KROGER TO ACQUIRE GIANT EAGLE

Key Takeaways

1	**Kroger's $1.65 billion acquisition of Giant Eagle is its first major deal since the Albertsons merger collapsed, giving it low-cost entry into Pittsburgh and Cleveland, markets where it currently has no conventional presence.**
2	**The GetGo divestiture enabled this deal, as Giant Eagle's 2025 sale of its convenience business left a cleaner asset Kroger was willing to acquire directly.**
3	**Columbus is the center of the divestiture story, with 24 Giant Eagle locations identified near Kroger stores overall, split between 12 conventional supermarkets and 12 Market District locations.**

Deal Overview

On July 1, 2026, Kroger announced a definitive agreement to acquire Giant Eagle, Inc. for $1.65 billion, consisting of $1.25 billion in cash and the assumption of about $400 million in liabilities. Giant Eagle, a family-owned food and pharmacy retailer based in Pittsburgh, generates approximately $9 billion in annual sales across 197 supermarkets and 11 standalone pharmacies in northern Ohio, western Pennsylvania, West Virginia, Maryland, and Indiana. The cash-funded transaction, which Kroger expects to keep it within its 2.3x to 2.5x leverage target, is the Company's first major acquisition since the Albertsons merger collapsed in December 2024, and the first under CEO Greg Foran. The transaction is expected to close in 2027, and the companies said they expect to make limited Giant Eagle store divestitures to obtain regulatory clearance.

The Road to Kroger

In our view, the enabling event for this transaction was Giant Eagle's June 2025 divestiture of its GetGo convenience store network to Alimentation Couche-Tard. The GetGo sale accomplished three objectives: it captured full value for the portfolio's strongest asset; it generated approximately $1.6 billion in proceeds for the remaining business; and it removed fuel and convenience retail from any future antitrust review, leaving a clean food-and-pharmacy business for an acquirer. Kroger's interest in Giant Eagle predates this announcement by years, but the convenience store business complicated any combination, adding antitrust issues and a format many potential acquirers may not have had an appetite for. Kroger itself had exited the format years earlier. With GetGo gone, the deal became far more doable, and the family ownership group reportedly chose to negotiate directly with Kroger instead of inviting multiple companies to bid for it.



