



**INVEST/STAY CONNECTED**

INITIAL REPORT JUNE 2023

LAST UPDATED DEC 21, 2025

**\$17.43 / Buy, target \$24.00**

## ALBERTSONS COMPANIES, INC.

Albertsons (ACI) operates 2,270 grocery stores across 34 states and the District of Columbia under the Albertsons, Safeway, Vons, Pavilions, Randalls, Tom Thumb and other brands. The company is ranked at #4 behind Walmart, Costco and Kroger. ACI also operates 1,728 in-store pharmacies, 1,313 in-store branded coffee shops and 405 associated fuel centers.

The current company was created when Albertson's owner Cerberus Capital bought Safeway in 2015. However, Cerberus did not do such a great job managing ACI which requires an aggressive, innovative hands on approach since they are only 10% of the size of leaders Walmart and Costco and half the size of Kroger. Former CEO Steven Burd provided this type of management, leading the company to gain market share and even founding and spinning off a Billion dollar company from Safeway called [Blackhawk](#). From 2022 through early 2025 the company saw operating income decline by \$750 million or close to 30%. This was due to a lack of management, combined with labor and supply chain cost increases. The company got a new chance when new management was installed earlier this year.

Susan Morris became CEO in March and confirmed the companies' 5 strategic priorities, which include driving customer growth and engagement through digital connection, growing media collective, enhancing the customer value proposition, modernizing capabilities through technology and driving transformational productivity. ACI showed stabilization in margin and decent revenue growth in the recent quarter. Morris outlined profit initiatives as well: "As we previously shared from fiscal year 2025 through 2027, we expect our productivity engine to deliver \$1.5 billion in savings, which we plan to reinvest in growth and our customer value proposition as well as to offset other inflationary headwinds." Morris declared a \$750 million dollar immediate stock purchase in October.

The company does have a unique opportunity and has demonstrated innovation and the ability to gain share in the past using the technology tools under Burd (engagement through digital connection). ACI also has large real estate holdings. In 2020 the company's real estate was appraised at \$11.2 billion. We believe management has the tools to improve gross margins by .5 % area over the next 3 years, which would improve EPS by close to 50%. Our current buy and price target of \$24 are based on the strong values and high cash flows combined with our forecast for improved margins and EPS under new management.

2025 PROJECTIONS	\$MM
Revenue	82,320
Gross Profit	22,844
Operating Income	2,024
EPS	2.17
EBITDA	4,004
Capitalized Expense	1,900
Cash Flow	3,160
Equity Dividends gross	276
<b>Equity Dividends</b>	<b>0.60</b>
Dividend Yield	3.43%
<b>Enterprise Value</b>	<b>17,058</b>
Dividend Coverage	457%
Revenue Growth	2.4%
Cash Flow Yield Vs. Equity	13.25%
<b>EV/EBITDA</b>	<b>4.3</b>
P.E Ratio	8.1

### [ACI INVESTOR RELATIONS](#)

#### ACI Weekly Chart Since 2020



## BROXTON CAPITAL ADVISORS ACI as of 9/06/2025

Sunday, December 21, 2025

share price \$17.48

**PROJECTIONS IN MMs (fiscal)** 2025 2026 2027

### Income Statement

Revenue	\$82,320	\$83,143	\$83,975
Gross Profit	22,844	23,280	23,681
<b>Gross Margin%</b>	<b>27.75%</b>	<b>28.00%</b>	<b>28.20%</b>
Operating Income	2,024	2,252	2,443
Pre-Tax Income	1,532	1,777	1,968
Net Income	1,180	1,386	1,515
EPS	\$2.17	\$2.65	\$3.03

