

FOOD AND DRUG RETAIL

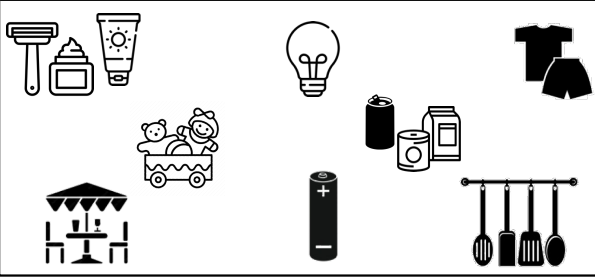
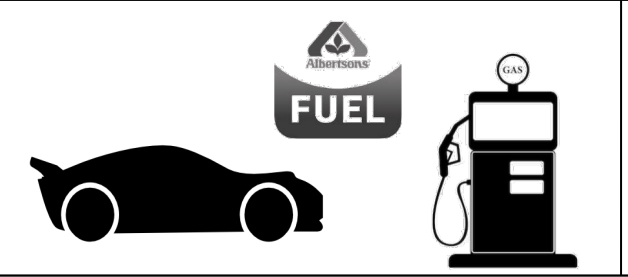
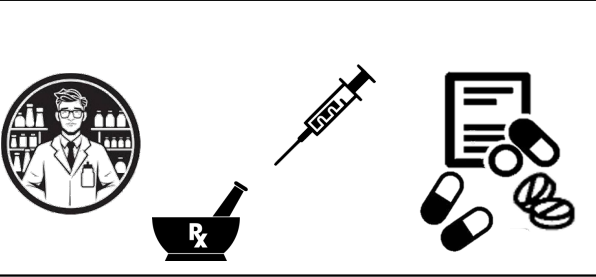
(FY23 Revenues: \$79.2 Billion)

The Food and Drug Retail segment reflects 2,267 supermarkets, 39% of which are operated in Company-owned facilities. Albertsons provides grocery products, general merchandise, health and beauty care products, pharmacy, fuel and other items and services in 34 U.S. states and the District of Columbia.

STORE BRANDS



PRODUCT AND SERVICE CATEGORIES

Non-Perishable FY23 Revenue: \$40.0 (50.5%)	Fresh FY23 Revenue: \$25.4 Billion (32.1%)	Fuel Centers FY23 Revenue: \$4.4 Billion (5.5%)	Pharmacies FY23 Revenue: \$8.2 Billion (10.4%)	Other FY23 Revenue: \$1.2 Billion (1.5%)
				

