

Harris Teeter's \$250 Million Hometown Defense



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Harris Teeter is investing in its largest market, where it ranks second in grocery volume but its stores generate lower average weekly sales than those in the rest of its chain. On September 15, 2026, the Kroger subsidiary announced a roughly \$253 million, three-year plan to remodel select Charlotte-area stores and open three new ones in Fort Mill, SC, Lake Wylie, SC, and Kannapolis, NC. The Company named Fort Mill and Rock Hill, SC, and Matthews, Waxhaw, Concord and Huntersville, NC, among the communities that will see renovations, but did not say how many stores it will remodel or how much it will spend on each. The announcement came less than a month before Wegmans opens its first Charlotte store, in the middle of Harris Teeter's south Charlotte territory.

To see where the money is likely to matter, we drew on our January 2025 visit to the 11-county Charlotte metropolitan area (CBSA), which covered 374 open grocery, club and supercenter locations with estimated weekly sales and sales area. We compared Charlotte with the 180 Harris Teeter stores elsewhere in our database that have sales estimates.

In our view the numbers point to three conclusions. Harris Teeter holds a strong second place, but Wegmans is opening next to its densest cluster of stores and Publix already outsells it store for store. Its Charlotte stores are older and less productive than its stores elsewhere, which gives the remodel program a clear rationale. And the three new sites take Harris Teeter into areas where it has little or no presence.



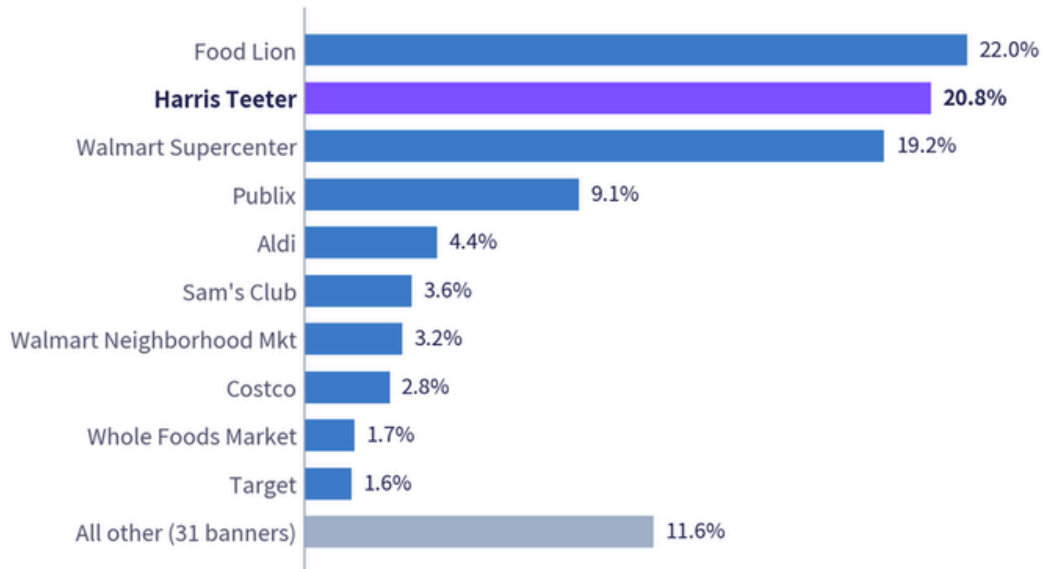
A Three-Way Race at the Top

Three operators account for about 62% of estimated grocery volume in the Charlotte CBSA. Harris Teeter's 60 stores generate about \$1.93 billion a year, or 20.8% of the market, just behind Food Lion at 22.0% and ahead of Walmart Supercenter at 19.2%.



Three banners hold about 62% of Charlotte grocery volume

Share of estimated annual grocery volume, Charlotte CBSA



They get there in different ways. Food Lion needs 113 stores, nearly twice Harris Teeter's count, because its stores average about \$348,000 a week against Harris Teeter's \$619,000. Walmart Supercenter reaches a similar share with 31 stores averaging \$1.1 million a week. Including its 10 Neighborhood Markets and seven Sam's Clubs, Walmart Inc. holds about 26% of the market, which in our view makes it the largest grocery operator in Charlotte.