**Non-GAAP EPS** \$2.17 \$2.79 \$3.18

Revenue growth 2.40% 1% 1%

**EBITDA** \$4,004 \$4,232 \$4,423

Interest Exp 492 475 475

Capitalized Expense 1,900 1,900 1,900

Cash Flow 3,160 3,366 3,495

Equity Dividends 276 276 276

**Cash Flow Dividend Coverage** **457%** **532%** **579%**

**Cash Flow After Capex** **1,260** **1,466** **1,595**

**Retained Cash Flow Sum** **984** **2,175** **3,494**

### Valuations

Cash Flow Yield Vs. Equity 13.2% 15.4% 16.8%

**EV/EBITDA** **4.3** **4.0** **3.9**

P.E Ratio 8.1 6.6 5.8

Enterprise Value 17,058

Net Total Debt 7,548

Equity Market Cap 9,509 9,509 9,509

### Debt Ratios

EBITDA/Interest Coverage ratio 8.1 8.9 9.3

**Net Debt/EBITDA** **1.9** **1.8** **1.7**

### Liquidity Sep. 6 2025

Cash & Marketable Sec 271

Borrowing Availability est. 2,000 +

Total Current Assets 6,061

Total Current Liabilities 7,723

Current Ratio 78%

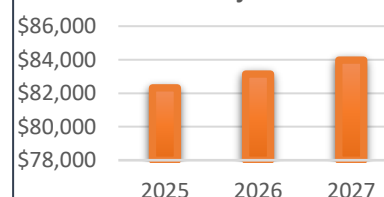
### Debt

Borrowings \$7,819

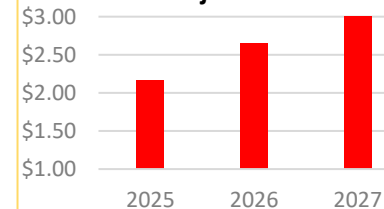
Borrowings Net \$7,548

NOTES:

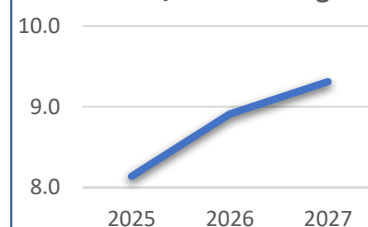
### Revenue Projection



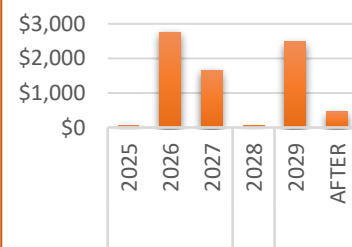
### EPS Projection



### EBITDA / Int. Coverage



### Debt Amortization Schedule in MM



**Disclosures 02022025**

Please obtain further information by contacting us and or accessing BCA's website or [form ADV](#). Opinions expressed are as of the current date and subject to change without notice. BCA, Inc. shall not be responsible for any trading decisions, damages, or other losses resulting from, or related to, the information, data, analyses or opinions contained herein or their use, which do not constitute investment advice, are provided as of the date written, and are provided solely for informational purposes. This report, including its data and commentary, are for informational purposes only and have not been tailored to suit any individual. References to specific securities or investment options should not be considered an offer to purchase or sell that specific investment. There is no guarantee that the objective of any investment strategy will be achieved. Employees of BCA or its affiliates may have holdings in the stocks shown herein. All data presented is based on the most recent information available to BCA as of the date indicated and may not be an accurate reflection of current data. There is no assurance that the data will remain the same. This commentary contains or may contain certain forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results to differ materially and/or substantially from any future results, performance or achievements expressed or implied by those projected in the forward-looking statements for any reason. Price targets are mentioned for information purposes only. Nothing contained herein constitutes a recommendation to purchase or sell securities at any designated price or time. As always, past performance does not guarantee future results. SEC Rule 206(4)-1 disclosure: this report is approved by the CCO of Broxton Capital. Individuals should consider the inherent risks before investing and this report should not be construed as advice tailored to an individual's investment criteria or objectives. In the normal course of our communications or reports, we analyze, review and discuss current, past and possible future securities holdings. In the case of any security reviewed by us, it should not be assumed that recommendations made in the future will be profitable or will equal the performance of any profitable security that is reviewed or discussed. Also, from time to time we may also discuss and display, charts, graphs, formulas which are not intended to be used by themselves to determine which securities to buy or sell, or when to buy or sell them. Such charts and graphs offer limited information and should not be used on their own to make investment decisions. Please obtain further information by contacting us and or accessing BCA's website or form ADV. <http://www.broxtoncapital.com> 310 208 2151

Broxton Capital Advisors 151 Calle San Francisco  
San Juan PR, 00901 [broxtoncapital.com](http://broxtoncapital.com)  
310-208-2191

Allen Cooke Portfolio Manager 310-208-2151  
Cell 310-279-3338  
[allen@broxtoncapital.com](mailto:allen@broxtoncapital.com)

**BROXTON**  
CAPITAL ADVISORS  
CAPITAL ADVISORS