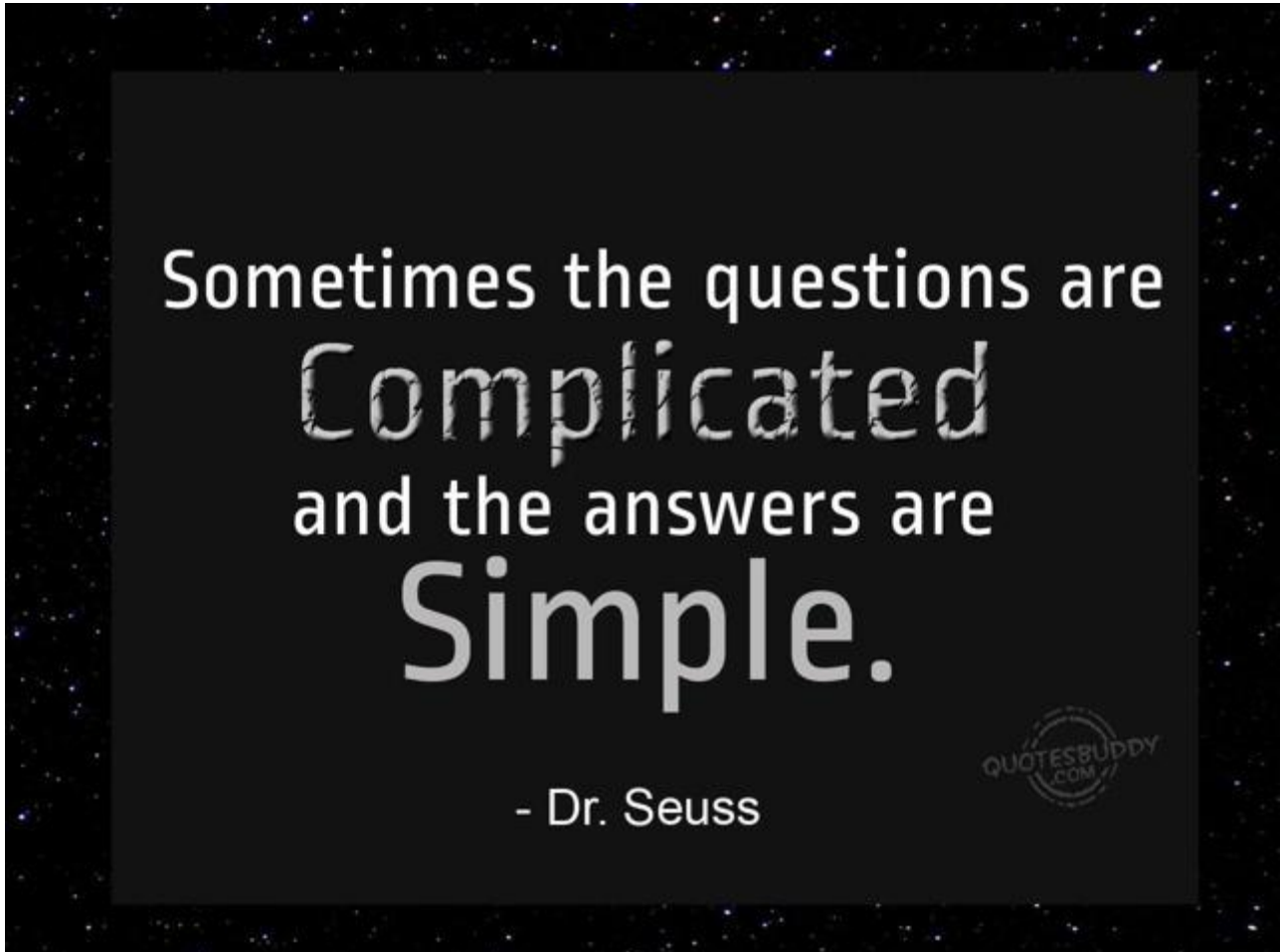


Kroger: Value Trap Or Value Investment - A Deep Due Diligence Dive

 seekingalpha.com/article/4115509-kroger-value-trap-value-investment-deep-due-diligence-dive

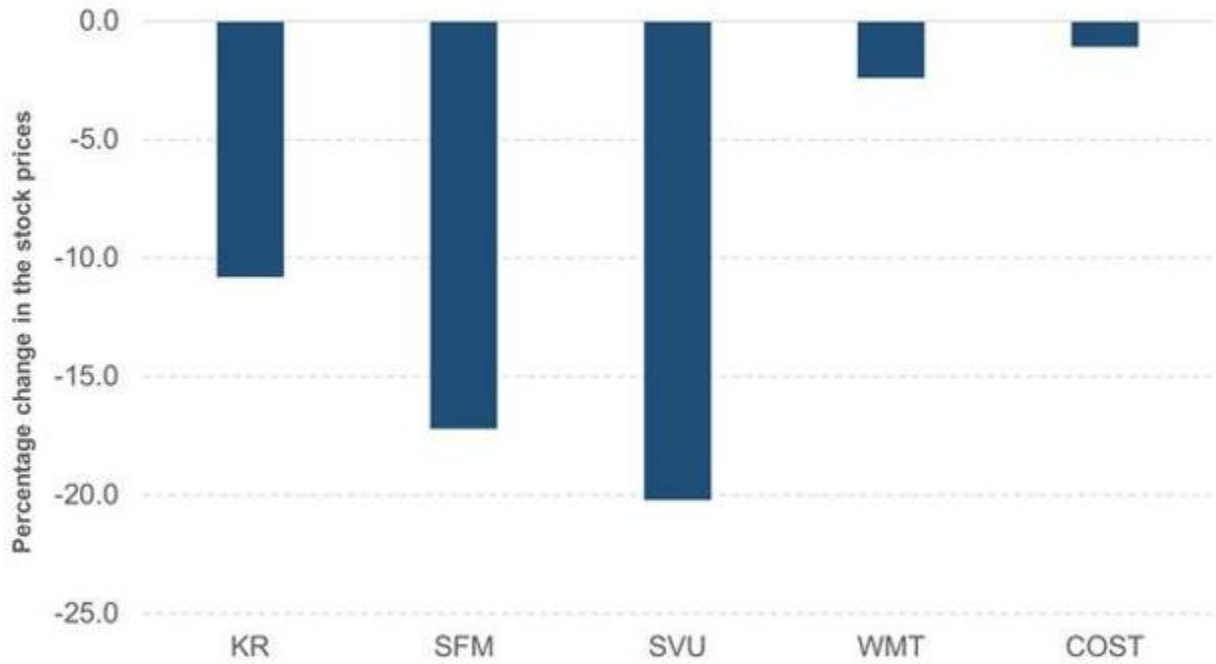
Chuck
Walston

10/23/2017



The acquisition of Whole Foods Market, announced by Amazon ([AMZN](#)) last June sent shockwaves through the grocery industry.

Performance of Selected Food Retail Sector Stocks in August



Market Realist 

Sources: S&P Indices, NYSE

When the deal was finalized in August, Amazon announced plans to lower the prices of certain products by as much as a third. The company also hinted at additional price reductions in the future.

Amazon Prime members will be given special savings and other in-store benefits once the online retail giant integrates its point of sale system into Whole Foods stores.

