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Kroger Issues Statement on FTC Decision to Block Proposed Merger with Albertsons Companies

February 26, 2024

CINCINNATI, Feb. 26, 2024 /PRNewswire/ -- The Kroger Co. (NYSE: KR) today issued the following statement:



Contrary to the FTC's statements, blocking Kroger's merger with Albertsons Companies will actually harm the very people the FTC purports to serve: America's consumers and workers.

Kroger's business model is to take costs out of the business and invest in lowering prices for customers. Kroger has reduced prices every year since 2003, resulting in \$5 billion invested to lower prices and a 5% reduction in gross margin over this period. This business model is immediately applied to merger companies. Kroger has a proven track record of lowering prices so more customers benefit from fresh, affordable food, and our proposed merger with Albertsons will mean even lower prices and more choices for America's consumers.

The FTC's decision makes it more likely that America's consumers will see higher food prices and fewer grocery stores at a time when communities across the country are already facing high inflation and food deserts. In fact, this decision only strengthens larger, non-unionized retailers like Walmart, Costco and Amazon by allowing them to further increase their overwhelming and growing dominance of the grocery industry.

The proposed merger with Albertsons Cos. will produce meaningful and measurable benefits for customers, associates and communities across the country. The combined company committed that no stores, distribution centers or manufacturing facilities will close as a result of the merger, including those divested to C&S Wholesale Grocers.



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creates more opportunities for families to access the fresh, affordable foods they love.

As a combined company, Kroger committed to investing \$1 billion to raise wages and comprehensive benefits. This builds on the incremental \$1.9 billion Kroger invested to improve wages and comprehensive benefits since 2018. To provide the best holistic support for each associate, the company will also extend continuing education and financial literacy benefits to all associates following the merger close. As union membership continues to decline nationwide, especially in the grocery industry, this merger is the best way to secure union jobs. Kroger has added more than 100,000 good-paying union jobs since 2012.

The proposed merger will allow the combined company to invest more deeply to end hunger in communities across America. In 2023, Kroger committed to donating 10 billion meals to families across the U.S. by 2030. Bringing these companies together provides one more step toward achieving communities that are free from hunger and food waste.

The anticipated divestiture plan with C&S builds on the benefits of the merger and fulfills the commitments Kroger set out in its original merger agreement in October 2022. C&S Wholesale Grocers is an industry leader in wholesale grocery supply and supply chain solutions, with a strong track record as a successful grocery retailer. Kroger and Albertsons Cos. took considerable steps to position C&S to continue to successfully operate divested stores as part of its comprehensive plan. This includes providing C&S with strong teams, a cohesive network of stores supported by two regional headquarters, beloved banners and private label brands, and a robust operational infrastructure.

In addition to ensuring no store closures as a result of the merger, the divestiture plan will extend a competitor to new geographies and will maintain all current collective bargaining agreements, which include industry-leading healthcare and pension benefits, bargained-for wages, and ensuring frontline associates remain employed.

The merging parties look forward to litigating this action in court so we can deliver the benefits of this merger to communities across America - lower prices, more choices, and more good-paying union jobs for decades to come.

To learn more about the proposed merger between Kroger and Albertsons Cos visit [here](#).

About Kroger

At The [Kroger Co.](#) (NYSE: KR), we are dedicated to our Purpose: To Feed the Human Spirit™. We are, across our family of companies nearly half a million associates who serve over 11 million customers daily through a seamless digital shopping experience and retail food stores under a variety of [banner names](#), serving America through food inspiration and uplift, and creating #ZeroHungerZeroWaste communities by 2025. To learn more about us, visit our [newsroom](#) and [investor relations](#) site.

This press release contains certain statements that constitute "forward-looking statements" within the meaning of federal securities laws, including statements regarding the effects of the proposed transaction and divestiture plan. These statements are based on the assumptions and beliefs of Kroger and Albertsons management in light of the information currently available to them. Such statements are indicated by words or phrases such as "accelerate," "anticipates," "create," "committed," "confident," "continue," "deliver," "driving," "expect," "future," "guidance," "positioned," "strategy," "target," "synergies," "trends," and "will." Various uncertainties and other factors could cause actual results to differ materially from those contained in the forward-looking statements. These include the specific risk factors identified in "Risk Factors" in each of Kroger's and Albertsons' annual report on Form 10-K for the last fiscal year and any subsequent filings, as well as the following: the expected timing and likelihood of completion of the proposed transaction and divestiture plan, including the timing, receipt and terms and conditions of any required governmental and regulatory clearance of the proposed transaction and divestiture plan; the impact of the proposed divestiture plan; the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement or divestiture agreement; the outcome of any legal proceedings that may



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- News
- Events & Presentations
- Stock Info
- Governance
- Resources

discussion of the risks and uncertainties that affect them and their respective businesses.

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