Outside Relationships

Regulators	Capital	Suppliers	Customers
Key Subjects of Regulation General Business U.S. Department of Labor (DOL) (regulates employment practices and standards for workers – wage & overtime record-keeping, anti-discrimination, workplace safety) Occupational Safety and Health Administration (OSHA) (regulates workplace health and safety and serious injury reporting) Office of Federal Contract Compliance Programs (OFCCP) (requires federal government vendors to comply with non-discrimination regulations) National Labor Relations Board (NLRB) (regulates process for collective bargaining between employers and employees and protects their workplace rights) Employee Benefits Security Administration (EBSA) (administers, regulates and enforces federal standards for private industry pension plans) U.S. Patent and Trademark Office, U.S. Copyright Office (copyright and trademark registration) Data Privacy Regulators (protection of personal and health data) U.S. Environmental Protection Agency (EPA) (regulates use, storage, and disposal of battery packs, transport of dangerous goods, greenhouse gas emissions) U.S. Department of Justice (DOJ) and Federal Trade Commission (FTC) (DOJ/FTC enforcement of antitrust and fair-trade laws, and business combinations; FTC regulation regarding labeling and promotional activities; and DOJ foreign corrupt practices law enforcement) U.S. Department of the Treasury (FinCEN “know your customer” data collection requirements / anti-money laundering regulation; OFAC restricted party transactions regulation; and Treasury economic sanctions) U.S. Internal Revenue Service (IRS) (regulation of corporate income, payroll & withholding taxes) Health / Medical / Food & Drug Insurance, Pricing, Privacy Department of Health and Human Services (HHS), its Agencies, and State Regulators Medicare supplier standards, anti-fraud and abuse, false claims and billing protection of patient identifiable health and personal information unfair trade practices and competition protection of private financial information protection of retirement assets and benefits and fiduciary duties state privacy and security regulation workers’ compensation and fee schedule pricing compliance commercial product pricing (medical loss ratios) and underwriting restrictions (pre-existing conditions, children under 26 years) oversight of Medicaid services enrollment, payment, and provider network CMS Drug, Pharmacy, Practitioner, Health Clinics & Safety Regulation U.S. Drug Enforcement Agency and State Agencies (dealer registration and security and operating standards for safe packaging, and storage of controlled substances) State Licensing Boards and Agencies (regulation and licensing regarding corporate practice of medicine, pharmacy, retail clinical services and nursing, liquor distribution licensing, and the marketing fee-splitting and physician self-referrals, purchase, storage and distribution of pharmaceuticals) U.S. Food and Drug Administration (FDA) (regulation of public health; drug and medical device regulation covering design, testing, clinical research operations, quality, safety, labeling, good manufacturing practices (GMPs), promotion, distribution, importation, and post-market surveillance) U.S. Consumer Product Safety Commission (consumer product safety protection, including safety standards, conditions, product recalls, hazardous product investigations, and product safety research and education) U.S. Department of Homeland Security, Customs and Border Protection (CBP) (regulation of imports of finished goods; raw materials and supplies; customs duties administration)	Business Regulation Bond Financing Working Capital Financing Labor Union Representation and Collective Bargaining Services (on behalf of Albertsons employees) Supplies of Produce, Canned Goods, Snacks, Beverages, Meat and Seafood, Pharmaceuticals, and General Merchandise Health Insurance Sponsors Employers Insurance Companies Government Employee Groups Public Health Insurance Exchanges (BAMACARE) Labor Unions Health Plans Prescription Drug Plans (PDPs) Medicare Part D Plans Port D Health Insurers Cigna CVS Health United Healthcare Humana Aetna Anthem Elevance Health Drug Makers and Distributors (prescription and over-the-counter drugs, and medical devices) MKesson Cardinal Health Johnson & Johnson Kenvue	Senior Public Debt Holders Commercial Banks (Administrative Agent) Bank of America Other Banks: Wells Fargo Bank, Bank of Montreal, Bancorp Bank, Citibank, JBS, Deutsche Bank, Fifth Third Bank, Goldman Sachs Bank, JP Morgan Chase Bank, Morgan Stanley Bank, MUFG Bank, PNC Bank, Sun Bank, U.S. Bank, Royal Bank of Canada, Toronto-Dominion Bank Food, Beverage, Personal Care, Fuel Distributors (cereals, grains, pasta, dairy snacks, candy, greeting cards, meat, soft drinks, eggs, canned goods, bottled water, spices, condiments, ingredients, fuel, vitamins, beauty, grooming, health, household cleaning, and family items) Health Insurance Sponsors Employers Insurance Companies Government Employee Groups Public Health Insurance Exchanges (BAMACARE) Labor Unions Health Plans Prescription Drug Plans (PDPs) Medicare Part D Plans Port D Health Insurers Cigna CVS Health United Healthcare Humana Aetna Anthem Elevance Health Drug Makers and Distributors (prescription and over-the-counter drugs, and medical devices) MKesson Cardinal Health Johnson & Johnson Kenvue	Business Regulation Bond Financing Working Capital Financing Labor Union Representation and Collective Bargaining Services (on behalf of Albertsons employees) Supplies of Produce, Canned Goods, Snacks, Beverages, Meat and Seafood, Pharmaceuticals, and General Merchandise Health Insurance Sponsors Employers Insurance Companies Government Employee Groups Public Health Insurance Exchanges (BAMACARE) Labor Unions Health Plans Prescription Drug Plans (PDPs) Medicare Part D Plans Port D Health Insurers Cigna CVS Health United Healthcare Humana Aetna Anthem Elevance Health Drug Makers and Distributors (prescription and over-the-counter drugs, and medical devices) MKesson Cardinal Health Johnson & Johnson Kenvue

Albertsons Companies, Inc. (a Delaware corporation)

Debt Structure
Debt (\$8.1 Billion @ 2/24/2024) | Credit Ratings: Baa 1 (Moody's), BB (S&P), BBB- (Fitch)

Working Capital	Debt Issued by Parent	Other Debt
\$4.0B ABL Facility Outstanding: \$200.0M (Matures 2026)	2026-2030 Senior Notes (\$6.5B) @ 3.25%-7.50%	2026-2031 New Albertsons L.P. Notes (\$480.1M) @ 6.52%-8.70%
		2027-2031 Safeway Inc. Notes (\$385.4M) @ 7.25%-7.45%
		Other Financing Obligations (\$23.9M)
		Mortgage Notes Payable, Secured (\$16.4M)
		Finance Lease Obligations (\$460.4M)

Governance
Board of Directors
Vivek Sankaran, Allen M. Gibson (F, G, T (Chair)), Lisa Gray (F, T), Sharon L. Allen (A, G (chair)), Alan Schumacher (A, G), Sarah Mensah (F, G), James Donald (F (chair)), B. Kevin Turner (C, T (chair)), Stephen Feinberg, Kim Fennebresque (A, C (chair)), Mary Beth West (C, G)

