INVEST/STAY CONNECTED
INITIAL REPORT JUNE 2023
LAST UPDATED DEC 21, 2025
$17.43 / Buy, target $24.00

ALBERTSONS COMPANIES, INC.

Albertsons 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 who even founded and spun 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, 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 that 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."

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%. Morris declared a $750 million dollar immediate stock purchase in October. 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.

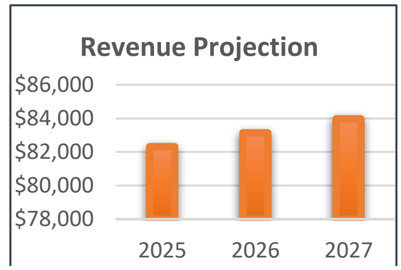
2022 PROJECTIONS IN MM	**2025**
Revenue	82,320
Gross Profit	22,844
Operating Income	2,024
EPS	2.17
EBITDA	4,004
Capitalized Expense	1,900
Cash Flow	3,160
Equity Dividends gross	276
Equity Dividends	**0.60**
Dividend Yield	3.43%
Enterprise Value	17,058
Dividend Coverage	457%
Revenue Growth	2.4%
Cash Flow Yield Vs. Equity	13.25%
EV/EBITDA	4.3
P.E Ratio	8.1

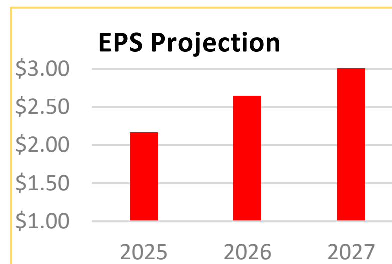
ACI INVESTOR RELATIONS

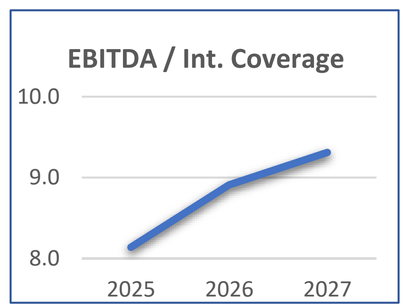
ACI Weekly Chart Since 2023

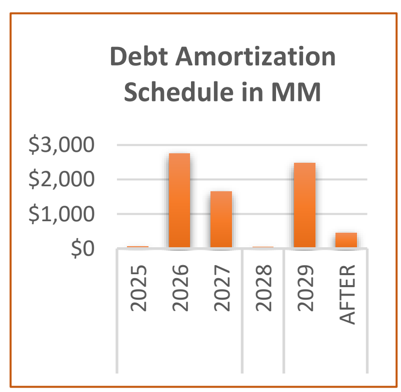
BROXTON CAPITAL ADVISORS	ACI as of 9/06/2025		
Sunday, December 21, 2025			
share price	$17.48		
PROJECTIONS IN MMs (fiscal)	2025	2026	2027
Income Statement			
Revenue	$82,320	$83,143	$83,975
Gross Profit	22,844	23,280	23,681
Gross Margin%	27.75%	28.00%	28.20%
Operating Income	2,024	2,252	2,443
Pre-Tax 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.*	2000 +		
Total Current Assets	6,061		
Total Current Liabilities	7,723		
Current Ratio	78%		
Debt			
Borrowings	$7,819		
Borrowings Net	$7,548		

NOTES:









Disclosures 02022025

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