Amazon Lower Prices at Whole Foods



Market Realist 

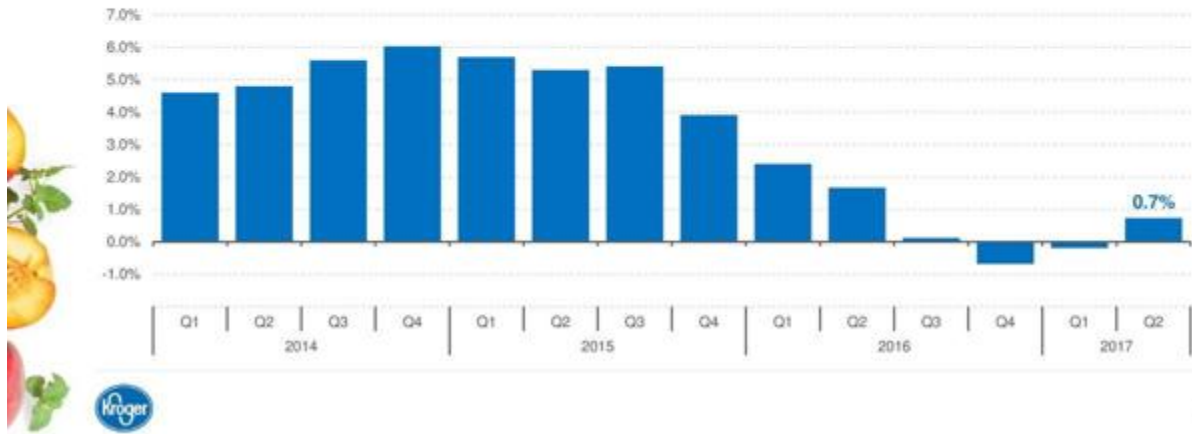
Source: Techcrunch.com

Analysts immediately predicted a future of widespread margin cuts across the industry.

Well before Amazon's entry into stick and brick groceries, Kroger ([KR](#)) experienced deterioration in comparable store sales.

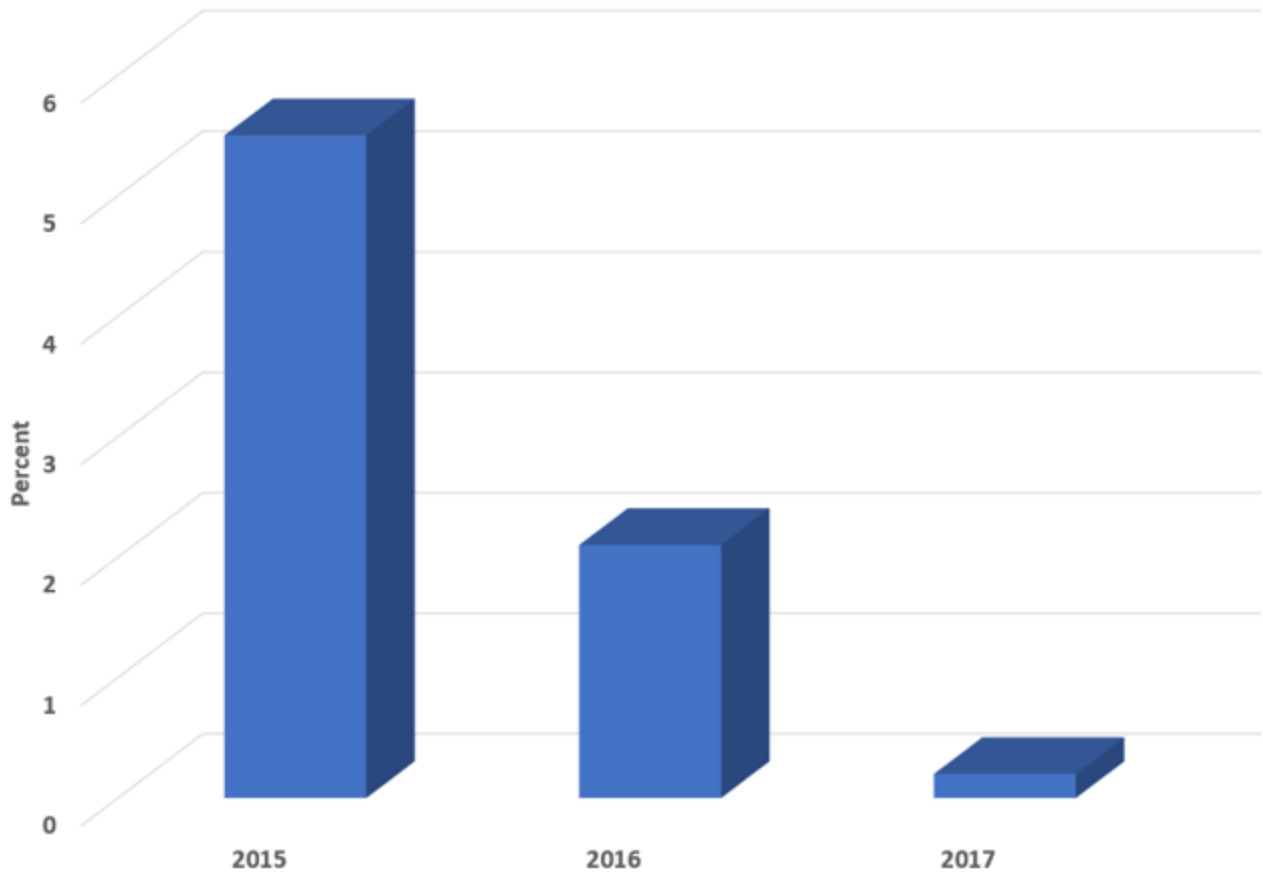
Identical Stores Sales Rebound

Quarterly Identical Store Sales
Without fuel



(Source: Kroger Investor Presentation slideshow)