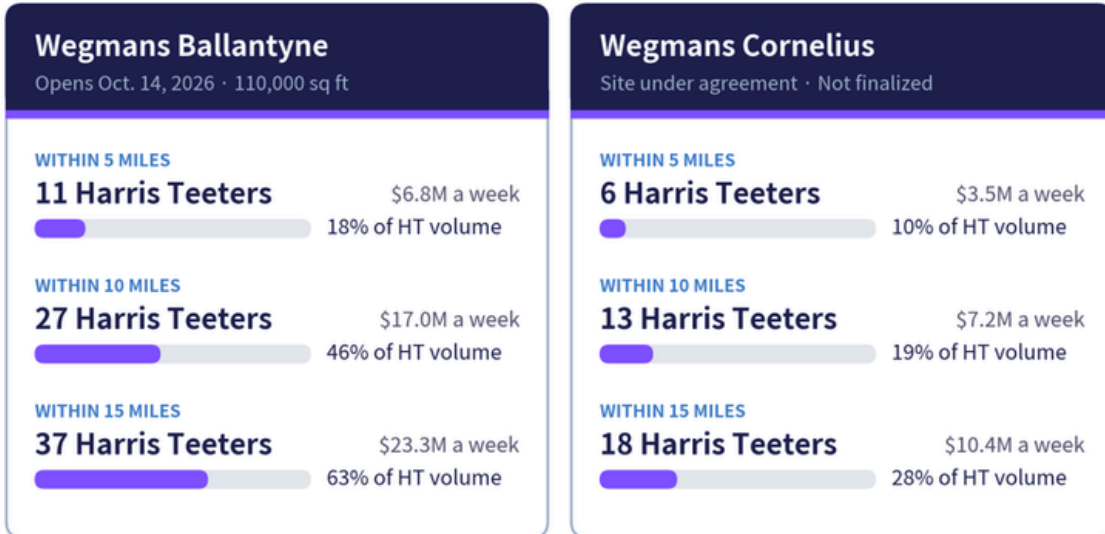
Publix is a distant fourth at 9.1% with 25 stores, but that understates its momentum. It has opened two stores since our visit and has five more planned, the largest pipeline in the market.

Wegmans Arrives in Harris Teeter's Backyard

Wegmans opens its first Charlotte store in Ballantyne on October 14, 2026. The 110,000-square-foot store will be its fifth in North Carolina. The Company does not report sales, but based on estimated annual sales of \$14.3 billion across 114 stores, we estimate the average Wegmans store generates roughly \$2.4 million in weekly sales, nearly four times the average Charlotte Harris Teeter.

Wegmans lands in the middle of Harris Teeter's core

Harris Teeter stores and estimated weekly sales within 5, 10 and 15 miles of each Wegmans site



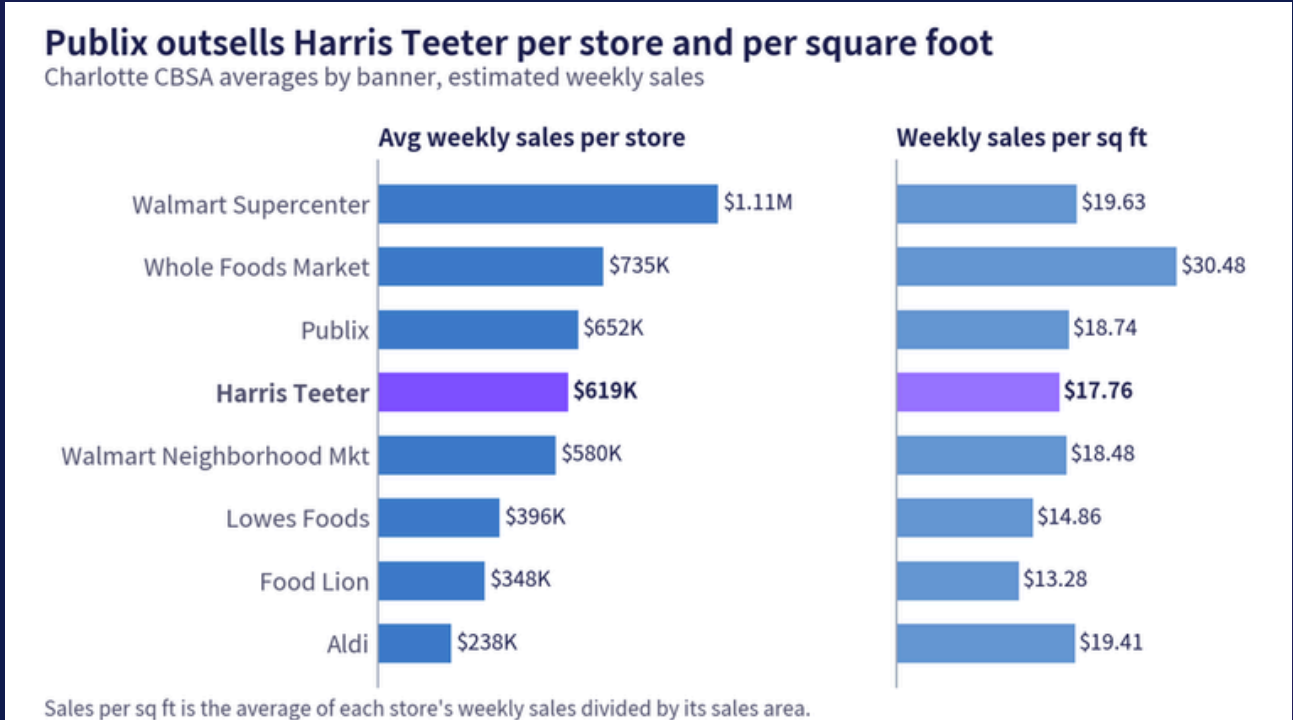
Share of Harris Teeter's estimated \$37.1M in weekly sales across its 60 Charlotte CBSA stores. Straight-line distances.