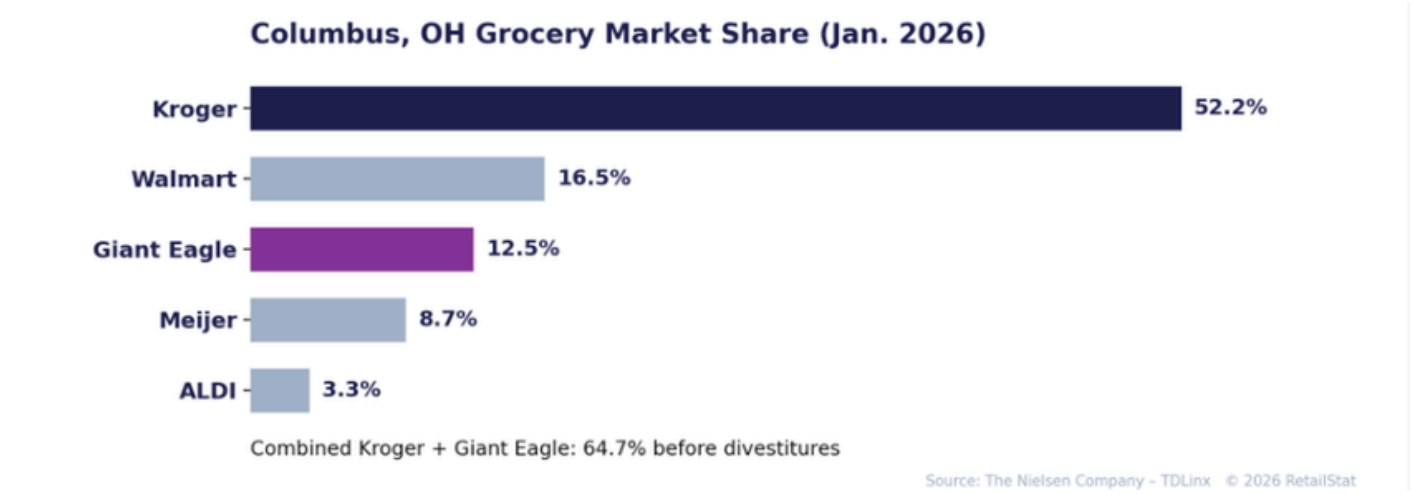


We believe the price reflects the condition of the assets that were left behind. At roughly 0.18x revenue including assumed liabilities, the multiple sits well below comparable grocery deals and reflects thin profitability at a business that has been ceding share to Walmart, ALDI, and Meijer across its core markets while retreating from Columbus through recent store closures. For the selling families, the transaction resolves a generational succession question at a time of intensifying competition. For Kroger, it is an inexpensive entry into contiguous markets, most notably Pittsburgh and Cleveland, where the Company has no conventional supermarket presence, and it signals a return to growth under Foran after two years of caution following the Albertsons collapse.

Potential FTC Issues

The regulatory review is expected to differ meaningfully from the Albertsons case in scale. This is a $1.65 billion regional tuck-in rather than a $24.6 billion national combination. Further, the federal antitrust climate has moderated since 2024, and the GetGo divestiture already removed the fuel and convenience product market from the analysis. Disclosing that there will be some expected divestitures at announcement is standard practice in overlapping grocery deals, and it offers no protection on its own; Kroger and Albertsons did the same in 2022 and were sued anyway. The difference here is what a remedy requires: an overlap concentrated in a handful of markets can plausibly be resolved through a negotiated consent order, an outcome that was never realistic at the scale of the Albertsons combination.

Three complications remain. First, the FTC has recent and extensive history with Kroger, and the agency is expected to apply its standard local geographic market screens to every overlap zip code, with Columbus the likely focal point.



Second, state attorneys general act independently of the federal agencies, and both Ohio and Pennsylvania have political incentives to scrutinize a transaction involving a Pittsburgh institution and its union workforce. Both companies, however, are heavily unionized UFCW employers, which cuts both ways: union support or neutrality would blunt any argument that the deal harms workers, while opposition would hand elected officials a ready platform. The Albertsons review demonstrated how political grocery consolidation can become, drawing congressional hearings, election-year scrutiny of food prices, and a multistate coalition of attorneys general, and Kroger's name recognition alone makes it likely this deal will attract attention from elected officials.

Third, divestiture buyer viability is now well established as a review consideration. The Haggen failure and the court's rejection of the C&S package in the Albertsons litigation mean any divestiture buyer must demonstrate the infrastructure, supply arrangements, and capitalization to operate the stores competitively. That bar should be easier to clear here; we expect a divestiture package in the range of 15 to 30 stores overall, against the 579 stores the Albertsons remedy asked a single buyer to absorb across dozens of markets. A package of that size, centered on Columbus, could also be resolved through one-off sales to established independents rather than a single-buyer transaction. Giant Eagle's union workforce could narrow the pool, however, since any buyer must be prepared to assume UFCW contracts and the obligations that come with them.

Red Flags

The long road to closing. A close potentially as long as 18 months out leaves Giant Eagle operating as a standalone credit under a pending-sale cloud. Employee attrition, deferred capital spending, and competitor encroachment in Columbus and Cleveland can all erode the asset before close, and vendor obligations remain Giant Eagle's alone until the transaction is complete. If the deal were to fall apart, the market would be left with a slimmed-down grocer whose owners have signaled a desire to exit.

The unresolved Albertsons lawsuit. Albertsons continues to pursue billions in damages plus a $600 million termination fee, alleging Kroger mishandled the prior regulatory process. The suit is both a contingent cash liability against the same balance sheet funding this deal and a reputational problem: the discovery record could be cited by parties questioning Kroger's execution of past divestiture commitments.

Margin pressure at the acquired business. Pharmacy is a meaningful share of Giant Eagle's revenue, and while the Rite Aid liquidation brought Giant Eagle added prescription volume, declining reimbursement rates mean those scripts carry thin margins. Accretion is not expected until the second full year after close, which on a 2027 close means 2029, an extended payback period during which Kroger is simultaneously executing the Foran turnaround, price investments, the buyback, and an integration.

