

# ALDI EXPANSION AND MARKET SHARE ANALYSIS

## AS ALDI FOCUSES ON EXPANSION WHAT HAPPENS TO THE SEG PORTFOLIO?

### KEY TAKEAWAYS

- 1 Aldi's \$9 billion investment for 800 new stores by 2028, supported by the Southeastern Grocers acquisition, highlights its commitment to rapidly expand its footprint.
- 2 The Southeastern Grocers acquisition prepares Aldi for quick Southeast expansion through conversions, with many stores well-suited for this due to their locations; integrating larger, non-conversion stores remains a point of interest.
- 3 Expanding into markets like Las Vegas highlights Aldi's strategy impact; despite rapid store growth, its market share will likely stay below traditional leaders due to its smaller-format stores, a consistent trend in new regions.

### EXPANSION PLAN OVERVIEW

Recently, Aldi announced it will double down on expansion by investing \$9 billion over the next five years to fuel growth, which builds on Aldi's \$3.4 billion plan to get to 2,500 stores as well as its \$1.6 billion earmarked for remodeling. This initiative includes plans to add 800 stores nationwide by the end of 2028 through a combination of new openings and store conversions. To support these growth plans, Aldi acquired Southeastern Grocers, which operated approximately 400 Winn-Dixie and Harvey's Supermarket locations.

To continually track Aldi, and other grocery openings and closings, check out our Retail Openings & Closings data set [here](#).

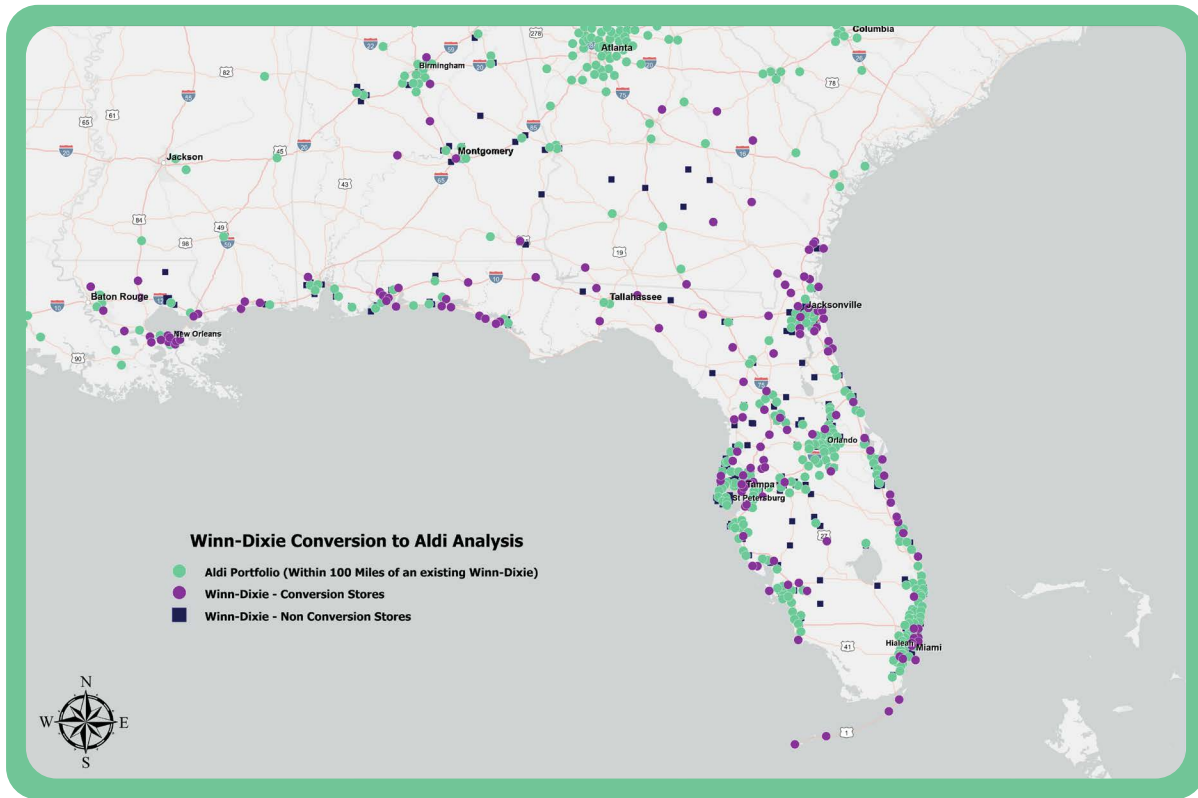
In this brief analysis, we will examine Aldi's probable conversion strategy for the recently acquired Southeastern Grocers (SEG) business, and conduct a market review of Las Vegas, NV, a location Aldi has identified as a key target in its expansion plans.