Executive Management
CEO: Vivek Sankaran
President and CFO: Sharon McCollam
EVP, Operations: East: Rob Backus
EVP, Operations: West: Michelle Larson
EVP, Supply Chain, Manufacturing and Strategic Sourcing: Evan Rainwater
EVP, Pharmacy and Ecommerce: Jennifer Saenz
EVP, General Counsel and Chief Policy Officer: Tom Moriarty
EVP and CHRO: Michael Theilmann
EVP, Chief Merchandising and Digital Officer: Omer Gailal
Executive VP and COO: Susan Morris

Finance and Accounting
Corporate Finance
Strategy
Business Development
Information Technology
Supply Chain Operations
Property Development
Operations
Strategy
Physical Stores
Retail Operations
Supply Chain & Manufacturing Supervision

Human Resources
Diversity and Inclusion
Talent Development
Acquisition and Engagement
Leadership Development
Learning and Capability Development
Compensation and Benefits
Organizational Effectiveness
HR Operations
Labor Relations
Communications and Public Affairs

Information Technology
IT Infrastructure and Applications
Pricing and Planning
Customer Insights
Online Operations
Data Science
Customer & Digital
In-Store Customer Experience
Online Store Customer Experience

Legal
Commercial Contracting
Compliance
Governance
Litigation Management
Intellectual Property Management
Labor and Employment Law Matters
Legislative and Regulatory Affairs
Public Policy

Corporate Matters
Merchandising and Digital
Merchandising
Marketing
Data
Pricing
Own Brands
Health
Business Ventures
Albertsons Media Collective
Supply Chain & Manufacturing
Product Placement
Logistics and Freight
Supplier Relations
Budgetary, Quality and Service Levels
Creates and Executes Key Strategies
Enterprise Sourcing

Logo History
Corporate Brands
1939-1960: Albertsons
1960-1972: Albertsons Food Centers
1972-1976: Albertsons
1976-Present: Albertsons

Equity Structure
Share Repurchase Program
Authorized: \$300.0 million
Expiration: none
Balance: \$180.9 million
Class A-1 Convertible Stock
Authorized: 150.0 million shares
Issued: 0
Record Holders: None
Undesignated Preferred Stock
Authorized: 96.8 million shares
Issued: 0
Record Holders: None
Class A Common Stock
Authorized: 1.0 billion shares
Issued: 594.4 million shares
Outstanding: million shares
Record Holders: 72

Operations
Retail: Through 2,267 food and drug retail stores, ~39% of which are operated in company-owned facilities, Albertsons provides grocery products, general merchandise, health and beauty care products, pharmacy, fuel and other items and services in 34 U.S. states and the District of Columbia.

Food and Drug Retail Segment (FY2023 Revenue: \$79.2B)
Revenue by Type of Product
Non-Perishable (\$40.0B)
Grocery
Dairy
Frozen Foods
General Merchandise
Pharmacies (\$8.2B)
Prescription Drugs and Refills
Nutrition
Wholesale Sales to 3rd Parties
Fuel Centers (\$4.4B)
Diesel
Premium Gasoline
Albertsons Fuel Points Program
Fresh (\$25.4B)
Produce
Bakery
Meat
Floral
Seafood
Deli and Prepared Foods
Other (\$1.2B)
Commissions
Rental Income
Other Miscellaneous Revenue

Albertsons Banners
SAFeway
VONS
ACME
Tom Thumb
United Express
Albertsons Market
star market
Market Street
CARRS
BALDUCCI'S
Lucky
Albertsons
Jewel/Osco
shaws
United Supermarkets
Randalls
PAVILIONS
KINGS
Haggen
Andronico's
Amigos
Albertsons Market Street

Store Map (35 states in the District of Columbia)
Albertsons operates 19 food production plants (seven milk plants, three soft drink bottling plants, three bakery plants, two ice cream production plants, two grocery/prepared food plants, one ice plant and one soup plant) and 22 distribution centers.