The site sits in the middle of Harris Teeter's strongest territory. Eleven Harris Teeter stores, with about 18% of its Charlotte volume, are within 5 miles, including one that generates about \$1.1 million in weekly sales, and two are within about a mile. The count rises to 27 stores and 46% of volume at 10 miles, and to 37 stores and 63% at 15 miles. We believe a first store in a new market draws shoppers from farther away than a mature one, so a trade area approaching 15 miles is plausible until Wegmans opens more stores in the region.

Wegmans may not stop at one store. In September 2026 the Company confirmed an agreement to buy about 62 acres from Atrium Health in Cornelius. A spokesperson said the site is being evaluated for a grocery store or other uses and that nothing is final, and local reports suggest a store would be at least a couple of years away. A Cornelius store would sit in Harris Teeter's Lake Norman cluster, with six Harris Teeters within 5 miles and 18 within 15 miles, together about 28% of its Charlotte volume. Between the two sites, 40 of Harris Teeter's 60 Charlotte stores, with about 65% of its volume, would be within 10 miles of a Wegmans. Local reports also say Wegmans has looked at about a dozen Charlotte-area sites, including SouthPark and Huntersville. Huntersville is one of the communities named in Harris Teeter's remodel plan, which we believe helps position it ahead of a possible Wegmans in the Lake Norman area.

Publix Outsells Harris Teeter Store for Store

The average Charlotte Publix generates about \$652,000 in weekly sales, roughly 5% more than the average Harris Teeter, from a similar 35,000 square feet of sales area. Publix also sells more per square foot, \$18.74 a week against \$17.76. Among conventional supermarkets, only Whole Foods Market, with much smaller stores, is more productive.



Publix is also more consistent. All 25 of its stores generate between \$490,000 and \$860,000 in weekly sales. Harris Teeter's range is much wider. Six of its stores exceed \$1 million, more than any rival supermarket, but eight fall below \$400,000, and the lowest generates about \$245,000.