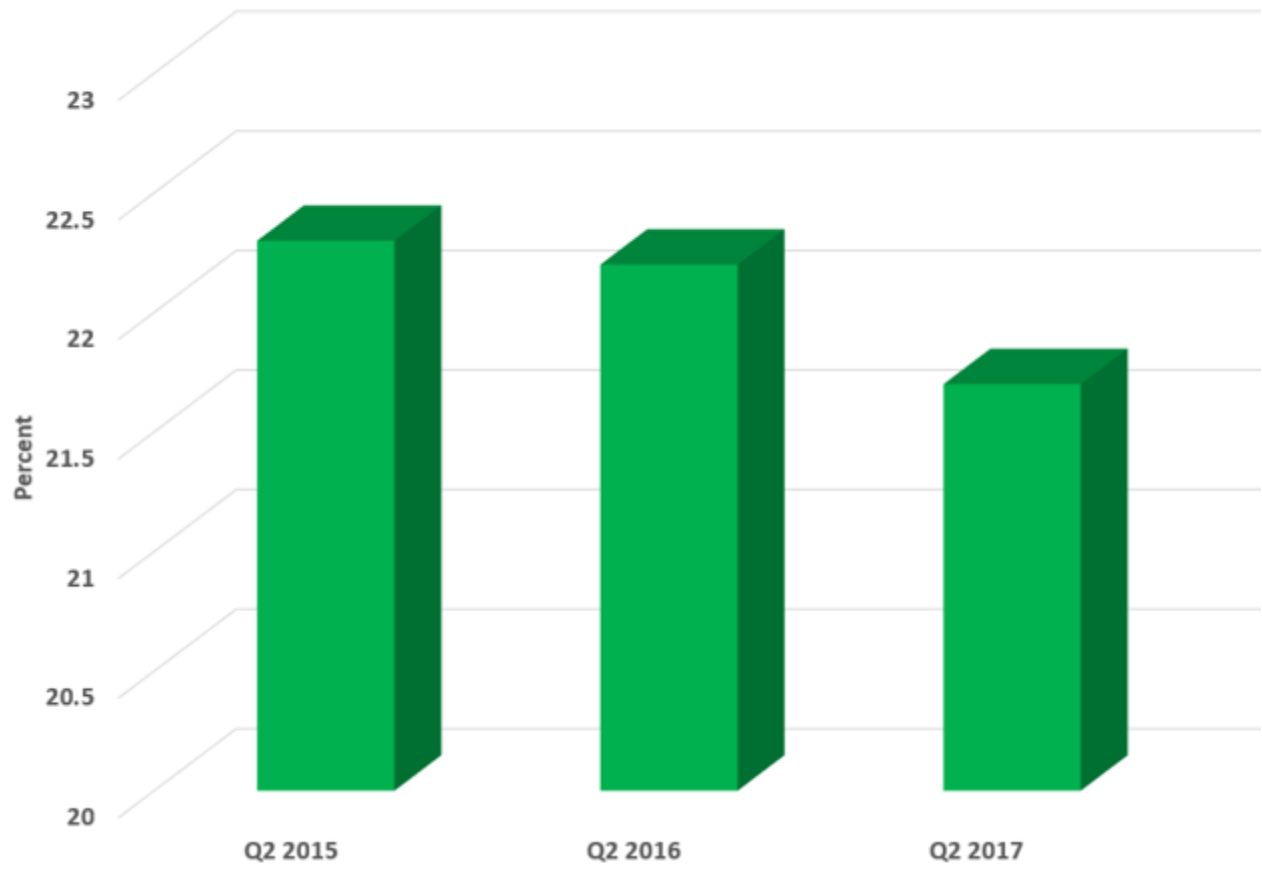
Kroger Same Store Sale Changes, Year-To-Date Through Q2, 2015-2017



(Source: [SEC Filings](#) via SA contributor Quad 7 Capital)

Additionally, Kroger's recent results reflect gross margin compression.

Kroger Gross Margins Q2 2015- Q2 2017



(Source: [SEC Filings](#) via SA contributor Quad 7 Capital)

After the takeover, Whole Foods initiated a price war. According to Reuters, prices at a Los Angeles Whole Foods store are lower on some products than comparable goods sold in a nearby Ralph's store owned by Kroger.

The Threat From Amazon

Research conducted by Foursquare Labs Inc. indicates the publicity surrounding Amazon's recent acquisition of Whole Foods, combined with the announcement of deep price cuts, resulted in a 25% surge in customer traffic.

Not content to attack conventional grocers with their panoply of online food services and margin cuts, Amazon registered a trademark application for a meal-kit service.

Morningstar projects \$3 billion in meal-kit revenues for the company by 2021.

A nationwide poll of consumers conducted by ChargetSpot determined 63% of shoppers are more likely to shop at Whole Foods since the acquisition and 84% had a positive view of the merger. The survey indicated shoppers expect Amazon to "upgrade the grocery store experience with additions of useful technology."

The perception among many is Amazon's entry into retail groceries will result in a Borders bookstore style demise for mainstream grocers.

Forget Amazon, Formidable Players Are Moving Into This Space

The US retail grocery industry is suffering attacks on another front.

Aldi and Lidl, well known European chains, are expanding into the US grocery market. This follows the pairs near decimation of the four biggest players in the retail grocery industry in the UK. Five years ago, the two held a 5% share of that market. Today Lidl and Aldi hold a 12% share while the big players have experienced steady losses.

Lidl has a reputation for being able to adapt quickly and has the backing of its formidable European parent company. With 10,000 stores in 27 European countries, they are an adversary that cannot be easily dismissed.

After two years of planning and preparation, Lidl established a firm foundation by first opening three distribution centers on the eastern seaboard, Lidl plans to eventually open 600 stores in the US.

Lidl executives claim they can offer consumers prices as much as 50% below that of US rivals.

A recent price check in Lidl's newly opened Virginia Beach store determined premium products were priced 10% below that of Wal-Mart ([WMT](#)) and 3% below Aldi's prices.

Unlike Lidl, Aldi has a longstanding presence in the US. The first store was opened in 1976 and the company boasts a store count of roughly 1600, not including the over 400 Trader Joe's under its banner.

Last June Aldi announced plans to add 400 new stores in the US by the end of 2018.

Oftentimes, Americans Aren't Getting Their Meals At Grocery Stores

Restaurants Share Of Meals Are Increasing



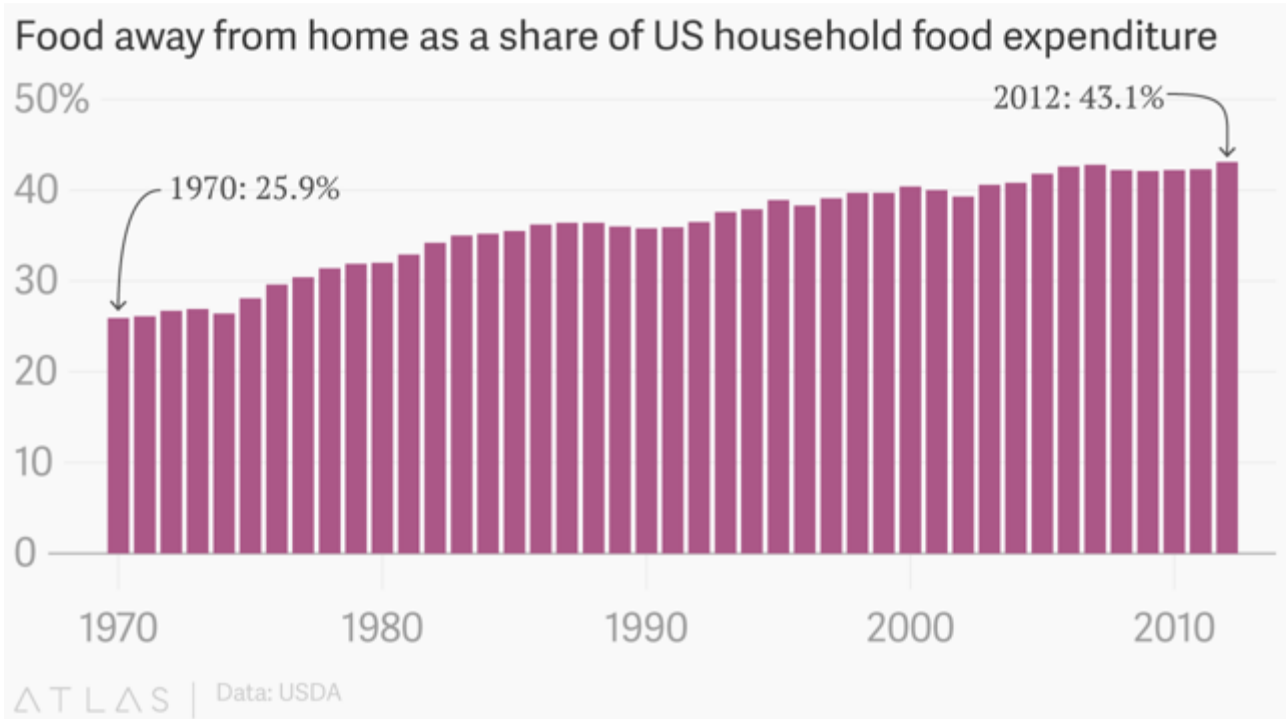
(Source: Kroger Investor Presentation slideshow)

According to [Eddie Yoon](#), a fellow who studies this sort of thing, home-style cooking in the US is a dying art form.