### WINN-DIXIE & HARVEY'S CONVERSIONS

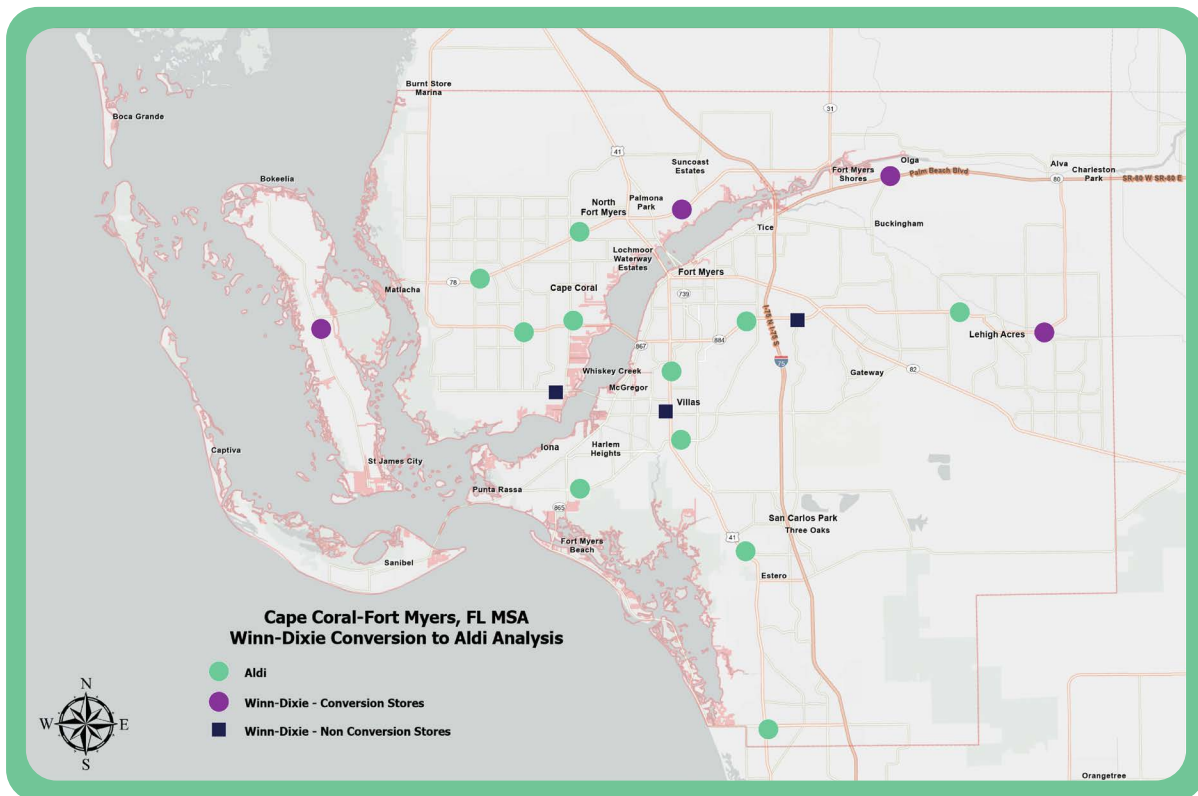
Leveraging RetailStat's proprietary location data and 'boots on the ground' intelligence, the RetailStat team ran potential scenarios that we believe result in a reasonable representation of what Aldi management may be considering when it makes its decisions for the SEG portfolio. To request the detailed list of potential store conversions, contact us [here](#).

One of the most persistent questions has been which stores will be converted to the Aldi banner and which will continue to operate as Winn Dixie and Harvey's stores; Aldi's stores top out around 22,000 square feet while a Winn-Dixie averages about 48,000 square feet, and Harvey's stores average 36,000 square feet.