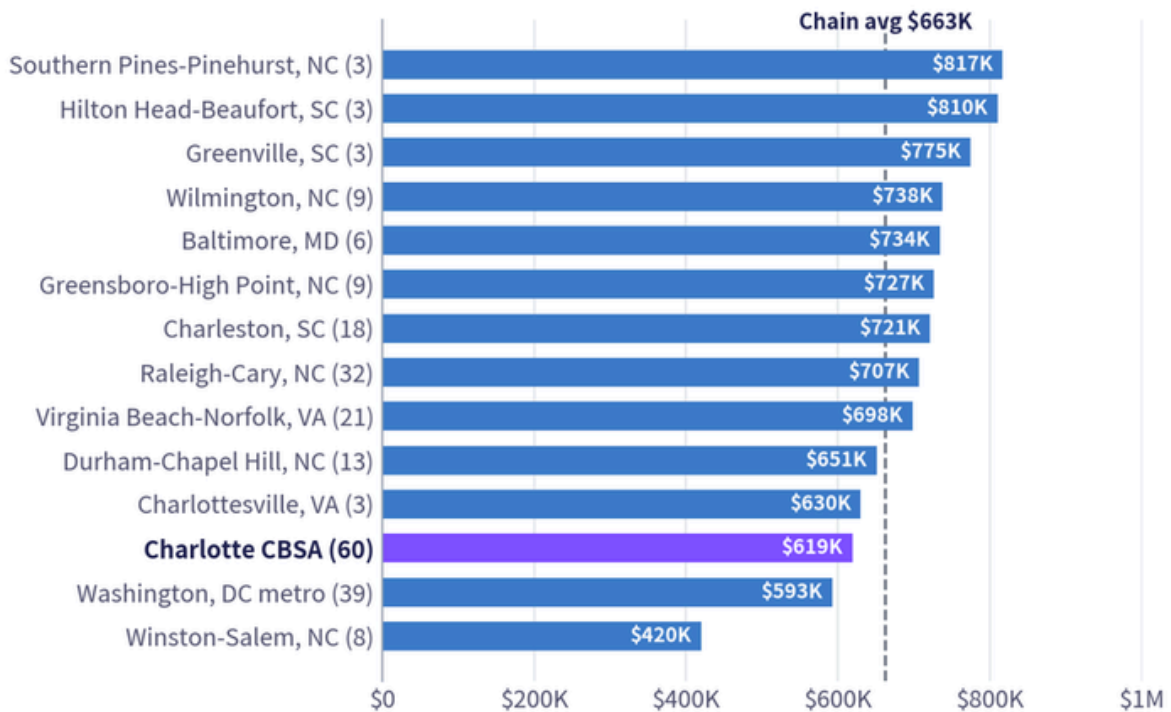
We believe this gap is where the remodel money is most likely to go. Harris Teeter's best Charlotte stores already compete with anything in the market. Its weaker stores, many of them smaller and older, are the most exposed to a newer Publix nearby, and in our view the program's focus on fresh and prepared foods and easier navigation is aimed at closing that gap.

Charlotte Lags the Rest of the Chain

Charlotte is Harris Teeter's hometown and largest market, with about a quarter of the chain's stores and 23% of its estimated volume, but it is not one of its stronger markets. The average Charlotte store generates \$619,000 in weekly sales, about 9% below the \$678,000 average elsewhere, and sells about 6% less per square foot.

Charlotte ranks 12th of 14 Harris Teeter markets

Average weekly sales per store; markets with 3+ open stores, store count in parentheses



Charlotte ranks 12th of the 14 Harris Teeter markets with at least three stores, ahead of only the Washington, DC metro and Winston-Salem. The 25 Harris Teeters in South Carolina outside the Charlotte CBSA average \$732,000 a week. Most are in the Charleston area, and excluding the four resort-area stores on Hilton Head, Isle of Palms and near Kiawah, the average is still about \$724,000, roughly 17% above Charlotte. We believe this shows the format can produce higher volumes in growing Carolina suburbs. The two strongest, in West Ashley and the new Nexton development in Summerville, both opened in the last seven years.

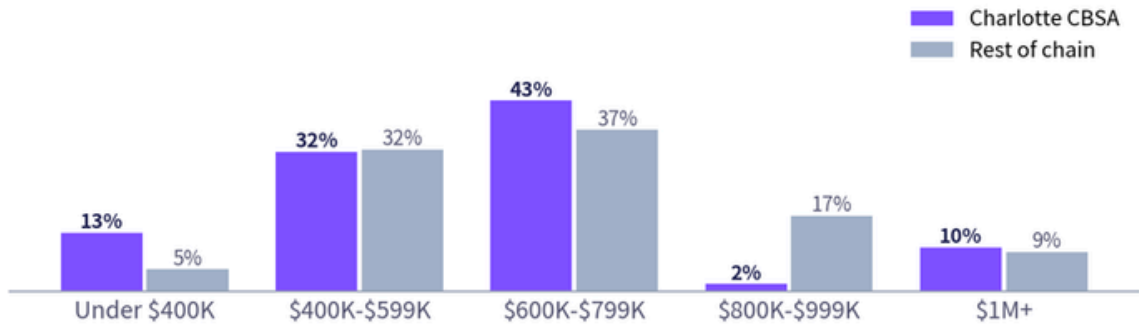
Two features of the Charlotte portfolio stand out. The first is a missing middle tier. Only one Charlotte store generates \$800,000 to \$999,000 in weekly sales, compared with 17% of stores elsewhere, while 13% generate less than \$400,000, compared with 5% elsewhere. The second is age.