Fifteen years ago, Mr. Yoon conducted research for a client and determined that 15% of the populace "loves" to cook, 50% hates cooking, and 35% are so-so on the idea (his characterizations, not mine).

Nearly 15 years later, Yoon conducted a similar study. The results: Today only 10% of Americans love to cook, while 45% hate it and 45% are lukewarm about it.

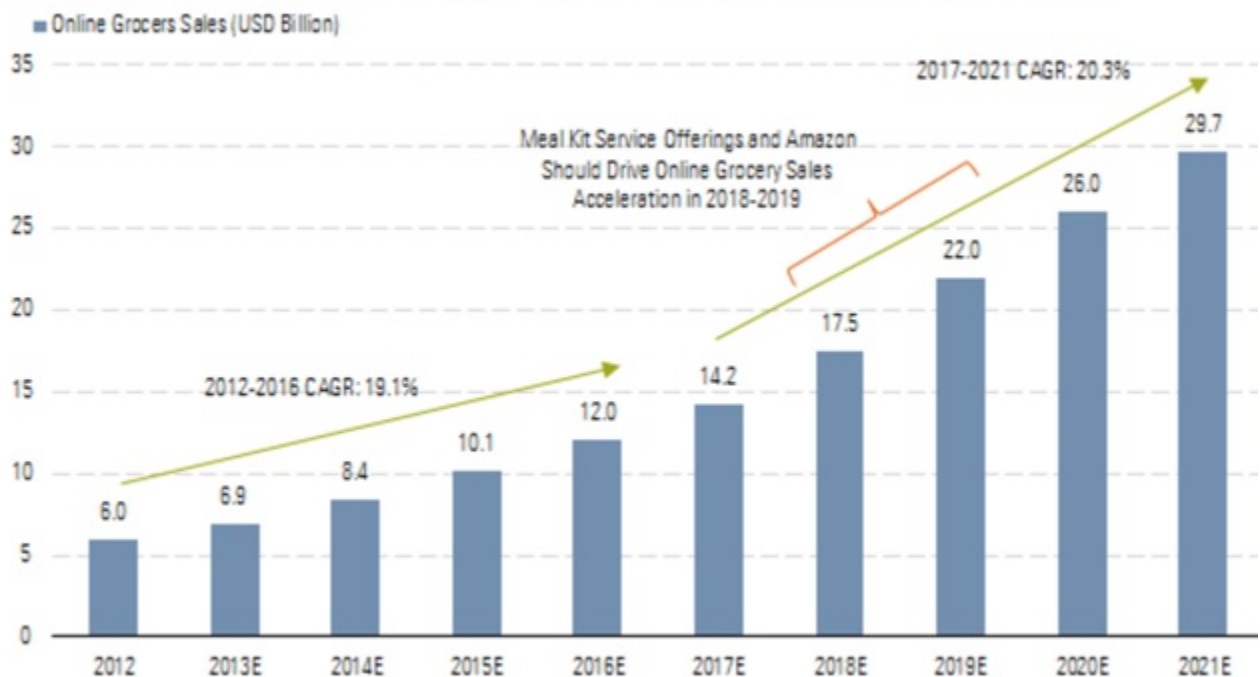
As of last year, we now spend more on food at restaurants than we do on supermarket groceries. The trend towards restaurant dining has been on the increase for decades. In 1970, 26% of the average food spending budget was devoted to eating outside the home. By 2012, the percentage spent in restaurants had climbed to 43%.



(Source: ATLAS Data USA via Quartz)

Meal Kit Services Are Eroding Grocery Store Sales

We Expect Online Grocery Spending to Accelerate in 2018 After Modest Growth in 2017



Source: Morningstar estimates based on data from IBIS World, Hartman Group/Food Marketing Institute, Business Insider, Nielsen

A little over a month ago, Albertsons Companies, the parent company of Albertsons, Vons and Pavilions stores in Southern California, become the first national supermarket chain to acquire a meal kit service.

The company bought Plated, a meal kit service founded in 2012. The kits will be provided through 2,300 stores under Albertsons' portfolio.

1010data estimates that meal-kit services have grown over 500% since 2014. Packaged Facts conducted market research stating the burgeoning meal-kit sector will garner \$5 billion in sales in 2017. Research by Nielsen indicates one in four adults in the U.S. has purchased a meal kit in the last year.

A major player in the field is Blue Apron: For around \$60 a week, meals can be ordered online that arrive at your doorstep a week later.

There are more than 100 companies vying for your meal kit dollar. The offerings range from microwaveable meals to juice cleansers and gourmet offerings.

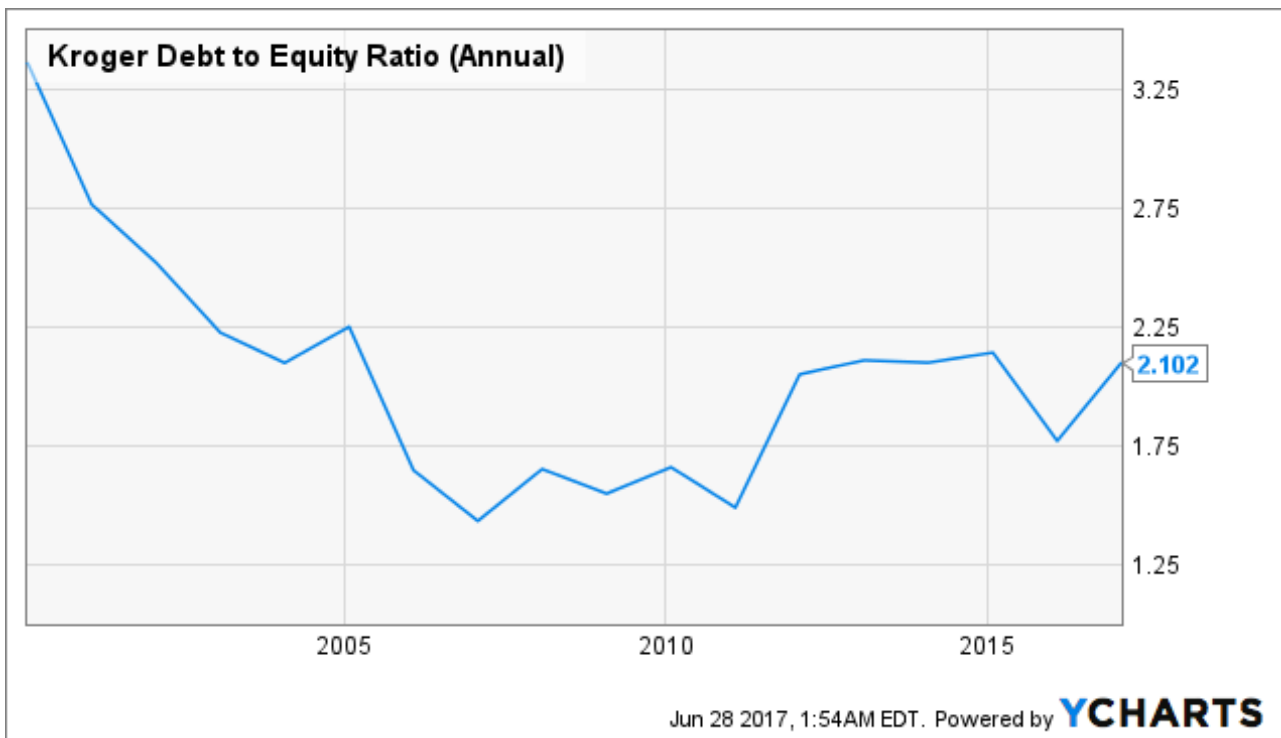
A study by MONEY determined consumers can save approximately 12% by purchasing a meal from Plated, as opposed to buying the same ingredients from a local grocery store.