Potential Divestitures

Most of Giant Eagle's footprint does not overlap Kroger at all. Western Pennsylvania, the core of the store base, is clean because Kroger exited Pittsburgh in the 1980s and never returned, and Kroger similarly has no conventional supermarket presence in metropolitan Cleveland. The deal language itself, limited Giant Eagle store divestitures, indicates Kroger expects to keep its own fleet intact and shed acquired stores in overlap markets.

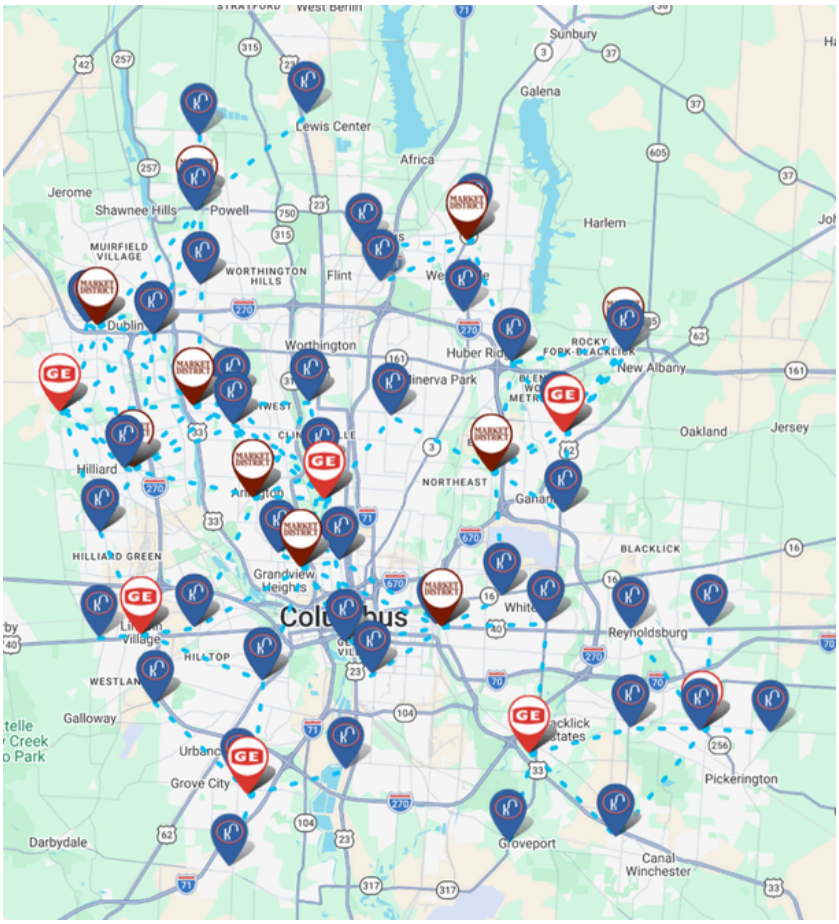
We see Columbus as the center of the divestiture story. Kroger is the clear share leader in the market, and Giant Eagle retains a meaningful cluster of stores there despite years of retrenchment. Combining the number one operator with a remaining top-five competitor is the type of local concentration regulators typically screen for, and any required package will start in central Ohio. Secondary exposure sits in the Indianapolis suburbs, where Giant Eagle operates a handful of Market District stores in Kroger's strongest market, and in north-central West Virginia around Morgantown, where the two banners meet at the edge of Kroger's Mid-Atlantic footprint. Maryland exposure is minimal.