Charlotte stores are older and missing a middle tier

Share of Harris Teeter stores, Charlotte CBSA vs. rest of chain

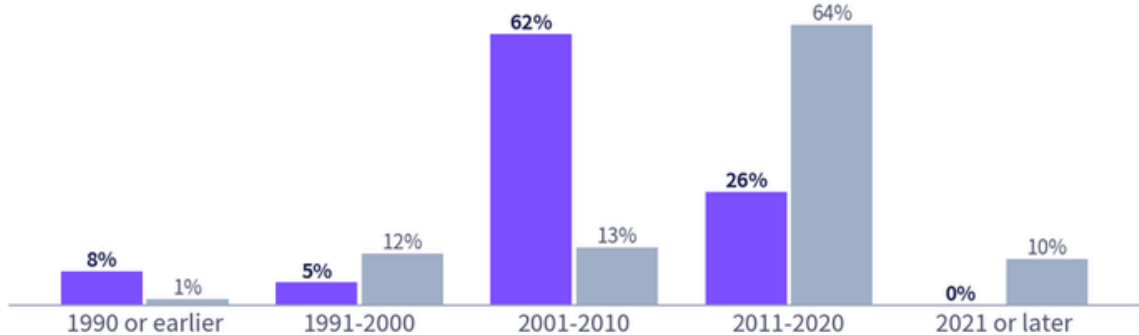
By weekly sales band

60 Charlotte stores, 180 elsewhere with sales on file



By year opened

Stores with an open date on file: 39 of 60 in Charlotte, 77 of 192 elsewhere

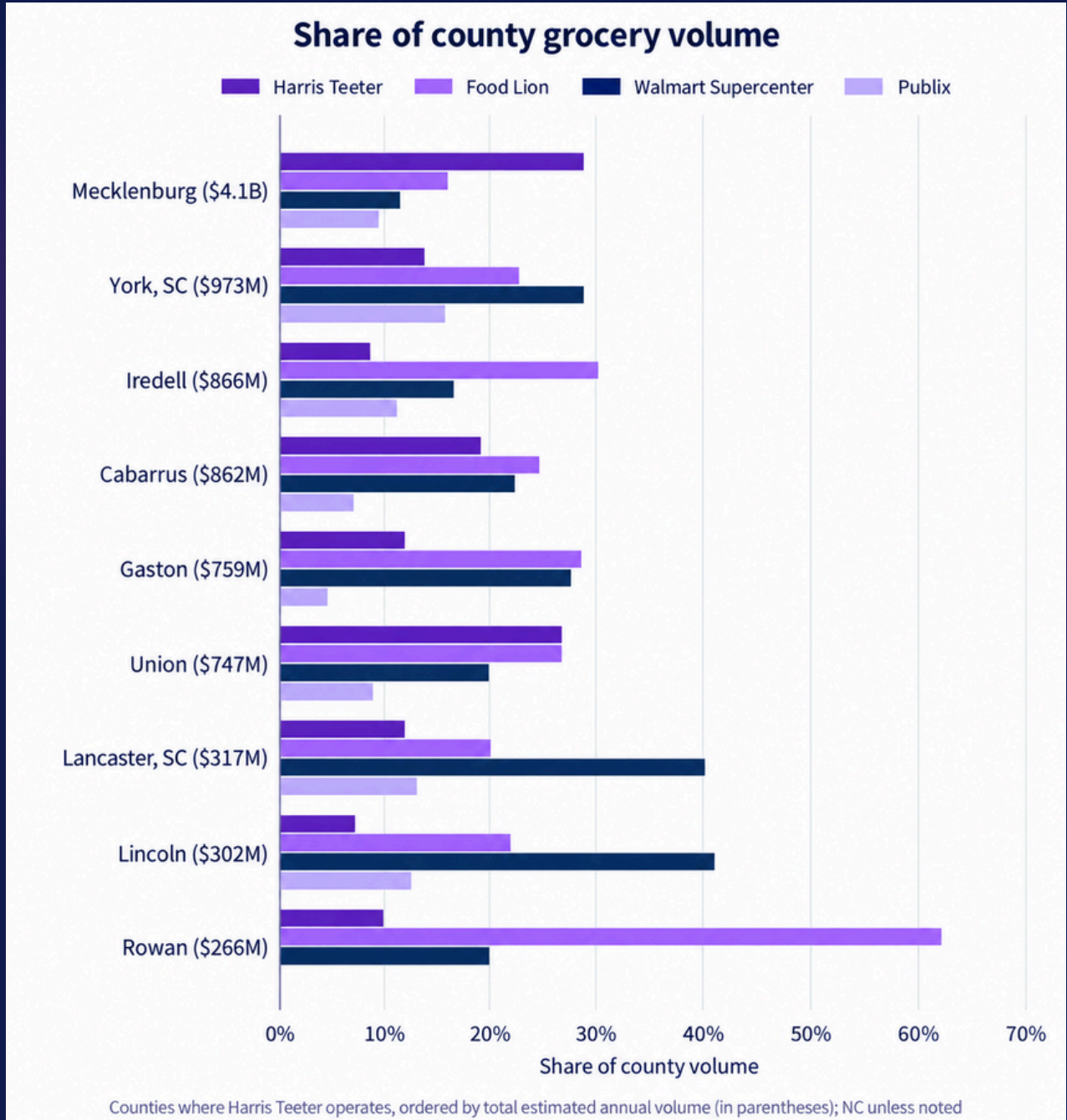


Among stores with an open date on file, the median Charlotte store opened in 2006, a decade before the 2016 median for the rest of the chain. More than 60% of dated Charlotte stores opened between 2001 and 2010, and none opened after 2019. Age matters for sales. The 24 dated Charlotte stores from 2001 to 2010 average about \$557,000 a week, while the 10 from 2011 to 2020 average about \$847,000.

The department mix points the same way. Only 53% of Charlotte stores have in-store seating, against 72% elsewhere, and pharmacy and online pickup coverage are slightly lower. Wine and salad bars are the exceptions. In our view these are gaps a remodel program can close, and they match the prepared-food and convenience upgrades Harris Teeter has outlined.

Strong in the Core, Thin on the Edges

Harris Teeter's position is concentrated in Mecklenburg and Union counties, where it holds 29% and 27% of grocery volume. Mecklenburg alone has 36 of its 60 stores and about \$4.1 billion of the CBSA's \$9.3 billion in annual volume, so its lead there drives its overall share.

