Balance Sheet (Quarterly)



Cash Flow (Annual)



Cash Flow (Quarterly)

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