Own Brands (\$16.5B; 10.1% manufactured in Company-owned facilities)
Albertsons offers 14,000+ private label items including the following brands:
Billion Dollar Brands: Signature Select, organics, OPEN NATURE, WATERFRONT, Signature CAFE, Value corner, Primo Taglio, Signature Care
Other Brands: Signature Reserve, Lucerne, Amigos, Albertsons Market Street

Competition
Publix, Kroger, COSTCO WHOLESALE, Walmart, H-E-B, meijer, ALDI, Target, THE FRESH MARKET, WHOLE FOODS MARKET, TRADER JOE'S, CVS Health, MARKET BASKET, LIDL, NEW SEASONS MARKET, Wakefern, Ahold Delhaize, WinCo FOODS, amazon, Walgreens, HyVee

Outside Relationships

Customers	Suppliers	Capital	Regulators
Securities Law Regulation, Stock Listing Requirements, and Jewelry Regulations Equity Capital Dividends and Common Stock Repurchases Professional Services Retail and eCommerce Sales of Groceries, General Merchandise, and Prescription Drugs Applications for Albertsons for U Loyalty Cards Issuance of Memberships in Albertsons' Loyalty Program Fuel Sales Wholesale Supplies of Motor Fuel	Professional Service Firms Name of Auditor (audit services) Deloitte Albertsons Media Collective (digital advertising services) National Association of Realtors; U.S. Chamber of Commerce (lobbying services) Kirkland & Ellis (transactional legal services) Azure (cloud computing, storage, and data analytics services platform) Microsoft Azure Albertsons Stop-Loss Self-Insurance (Albertsons/Safeway owns captive insurance companies, managed by Aon, that provide stop loss coverage for property and casualty, cyber, terrorism, workers' compensation, and general liability) Key Third Party Insurance Providers (general liability, auto liability, property, D&O, excess workers' compensation, casualty, cyber, and employment practices liability) ZURICH CUBA ALTERRA Capital Partners Insurance Brokerage, Administration and Information Services Providers (Aon casualty, D&O, workers' compensation, cyber and employment practices; and Marsh property and stock, throughput, and (2) Aon claims management services-third party administrators; Aon risk management information system; computer sciences-class management system) AON MARSH Motor Fuel Producers, Distributors and Marketers	Significant Shareholders Vanguard Group (11.26%) BlackRock Inc. (9.31%) Berkshire Hathaway Inc. (6.91%) Berkshire Hathaway Inc. State Street Corporation (4.57%) Harris Associates L.P. Institutional Ownership: 75.49%	Regulators U.S. Securities and Exchange Commission (regulation of offers and sales securities, material event disclosure and financial reporting requirements under anti-bribery law) New York Stock Exchange (listing, maintenance and corporate accountability rules) NYSE Delaware Secretary of State (administration and enforcement of Delaware corporation law governing business entity formation and dissolution, shareholder, board and officer governance / meetings, fiduciary duties of loyalty and care of directors, executive management duties, financial reporting, charter document amendments, mergers and acquisitions, and compliance / penalties for non-compliance) Business Overview: Founded in 1939, Boise, Idaho-based Albertsons Companies, Inc. is a giant food and drug retailer that operates 2,267 supermarkets, 1,725 pharmacies, and 405 fuel centers in 34 states and the District of Columbia. The company also operates online through a digital ecosystem to offer customers an omnichannel shopping experience. The Company also manufactures and processes food for sale by its supermarkets and online.

Key Company Data (as of 2/3/2024)
Share Data
Stock Exchange (NYSE) Ticker Symbol: ACI
Share Price: \$19.32 (12/17/2024)
Earnings Per Share (Trailing 12 Months): \$1.71
Forward Annual Dividend: \$0.60/share
Market Capitalization: \$11.0B (12/17/2024)
Financial Highlights
Income Statement
Sales: \$79.2B
Sales Without Fuel: \$132.3B
Supermarket Fuel Sales: \$16.6B
Other Sales: \$1.1B
Cost of Sales: \$57.2B
Gross Profit: \$22.0B (27.8% Margin)
SG&A Expenses: \$19.9B
Operating Profit: \$2.1B
Net Income: \$1.3B
Balance Sheet (as of 11/9/2024)
Total Assets: \$62.4B
Total Liabilities: \$49.5B
Long-Term Debt: \$22.4B
Equity: \$12.9B
Cash Flow
From Operations: \$6.8B
Used in Investing: (\$3.6B)
Used in Financing: (\$2.2B)
Financial Returns
Return on Equity: 38.1%

Key Developments
Albertson's Acquisition Called Off: In October 2022, Kroger agreed to purchase Albertsons for \$2.5 billion, subject to antitrust approval. In December 2024, two federal judges sided with the Federal Trade Commission in blocking the merger, citing concerns about reduced competition, higher prices and potential harm to consumers. In turn, Albertsons terminated the merger agreement and sued Kroger, claiming Kroger willfully breached its merger contract by failing to exercise "best efforts" and to take "any and all actions" required to secure regulatory approval. The failed merger leaves both grocery chains without the scale needed to effectively compete against Walmart in terms of national store footprint, buying power, supply chain efficiencies, omni-channel capabilities, and digital advertising potential.