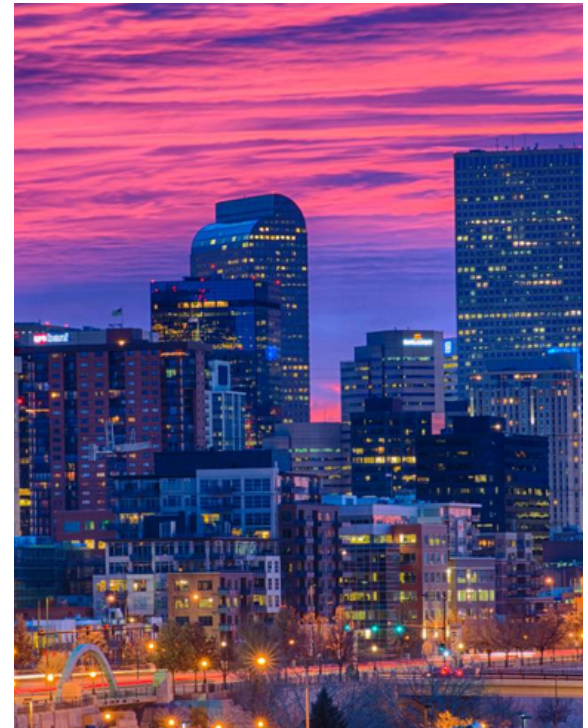


Grocery Market Insights

OVERVIEW & KEY TAKEAWAYS

- The Denver-Aurora-Lakewood, CO MSA consists of ten counties and more than 3 million people. It is the 19th largest in the nation and the 7th largest in the West, behind Seattle, Phoenix, and four California MSAs. Population growth has been just under 2% over the past two years, placing it among the top six fastest-growing MSAs of the 20 largest. Population growth is expected to improve, reaching nearly 6% over the next five years.
- Denver's GDP ranks as the 18th strongest metropolitan economy in the U.S. Denver's primary industry has traditionally been mining and energy. That sector remains strong but has been augmented by telecommunications and technology. The metro hosts the headquarters of ten Fortune 500 companies, although few are widely recognized. Arrow Electronics leads the regional companies on that list, which also includes DISH Network, Ball Corporation (aluminum manufacturing), VF Corporation (apparel), and DaVita (medical services)[2].
- The Denver grocery market, like many cities of the west, is dominated by national players. Kroger leads the market with its regional King Soopers banner claiming more than a third of the grocery market. Between it and Walmart nearly 50% of the grocery market is covered. The market coverage of the top four market leaders, which also includes Safeway (Albertsons) and Costco, claims nearly 2/3rds of the total grocery market.
- King Soopers appears to be the single most active banner in terms of growth. With several new stores planned and in various stages of construction, it is adding more square footage of grocery space than any other single grocer. Costco, Target, and Whole Foods have rumored or planned new locations in the market as well, and small local operators collectively could see meaningful growth in the region.



Meanwhile, the future remains uncertain for Amazon Fresh. Any plans for expansion into a new market like Denver are unlikely to materialize for many years, if at all.