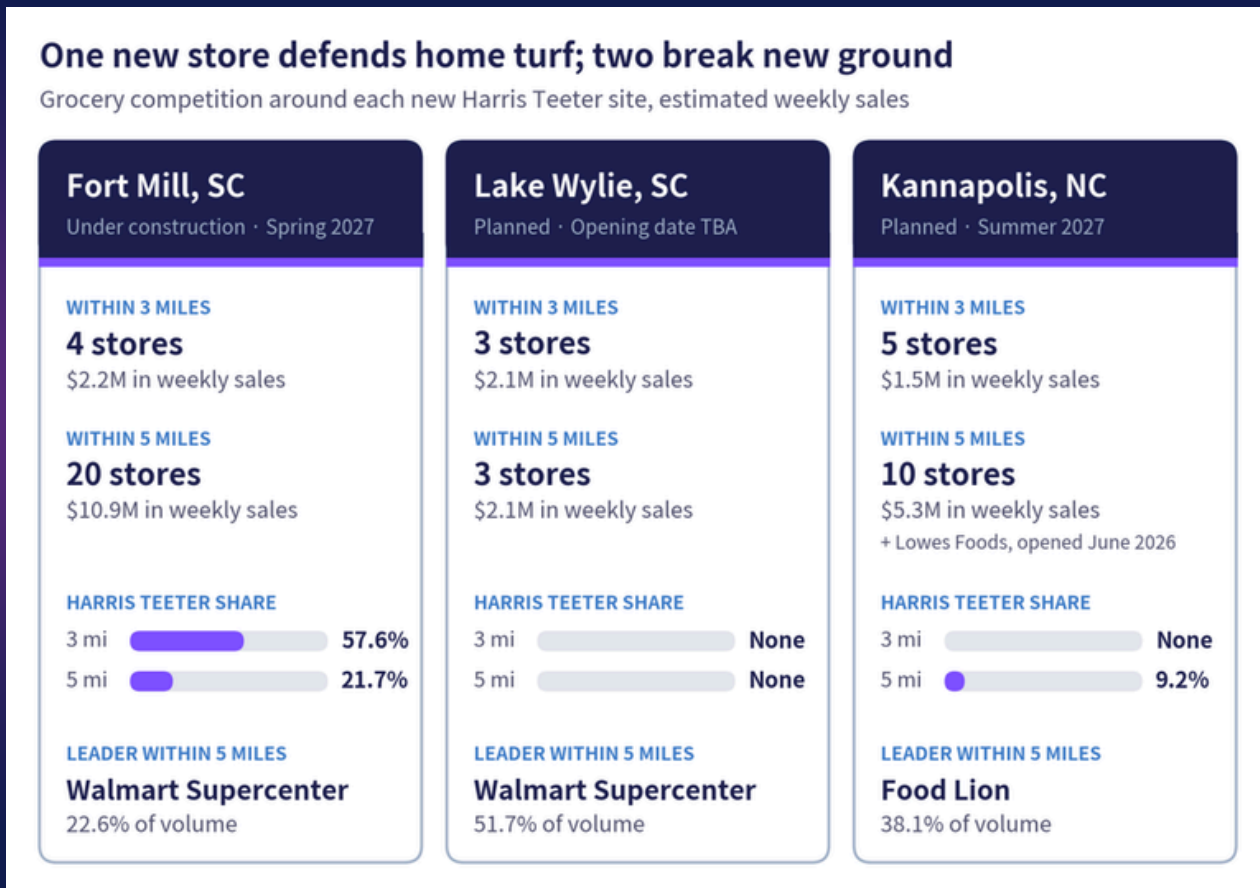


Outside that core, Harris Teeter ranks last of these four banners in York, Lancaster, Lincoln and Iredell counties, trailing Publix in each. York County, the CBSA's second-largest county market at nearly \$1 billion a year, is the clearest case. Walmart Supercenter leads it with 30%, and Publix holds 15% to Harris Teeter's 13%. Two of the three new Harris Teeter stores, in Fort Mill and Lake Wylie, are in York County, and Fort Mill and Rock Hill are both among the communities named for remodels. In our view this makes York County the clearest focus of the program.

Food Lion remains strongest in the outer counties to the north and east, with 62% of volume in Rowan and 29% in Gaston. The new Kannapolis store, in a city that straddles the Cabarrus and Rowan county line, would take Harris Teeter further into that territory.

Three New Stores, Three Different Bets

The three new sites are very different. Based on 3-mile and 5-mile rings, one adds stores where Harris Teeter already leads, while the other two enter areas where it has little or no presence.



Fort Mill is a defensive move, and in our view one that will overlap with existing stores. Harris Teeter already operates three stores in Fort Mill, and the town is also on the remodel list, so the Company is upgrading its existing stores and adding a new one in the same market. Within 3 miles of the site, Harris Teeter already has two stores with about 58% of grocery volume. A Walmart Neighborhood Market is less than 3 miles away, and another grocery site nearby is in our planned file.

At 5 miles the Fort Mill ring includes 20 stores and nearly \$11 million in weekly sales. Walmart Supercenter narrowly leads Harris Teeter there, and a Publix generating about \$795,000 in weekly sales outsells every Harris Teeter in the ring. Costco, Target and Lowes Foods have also opened in the Indian Land area of Lancaster County since our visit, just outside the 5-mile line.

Lake Wylie is open territory with a direct Publix matchup. Only three stores are within 5 miles, a Walmart Supercenter generating about \$1.07 million in weekly sales, a Publix at about \$600,000 and a Food Lion at about \$400,000. All three sit together about 2 miles away, so the 3-mile and 5-mile rings are identical. We believe the lack of other supermarkets gives Harris Teeter room to take share if its format suits the area's newer housing.

Kannapolis is the most unusual of the three. Within 3 miles of downtown, Food Lion's three stores hold nearly 78% of grocery volume, and the only other operators are an Aldi and a small independent. At 5 miles, the ring adds a Walmart Supercenter, a Sam's Club and one of Harris Teeter's Concord stores, which generates about \$485,000 in weekly sales. Concord is also on the remodel list, so the push into Kannapolis comes alongside planned upgrades in the neighboring city. Lowes Foods opened about 3.5 miles away in June 2026 and is too new for our sales estimates.