Approximately 19% of Americans have eaten a meal provided through a meal-kit service. Morningstar reports that those who subscribe to meal-kit services devote as much as 13% of their food budget to the products.

Meal kits appeal most to Millennials and Generation X. Consumers in those age cohorts are 321% more likely to purchase meal kits than older folks.

Meal kit customers spent 2.8% less at supermarkets; however, they also spent 2.2% less dining in restaurants

Kroger Has A Debt Problem



YCharts via SA contributor Daniel Jones

These two charts speak volumes.



YCharts via SA contributor Daniel Jones

Much of Kroger's debt can be attributed to the company's view that debt acquired at the current low interest rates makes sound business sense, and there is an argument to be made in their favor. The increase in debt helped fuel share buybacks, acquisitions, and initiatives designed to propel the company forward.

While I am not overly concerned with Kroger's debt load, it nonetheless bears watching. Increasing headwinds combined with increasing debt loads don't paint the best picture. Lesser debt provides greater flexibility for any company operating in a difficult environment.

Kroger's Pension Plan Is Underfunded

Kroger contributed a meager \$3 million to the company's pension plan in 2016 and \$5 million in 2015.

The company disclosed last July that it will contribute up to \$1 billion to its pension plan this year.

In a [regulatory filing](#), Kroger stated the pension contribution "will significantly address the underfunded position of the plan." The liability will be funded through the issuance of debt.

As of last December, Kroger's pension plan assets totaled \$3.138 billion. Projected benefit obligations totaled \$4.14 billion, for a funding ratio of 75.8%.

No One Sees The 800 Pound Gorilla In The Grocery Aisle

During my extensive research for this investment thesis, I repeatedly saw references to Aldi, Lidl, Amazon, and the American's growing trend to eat food in restaurants or from meal kits listed as headwinds buffeting retail grocers.

Why isn't anyone concerned with Wal-Mart?

Wal-Mart commands the largest share of the retail grocery market, and that share is expanding. According to Loop Capital analyst Andrew Wolf, Wal-Mart holds a 21.5 percent market share in the U.S. traditional grocery industry.

In a recent report, Wolf claims Wal-Mart's same-store sales beat US grocery retailers by 2.9% in the first quarter. This after posting a 1.6% outperformance in 4Q of 2016.

One has to consider that Wal-Mart earns well over 50% of revenues from the company's grocery aisles. Perhaps of greater importance is the number of customers that buy a broad assortment of items while shopping for foodstuffs. Without a dominant presence in groceries, an investor must believe Wal-Mart's retail sales would drop significantly.

Wal-Mart launched a preemptive strike designed to smother Lidl's entry into the US market. Wal-Mart dropped prices in stores within range of every newly opened Lidl. In preparation for a sustained grocery war, Wal-Mart began lowering margins by a full one percent in 2015.

I could continue to provide a long list of strategies Wal-Mart is taking to support and increase the company's presence in the grocery segment, but this is an article concerning an investment in Kroger, not Wal-Mart.

Suffice it to say, caveat emptor.

The Bull Charges

Amazon

In [my last article](#), "Walgreens Investors Need Not Fear Amazon: A Deep Due-Diligence Dive (And Huge Insider Buys)", I devoted a significant portion of my analysis to Amazon's many failed efforts, as well as the difficulties the company must overcome to establish a presence in retail pharmacy. Contrary to the some investors' perception of Amazon as an invincible foe, Amazon, like all other companies, must deal with the facts on the ground.

You have to give Amazon the respect the company deserves, but they are outgunned

Consider this: Wal-Mart, Costco ([COST](#)), and Kroger are the first, second and fourth largest retailers by revenues in the world. Throw in Walgreens ([WBA](#)), which ranks in fifth place, and you have combined revenues of \$800 billion. Contrast Amazon's revenues which are roughly a tenth that sum.

In a pricing study conducted by Goedon Haskett Research Advisors, analyst Charles Grom reported a sample of 115 items sold at Whole Foods had dropped a mere 1.9 percent in price following the acquisition by Amazon.

A separate study conducted by Telsey Advisory Group revealed that following Amazon's cuts. Whole Foods prices remained higher than Kroger's.

Additionally, there have been reports of friction between Whole Foods co-founder and current CEO John Mackey and Jeff Bezos and company. All in all, not the most auspicious beginning for the new entity.

Perhaps more importantly, Amazon has labored for years to grow its online grocery business. The result: a market share of 0.19%.

The Lowdown on Meal Kits

Research conducted by 1010data determined that within two weeks of making an initial order, 50% of customers drop Blue Apron, HelloFresh and Plated's meal-kit service. Within six months of activating a new subscription, only 10% of clients remain. This is of particular concern as meal-kit companies use deep discounts to attract new customers.

As far as I can determine, Blue Apron is the largest of the meal-kit enterprises. In its first earnings report as a public company, Blue Apron recorded a loss. The company also reported a 9% drop in its customer base from the prior quarter.

Although Blue Apron increased net revenues from \$78 million in 2014 to \$795 million in 2016, losses also increased from \$55 million last year versus \$31 million two years prior.

Although the customer headcount has increased dramatically from the first quarter of 2016, from 649,000 to 1 million, the average order value dropped from \$59.28 to \$57.23 and the average revenue per customer declined from \$236 to \$265.

Meal-Kit Services: 5 Things You Should Know

- Men are 40% more likely to purchase kits than their female counterparts across all generations, and Millennials and Generation X consumers are 321% more likely to purchase them than older generations.
- Busy families with children are also enjoying the convenience and healthy options meal kits have to offer, purchasing them 326% more than households without children.
- 81% of consumers feel that meal subscription services are healthier than the prepared options at grocery stores.
- Almost half (46%) of U.S. consumers say they would be more likely to purchase a meal kit if it were less expensive.
- 86% would like the ability to add dessert to their meal kit, and 36% would like to be able to buy kits in their local grocery store.

Lidl May Not Be As Big A Threat As Some Think

Following the opening of the first US based Lidl stores, the company saw its 2.6% share of shopper traffic drop to 2.3% in June and 1.7% in August. September traffic increased to a 1.9% share.

When compared against nearby Kroger stores, Lidl garnered an initial share of 11%. By August the company pulled an 8% share.

Research firm The Hartman Group [reported](#) Lidl is over emphasizing pantry staples that aren't priced competitively with other grocers. According to their research, Lidl is undercutting competitors by as much as 39% in premium fresh products like organic milk, eggs and produce, but is not price competitive on packaged grocery items.

From the outside looking in, it appears as if Lidl has suffered a major setback, especially considering that Lidl has appointed a new executive in Germany to oversee its operations in the United States.