Divestiture Exposure by Market

Columbus, OH	High	Kroger share leader; Giant Eagle retains a meaningful store cluster
Indianapolis suburbs, IN	Moderate	Handful of Market District stores in Kroger's strongest market
North-central WV	Moderate	Banners meet around Morgantown at the edge of Kroger's footprint
Maryland	Minimal	Thin Giant Eagle presence; limited intersection with Kroger
Western PA / Cleveland, OH	None	No Kroger conventional supermarket presence

© 2026 RetailStat

Our store-level review identifies 12 conventional Giant Eagle supermarkets and 12 Market District stores within a five-mile radius of a Kroger location, 24 in total. The distinction still matters for divestiture value, even with the counts even. Market District is the newer, larger format, typically 80,000 to 100,000 square feet against 40,000 to 70,000 for a standard Giant Eagle, and it is concentrated in the affluent northern and eastern suburbs, including New Albany, Bexley, Powell, Dublin, Westerville, Hilliard, Grandview Yard, and Kingsdale, precisely where Kroger is strongest. The Market District stores are the more attractive assets and the more likely focus of any divestiture demand.



Giant Eagle & Market District Locations Within 5 Miles of a Kroger

Giant Eagle (12 locations)		Market District (12 locations)	
Pickerington Giant Eagle 873 Refugee Road, Pickerington, OH	**0.22 mi**	**New Albany Market District** 5461 New Albany Road West, New Albany, OH	**0.29 mi**
Gahanna Giant Eagle 1250 N. Hamilton Road, Columbus, OH	**0.34 mi**	**Bexley Market District Express** 2250 East Main Street, Bexley, OH	**0.30 mi**
Grove City Giant Eagle 2173 Stringtown Road, Grove City, OH	**0.57 mi**	**Powell Market District** 4000 West Powell Road, Powell, OH	**0.30 mi**
North High Street Giant Eagle 2801 North High Street, Columbus, OH	**0.92 mi**	**Britton Parkway Market District** 4001 Britton Parkway, Hilliard, OH	**0.39 mi**
Marietta Giant Eagle 128 Gross Street, Marietta, OH	**1.10 mi**	**Dublin Market District** 6700 Perimeter Loop Road, Dublin, OH	**0.46 mi**
Heath Giant Eagle 553 Hebron Road, Newark, OH	**1.10 mi**	**Westerville Market District** 650 North State Street, Westerville, OH	**0.47 mi**
Lancaster Giant Eagle 1394 Ety Shops Way, Lancaster, OH	**1.25 mi**	**Grandview Yard Market District** 840 West 3rd Avenue, Columbus, OH	**0.95 mi**
Lincoln Village Giant Eagle 4780 West Broad Street, Columbus, OH	**1.48 mi**	**Bethel And Sawmill Market District** 4747 Sawmill Road, Columbus, OH	**1.18 mi**
University Town Center Giant Eagle 208 Giant Street, Morgantown, WV	**1.94 mi**	**Westfield Giant Eagle** 744 East Tournament Trail, Westfield, IN	**1.76 mi**
Morgantown Giant Eagle 130 Greenbag Road, Morgantown, WV	**2.22 mi**	**Kingsdale Market District** 3061 Kingsdale Center, Columbus, OH	**2.06 mi**
Hayden & Cosgray Giant Eagle 6700 Hayden Run Road, Hilliard, OH	**2.83 mi**	**Carmel Giant Eagle** 11505 N. Illinois Street, Carmel, IN	**2.16 mi**
Hamilton & Route 33 Giant Eagle 3841 S. Hamilton Road, Groveport, OH	**3.10 mi**	**Mccutcheon & Stelzer Market District** 2900 Stelzer Road, Columbus, OH	**2.66 mi**

Distance shown is to nearest Kroger location. *© 2026 RetailStat*

Conclusion

We view this as a sound transaction at a price that reflects the condition of the asset. The GetGo sale cleared the path, and Kroger is acquiring a regional grocer with a strong home market in Pittsburgh, gaining entry to markets it could not otherwise reach, at a fraction of what it would cost to build. The regulatory road is likely longer than the deal's size implies, but it is navigable, and we expect the divestiture package to remain modest and Columbus-centered. The risks worth monitoring between now and close are the health of Giant Eagle's business during the waiting period, the outcome of the Albertsons lawsuit, and the credibility of whichever buyer Kroger selects for the divested stores.

For more information contact:



Michael Infranco
Assistant Vice President
800.789.0123 EXT: 126
mikei@retailstat.com