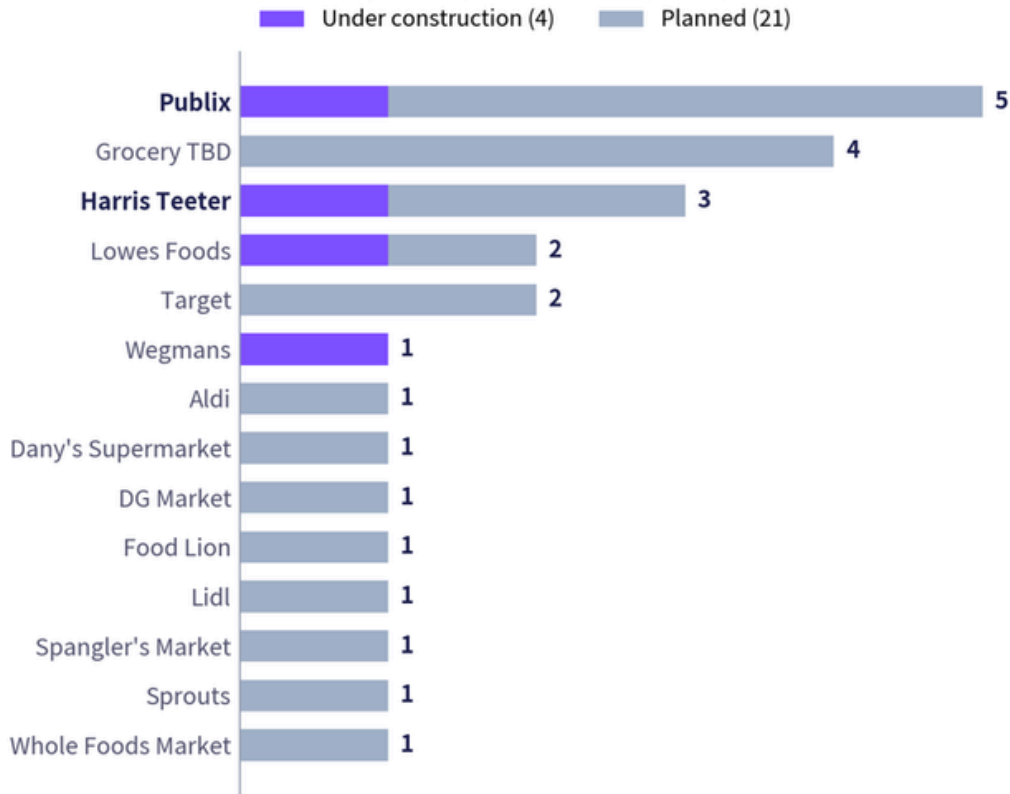
A downtown Harris Teeter would be the chain's first direct test of a Food Lion stronghold in this part of the CBSA, and we believe its results will show how far north Harris Teeter's customer base extends.

The Competition Is Not Standing Still

Publix has more stores in the works than any other banner in the CBSA, with five sites in Charlotte, Matthews, Wesley Chapel and Belmont. Harris Teeter is second among named banners with three, but its remodels will land in a market adding capacity from several directions.

Publix has the deepest grocery pipeline in Charlotte

Planned and under-construction sites by banner, Charlotte CBSA (stores)



25 sites in total. Excludes rumored and proposed sites.

The pressure is greatest around Ballantyne, where Harris Teeter operates six stores in the 28277 ZIP code. Along with Wegmans, a new Publix opened there in September 2025, and a second Whole Foods Market is planned near the Wegmans site. Ballantyne was not among the communities Harris Teeter named for remodels, but we view it as the most important area for Harris Teeter to defend and believe it should be a priority for remodel spending.

Lowes Foods is the other operator to watch. It had four stores in our market calculation and has opened three more since our visit, in Kannapolis, Waxhaw and the Indian Land area. Harris Teeter already competes in Waxhaw and Indian Land and is opening its own Kannapolis store. Waxhaw is also among the communities named for remodels, which in our view gives Harris Teeter a way to answer the new Lowes Foods there. Two more Lowes Foods stores are planned, in south Charlotte and Mooresville.

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