Neil Stern, a senior partner with McMillan Doolittle paid a visit to a store in North Carolina. His takeaway? Lidl stores are "way overbuilt" and "too costly to operate."

Stern wrote, "While this is a critical part of the European experience, U.S. consumers have far more choice in these

categories, and at the Lidl stores they were also merchandised with little flair,"

ALDI: Anecdotal But (Hopefully) Useful Information

When I purchased my home, it was a sort of middle classed bastion outside the city limits. Over the years, lower middle-class neighborhoods have sprung up in every direction, and a degree of urban decay has spread from the city's center towards my neighborhood. Consequently, customers in the local Aldi and Wal-Mart tend to represent the lower rungs of the socioeconomic ladder.

An Aldi store opened in my neighborhood to much fanfare.

I visited Aldi three or four times, and I haven't returned since. My wife (a shopaholic) doesn't shop in the store.

I've been in Aldi's and witnessed every register unmanned.

In my opinion, I don't think I've ever been in a retail establishment that offered less vis-a-vis the competition.

The Aldi store sits on the southeast corner of a Lowe's ([LOW](#)) parking lot. On the northwest side of Lowe's is a Wal-Mart.

On several occasions, I've been in the aforementioned Wal-Mart and left (nonperishable) items in a stack somewhere near the checkout stands. Why? Because I see multiple registers unattended while experiencing ridiculously long lines.

In my defense, I've often carried items across a big box store to return them to their proper place after changing my mind about a purchase.

More important for our investment thesis: In a neighborhood populated by bargain hunters, the local Aldi store hasn't made a material dent in the adjacent Wal-Mart's grocery business.

As for me? I drive past Aldi and Wal-Mart on my way to Costco and Albertson's.

What Is Kroger Doing To Address The Competition?

ClickList

Whether you love, hate, or are indifferent towards an investment in Kroger, you have to give the company credit for addressing every aspect of the competition.

Concerned about Online sales? Kroger has CheckList, an online grocery ordering service. CheckList not only allows customers to shop online, it incorporates pickup at a local store as well as home delivery.

Currently, there are more than 800 stores offering the service with plans to double the locations by 2018.

ClickList has served to increase Kroger's digital sales by 126%, albeit from a small base. The company now boasts 25 million digital customers' accounts

Prep+Pared

Prep+Pared addresses the growing demand for meal-kit services. Kroger's initial meal-kit trial was apparently successful as the company is expanding the program at a rapid pace. Kroger announced plans to offer Prep+Pared in more than 50 stores in Cincinnati, Louisville and within the Ralph's division.

84.51°

84.51° analytics, combined with Kroger Restock, provides data on Kroger's customers' shopping preferences. 84.51° aids management's efforts to optimize merchandising, operations and marketing decisions.

In the last year alone, Kroger made more than 3 billion personalized recommendations to customers through product offerings, promotions, recipes and more.

Kroger's cameras and infrared sensors feed data to 84.51°. The resulting algorithms aid managers in scheduling cashiers in real time.

Kroger's mobile app can analyze shopping habits and produce relevant digital coupons.

The company's latest initiative will deploy sensor-laden interactive shelves that detect shoppers in the aisles via their smartphones resulting in personal pricing and product suggestions as they browse the store.

Scan Bag Go

Scan Bag Go is a mobile app that lets shoppers scan and pay for items using mobile phones. Tech adverse customers can use a scanner provided at a store kiosk. Kroger will expand the program from 20 stores to 400 next year.

Kitchen 1883

Sometime this month, Kroger will roll out its first in-store restaurant, Kitchen 1883.

Given the moniker Grocerants, restaurants located in retail grocery stores generated 2.4 billion visits and \$10 billion in sales in 2016.

Cheaper than fast food, an average grocerant meal costs \$4.22, compared to \$7.96, according to research by NPD Group.

In-House Products

Near the middle of this year, Kroger [announced](#) that the company added 1,000 products to their Our Brands label. This brings the total number of in-house products to 30,000. In 2016, Kroger's Our Brands sold around 8.2 billion units.

A Word About Online Grocery Shopping

DRAMATIC ONLINE-ONLY RETAILER GROWTH DRIVEN BY MILLENNIALS



Today, **1 in 4** shoppers is using *online-only retailers*, an increase of more than 50% in 2 years

... nearly **half of Millennials** are shopping online-only retailers, almost 80% higher than just 2 years ago

Millennials continue to select a **narrow range of products** to purchase online

LESS LIKELY TO BUY ONLINE

- Non-prescription drugs
- Fresh bakery items
- Fresh meats and seafood
- Refrigerated dairy foods
- Fresh produce

MORE LIKELY TO BUY ONLINE

- Baby food
- Pet food or treats
- HH cleaning products
- Salty snacks
- Sweets

Source: [US Grocery Shopper Trends 2017](#)

Fortune magazine reported that a poll of online shoppers indicated 75% rarely or never buy groceries online. Among shoppers that make internet purchases on a weekly basis, 60% stated they rarely or never buy groceries via the internet.

A **2014 PwC survey** determined that only 5% of Americans listed online grocery shopping as one of their top three grocery shopping options. The studies respondents stated their lack of interest stemmed from a desire to see or feel the item they buy.

Currently, online grocery shopping corrals a very small portion of the overall grocery budget. Forrester Research estimates that Americans spend 2.9% of their grocery budget online. However, Forester expects online spending to increase to 7.9% of the average American's grocery budget within the next ten years.

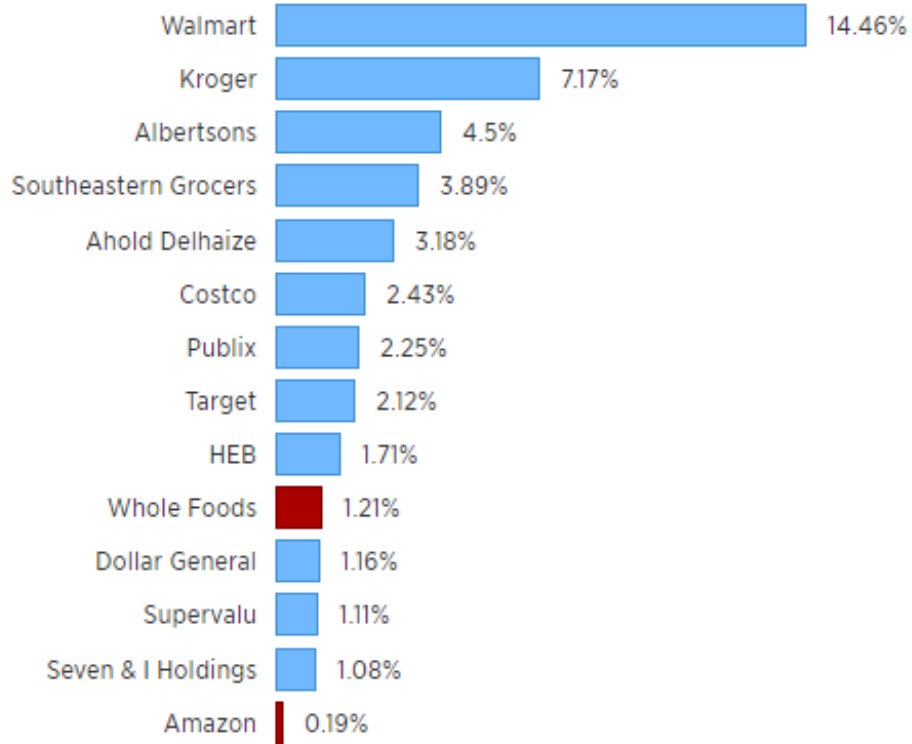
The Food Marketing Institute and Nielsen provide differing statistics. They project an increase in U.S. online grocery sales from 4% of overall purchases today to 20% by 2025.