CHAIN MARKET COMPARISON

Current (2024) Market Sales & 2028 Market Banner Growth

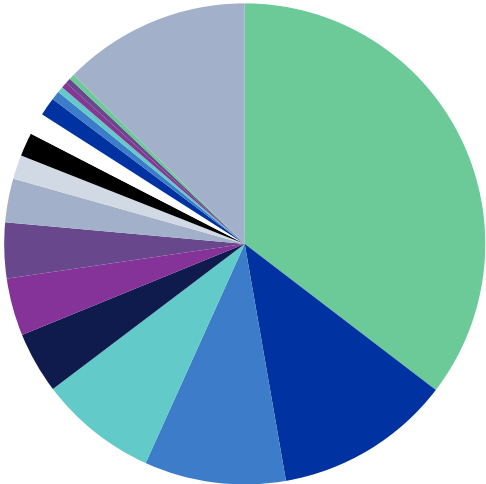
Chain Name	Number of Stores	Total		Average		Total Annual Volume	Market Share	No. of Planned Stores	Added Sales Area	Chain Percent SF Change	Projected Number of Stores	Projected Sales Area	
		Volume	Sales Area	Volume	Sales Area								\$/Sq Ft
King Soopers	83	<p>Complete our brief Contact Us form to receive the full, unredacted report with detailed sales volumes.</p>	<p>Complete our brief Contact Us form to receive the full, unredacted report with detailed sales volumes.</p>	\$4,608,760,000	35.39%								
Walmart SC	29			\$1,545,440,000	11.87%								
Safeway	42			\$1,237,600,000	9.50%								
Costco	10			\$1,034,280,000	7.94%								
Sam's Club	9			\$537,680,000	4.13%								
Target	28			\$503,360,000	3.87%								
Whole Foods Market	12			\$487,500,000	3.74%								
Sprouts	21			\$382,200,000	2.94%								
Trader Joe's	5			\$210,340,000	1.62%								
Walmart NM	7			\$205,400,000	1.58%								
Natural Grocers	23			\$192,920,000	1.48%								
Other	13			\$160,160,000	1.23%								
Save-A-Lot	11			\$78,078,000	0.60%								
H Mart	2			\$52,260,000	0.40%								
Lowe's Mercado	3			\$52,000,000	0.40%								
Great Wall Supermarket	3	\$47,060,000	0.36%										
MI Pueblo Market	5	\$46,280,000	0.36%										
Totals	306	\$218,871,500	11,393,760	\$715,266	37,235	\$19.21	\$11,381,318,000	87.40%	19	662,000	5.81%	325	12,055,760
Averages													

Note: All numbers reflect Food Group data only, and are as of 2024. Market share totals exclude leakage. Future store openings include rumored, planned, and proposed stores that are being monitored

[1] Source: Federal Reserve Economic Data (FRED) St. Louis Fed, Dec 2023. [2] Source: Axios Denver.

CURRENT MARKET SHARE & EXPECTED GROWTH

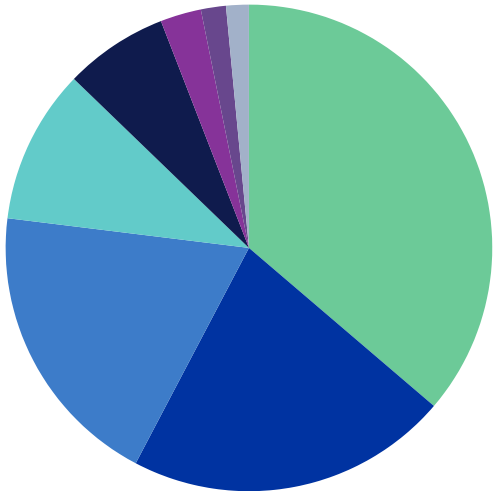
Share of Supermarket Sales, Current (2024)



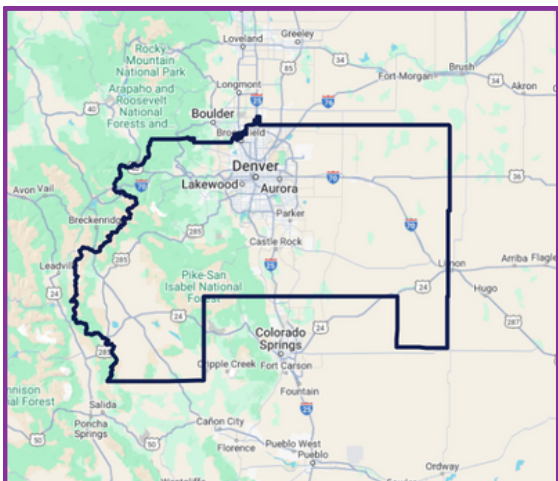
Banner	Market Share
King Soopers	35.39%
Walmart SC	11.87%
Safeway	9.50%
Costco	7.94%
Sam's Club	4.13%
Target	3.87%
Whole Foods Market	3.74%
Sprouts	2.94%
Trader Joe's	1.62%
Walmart NM	1.58%
Natural Grocers	1.48%
Other	1.23%

Banner	Market Share
Save-A-Lot	0.60%
H Mart	0.40%
Lowe's Mercado	0.40%
Great Wall Supermarket	0.36%
MI Pueblo Market	0.36%
[Leakage]	12.60%

Growing Banners, by Sales Area



Banner	
King Soopers	
Other	
Costco	
Target	
Whole Foods Market	
Sprouts	
Trader Joe's	
Natural Grocers	