Regarding our investment thesis, I look at both prognostications with a jaundiced eye. I believe most Americans would characterize online grocery sales as being food ordered via computer and delivered from some distant location. The online sales we are likely to see in the not-too-distant future? Orders from your local grocery store that are picked up at their curbside or delivered to your home.

A Closer Look At Kroger

Kroger is the second largest grocery retailer in the US...

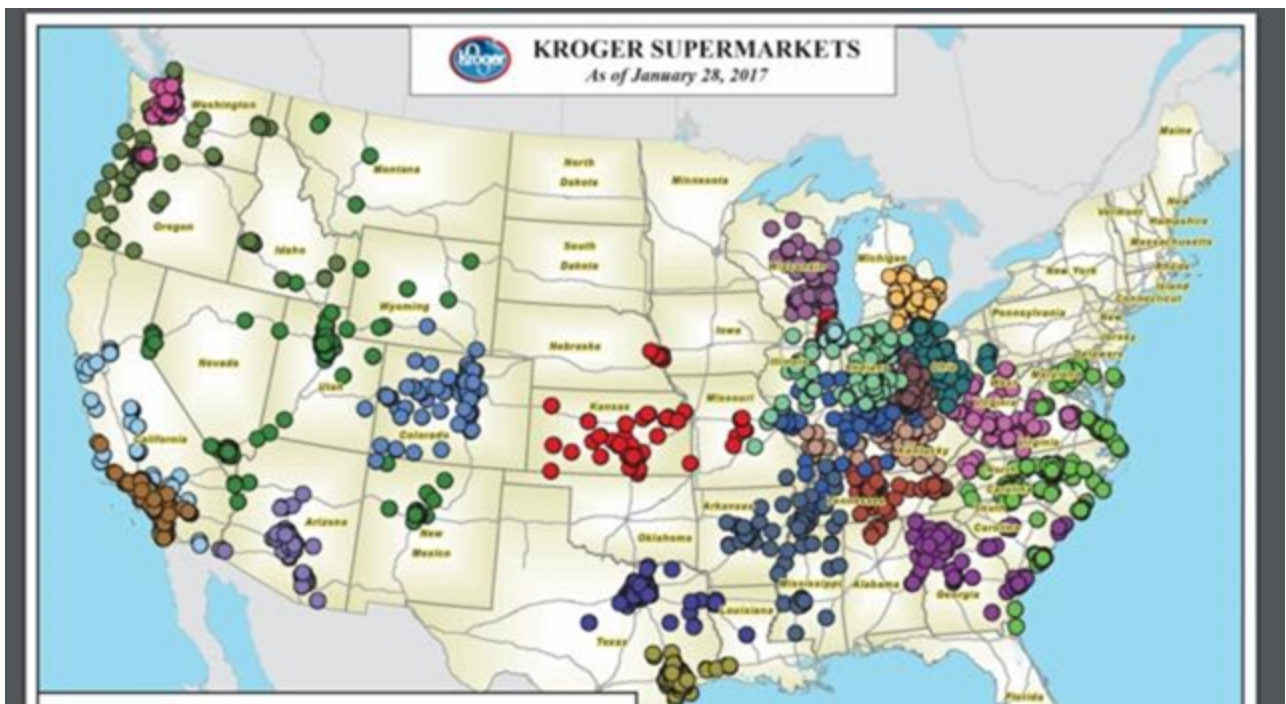
U.S. Grocery Market Share in 2016



Source: GlobalData Retail estimates and analysis

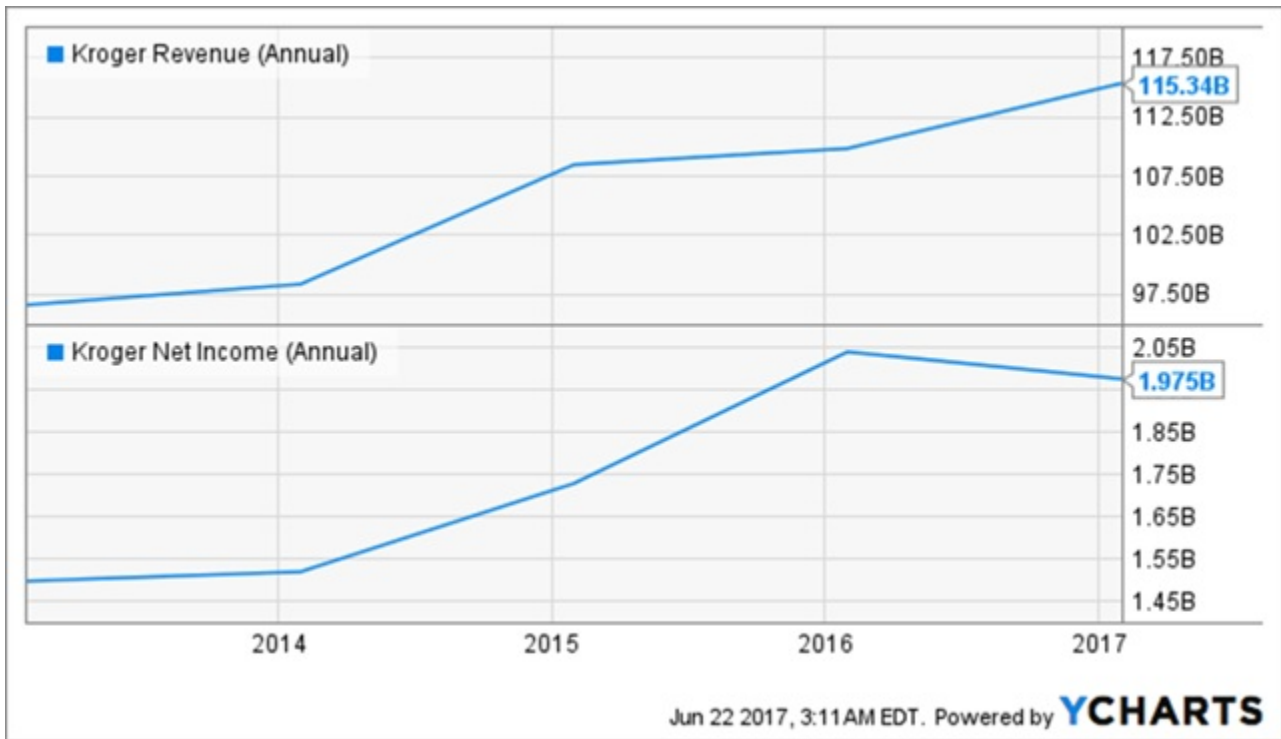


...and enjoys a broad geographical base with locations in 34 states



Source: Kroger 2016 FactBook

Kroger's annual revenue and net income have shown healthy increases for a number of years.



(Source: by YCharts via SA contributor Daniel Jones)

From 2010 through 2015, Kroger outperformed the broader market by a wide margin.

Base Period Indexed Returns Years Ending

2010 2011 2012 2013 2014 2015

Kroger 100 116.26 136.28 179.49 148.32 395.78

S&P 500 100 105.33 123.87 149.02 170.22 169.08

Peer Group 100 105.11 126.94 143.63 173.96 161.13

Source Kroger 10K

(Total assumes \$100 invested on January 30, 2011, in The Kroger Co., S&P 500 Index, and the Peer Group, with reinvestment of dividends.)