Denver Metro Key Demographics

- Total Population: 3,053,927
- Projected Pop Growth (5yr): 5.6%
- Total Households: 1,200,376
- Median HH Income: \$103,034
- Average HH Income: \$137,716
- Bachelor's or Higher: 46.3%
- Total Number of Grocery Stores in Market (2024): 306
- Total Number of Projected Grocery Stores (2028): 328
- Major Grocer Weekly Sales in Market (2024): \$218.9M

Communities and Corridors of High Grocery Performance

- Looking at areas where grocery stores generally outperform the market overall, the largest aggregation of high performers is in the south-central Denver core. This cluster, spanning the communities of Cherry Creek to the west and Glendale to the east, forms a barbell-shaped concentration of high-performing grocers. Here, strong sales combine with high grocery density, making a significant geographic impact.
- Outside of this core, high performers are more dispersed, with low grocery density often offsetting strong individual sales, limiting the formation of additional notable clusters.
- Two areas of exception are found further south. To the southeast, Parker has a recognizable aggregation of grocers with solid sales and activity. Following C-470 around to the southwest of Denver, western Littleton shows another hearty concentration of healthy performing grocery stores.
- Note that Boulder, located just north of Denver, is a dynamic market in close proximity. However, as a separate MSA, it is excluded from this analysis.



Grocer Spotlight: King Soopers

King Soopers is one of Kroger's high-performing banners. This regional banner operates along Colorado's Front Range corridor, and it leads the market share in the Denver metro, claiming more than a third of the total grocery market revenue.

King Soopers began in the Denver suburb of Arvada in 1947. The chain quickly grew and proved to be an innovator. It was the first grocer in Colorado to introduce the self-service meat department. In 1952, it was the first grocer in the country to include a pharmacy in the grocery store.[1] In 1957, King Soopers was acquired by Dillon Companies, a grocer headquartered in Kansas. In 1983, Dillon and King Soopers were acquired by Kroger, which today operates the chains as regional banners in their respective states.

While the majority of King Soopers stores follow the traditional conventional grocery format, the banner has continued the tradition of incorporating the best practices Kroger has learned from its regional banners. In 2012, the first King Soopers Marketplace opened in the state, incorporating many of the hypermarket features Fred Meyer pioneered in the 1960s, expanding in-store merchandising in an effort to be a one-stop-shop option for customers. These larger stores, while classified as conventional, incorporate elements that could place them in the quality/service or supercenter format. That same year, in Englewood, the banner's first (and currently only) King Soopers Fresh Fare opened. This smaller unit echoed many of the features of Ralphs Fresh Fare, which first opened in 1998—around the time that chain merged with Kroger along with Fred Meyer. The Fresh Fare concept straddles the line between conventional and quality/service, incorporating elements such as specialized departments and services, upscale food offerings, and expanded organic options. In Englewood, it does so within a smaller footprint.

Store	Count in Denver Metro	Average Size of Sales Area	Sales per Square Foot
King Soopers Marketplace	8	75,000	~3% higher than the Fresh Fare store, and ~11% higher than the traditional King Soopers store
King Soopers Fresh Fare	1	23,500	~7.7% higher than the traditional King Soopers store
King Soopers	74	48,562	~8% higher than the market average

With the collapse of the merger between Kroger and Albertsons, one could argue that Kroger's potential expanded market position has been undermined; yet, the one certainty is that stability has returned to the sector. In Denver, all 42 Safeway stores in the market would have been divested. This would have temporarily decreased the competitive environment, but in the long term, it is unclear what future incursions and backfills would have disrupted the sector. As it stands, relative stability favors the strong, entrenched players—and in Denver, that is King Soopers.

The banner appears to be the single most active in terms of growth. It is expanding its presence in the Denver area with several new stores planned and in various stages of construction, including locations in Fountain, Falcon, and Frederick. Additionally, a second King Soopers is planned for Windsor. Meanwhile, in early March, Kroger purchased more than 12 acres of land in the Denver suburb of Aurora to house one of its Marketplace concepts—a design well-suited for fast-growing neighborhoods.[2]

[1] Westword, "Grocery=workers union recalls Soopers' first King," July 14, 2009. [2] CoStar News, "Kroger to launch superstore concept in retail-starved Denver suburb" March 10, 2025.