Kroger is the fourth largest retailer in the world by revenue. With \$109.8 billion in retail revenue.

Kroger commands the number one share in 46 of its 51 major markets (9 stores or more) and the number-one or two share in 52 of 69 minor markets (3-8 stores).

Kroger operates 2,778 supermarkets, 38 food processing or manufacturing facilities, 1,387 supermarket fuel centers, and 2,122 pharmacies.

The pharmacies and fuel centers help drive store traffic, assets not all grocers enjoy.

Kroger's plants consist of 17 dairies, ten deli or bakery plants, five grocery product plants, two beverage plants, two meat plants and two cheese plants. The production facilities give Kroger a cost advantage over other retail grocers.

Forty-two percent of the company's supermarkets are operated in company-owned facilities.

The total cost of Kroger's owned assets and capitalized leases as of January 30, 2016, was \$37.7 billion while the accumulated depreciation was \$18.1 billion.

Kroger's comps consistently [grew](#) for 13 years before turning negative

According to Morningstar analyst John Brick, Kroger's revenues from natural and organic foods is larger than Whole Foods entire revenue stream.

Kroger is often thought of as an upscale grocery retailer; however, the company has its own value chains, Ruler Foods and Food 4 Less.

Between 2011 and this year, Kroger's store brand sales have increased by 37%, to \$20.5 billion.

Over the last four quarters, Kroger has used free cash flow to repurchase \$1.7 billion in common shares,

In recent years, Kroger has returned around \$14 billion to shareholders in the form of share buyback programs.

Here Is Where The Rubber Meets The Road

Kroger's dominant market position, the company ranks first or second in 98 of 120 major markets, paired with the company's vertical integration, provide it with a distinct cost advantage.

Due in large part to Kroger's technology investments, the company is able to turn items 14 times. This compares very favorably to Albertsons, Safeway, and Supervalu ([SVU](#)) at 12 times on average.

Kroger generates sales per square foot of \$650, second only to Costco.

With Kroger's store brands garnering 26% of sales versus the industry average of 18%, Kroger has a distinct cost advantage. Private labeled products boost margins by 1,000 basis points when compared to branded products. Kroger's advantage is likely greater than stated as the company manufactures 40% of its private brands while peers generally outsource to a third party.

(Above stats garnered from Morningstar)

To fully appreciate Kroger's cost advantage, an investor must first understand the highly competitive nature of the retail grocery industry.

In 2015, net profits after taxes for grocery store chains was 1.7%. From 1984 through 2015, net after taxes ranged from a low in 1987/1988 of .71% to a high in 2006/2007 of 1.91%. To describe the industry as fiercely competitive is akin to characterizing a Pit Bull as a savage fighter.

Dividend Safety

With a payout ratio below 30% and a dividend coverage ratio nearing 350% the dividend is more than safe. Kroger generates healthy FCF, and despite the spike in debt, there are no metrics that cause concern. The company provided double-digit dividend increases for six consecutive years. I think it possible that the current headwinds could result in slightly less robust dividend increases for the immediate future: however, should that occur, I would wager that increases will progress at a rate higher than inflation.

Management

I view Kroger's management as outstanding. After 37 years with Kroger, W. Rodney McMullen stepped into the CEO

position in January 2014. He was elected as Chairman a year later.

As a college student, McMullen began working part-time as a stock clerk at a local Kroger. His duties included price tagging items, bagging groceries, receiving product, and running the register. To say that the man understands the business from the ground up is fitting.

"... we've been working to redefine the market as share of stomach rather than share among traditional grocery stores." Rodney McMullen

This guy gets it. He understands the changing nature of the business.

As I've grown as an investor, I've learned to place a great deal of focus on management. It is conventional wisdom to state that past performance does not guarantee future results. I'll agree that it does not guarantee future results, but if the management that provided outstanding results for many years remains in place, why wouldn't I consider that as a weight thrown on the scales on my behalf?

My Final Thoughts

I can't buy into the idea that a business with 431 retail locations (Whole Foods/Amazon) presents an existential threat to an industry boasting 38,000 stores. Furthermore, while Amazon will likely make some sort of impact on this segment, I must wonder if the long-term result could be a blessing in disguise.

All of the current players will feel some impact, but not everybody will feel it equally. I can envision the possibility of the competition generated by the entry of Amazon, Lidl and Aldi resulting in the destruction of the weakest players, while Kroger, Wal-Mart, and Costco eventually share some of the spoils.

Unfortunately, as outlined in my thesis, that is not the only headwind Kroger faces.

I believe Wal-Mart's operations are likely to cause the most damage to Kroger. However, Kroger's cost advantage in such a small margin industry, coupled with the many seemingly successful initiatives Kroger has launched, will serve investors well.

I find it difficult to believe that the restaurant industry will take a significantly larger share of the current American food budget.

I wouldn't be surprised to see the demise of many food kit businesses through bankruptcy and consolidation. I can envision a future in which the food kit industry is largely subsumed by the grocery industry. It seems not only to be a natural fit but one that would minimize the hazards of foodborne illnesses while increasing the quality of the product.

As Kroger is absent in 16 states, and the retail grocery industry is highly fragmented, it is rational to believe there is room for Kroger to expand.

I have a small position in Kroger, purchased near current levels. I will likely treat this opportunity as a trade rather than an investment, The relatively small yield coupled with the difficulties grocers are likely to face over the foreseeable future does not present a compelling investment opportunity for me. Were I a couple of decades younger, however, I might very well choose this as an opportunity for a buy and hold DGI investment.

I am a bit concerned that as we enter the tax selling season, we may see a drop in the stock price.

Additional Resources

[Kroger's \(NYSE:KR\) CEO Rodney McMullen on Q2 2017 Results - Earnings Call Transcript](#)

[Kroger 2Q16 Earnings Call Transcript](#)

[Press Releases - The Kroger Co.](#)

Kroger investor relations site

<http://ir.kroger.com/Cache/1500072037.PDF?O=PDF&T=&Y=&D=&FID=1500072037&iid=4004136>

Kroger Fact Book

[Kroger \(KR\) Investor Presentation - Slideshow](#)

Kroger Investor Presentation slideshow

[Press Release - The Kroger Co.](#)

Kroger reports 2Q

[PI Online : Subscription Center](#)

Article regarding pension plan

[How Amazon's Whole Foods deal will change the US grocery business](#)

CNBC video on Amazon entry

[Kroger CEO says Whole Foods is a 'good fit' for Amazon; Kroger's stock pops](#)

Interview of Kroger CEO regarding AMZN

[FMI | Food Marketing Institute | Supermarket Facts](#)

FMI The voice of food retail (excellent site).

[FMI | Food Marketing Institute | U.S. Grocery Shopper Trends](#)

Another FMI link

[Supermarket News](#)

SN supermarket news

[This Is the Best Meal-Kit Service on the Market Right Now](#)

MONEY review of Meal Kit services

[Meal Kit Industry Statistics, Facts & History](#)

Meal Kit Industry Statistics, Facts & History

[Kroger](#)

An Overview of ClickList

Disclosure: I am/we are long KR.

I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

Additional disclosure: Please conduct appropriate due diligence before making any investment. This article is not a recommendation to buy or sell any stock.