To model this analysis, first, we analyzed the existing spacing between Aldi stores, considering factors like population density and the number of stores within the trade area. Then, stores were categorized into three density classifications: Urban, Suburban, and Rural. For each density category, we calculated the average distance between Aldi stores and with these distance thresholds established, we measured the distances from Aldi to SEG locations.



The map below goes a bit deeper into the geography of the SEG stores, focusing on the Cape Coral-Fort Myers MSA region. Similar to above, we have identified stores that would make good candidates for conversion and those that would continue to operate unchanged.



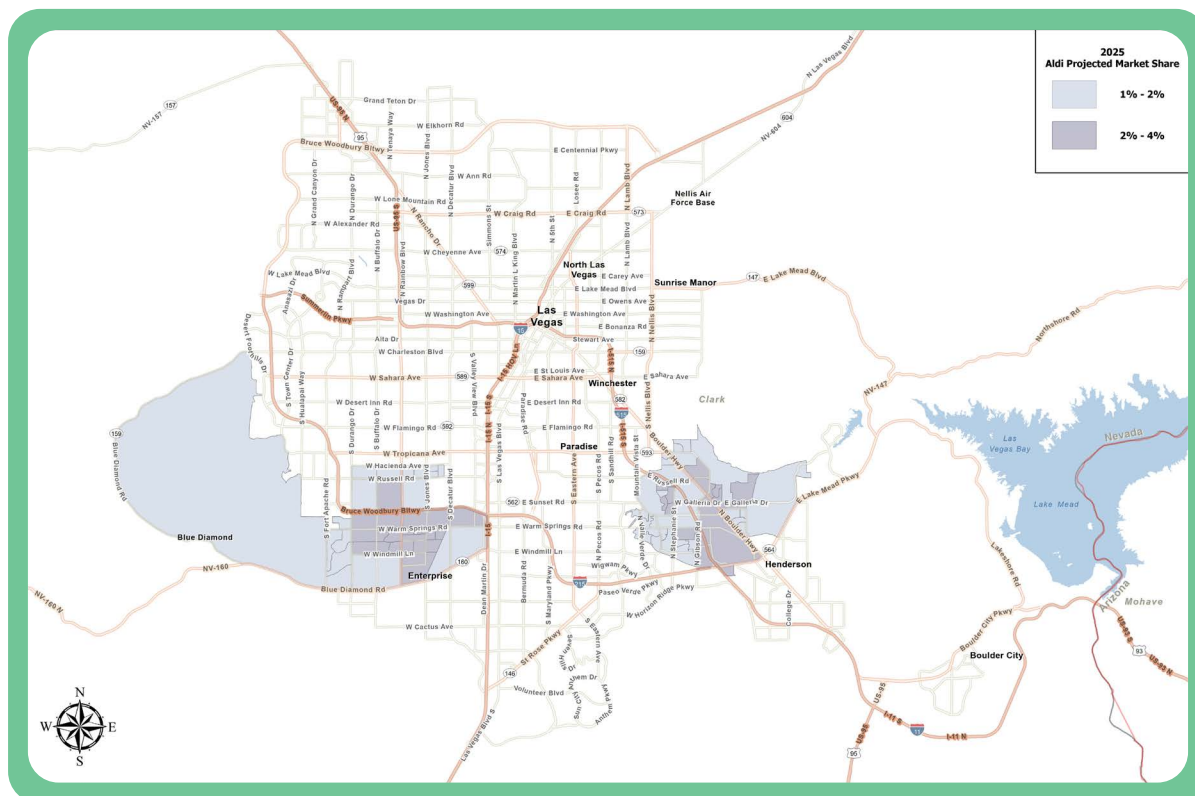
## WHAT THIS MEANS FOR CPG COMPANIES

Monitoring Aldi's expansion plans and conversions offers valuable insights into shifting market dynamics and consumer preferences. Aldi is consistently one of the fastest growing grocers. As Aldi continues to expand its footprint, it creates opportunities for CPG brands to adapt their product assortment and go to market distribution. Moreover, Aldi's market share gains will continue to come at the expense of many weaker, traditional grocers, potentially reshaping the competitive landscape. As such, our team of industry experts will continue to work around the clock to monitor shifts in the financial health of major industry players.

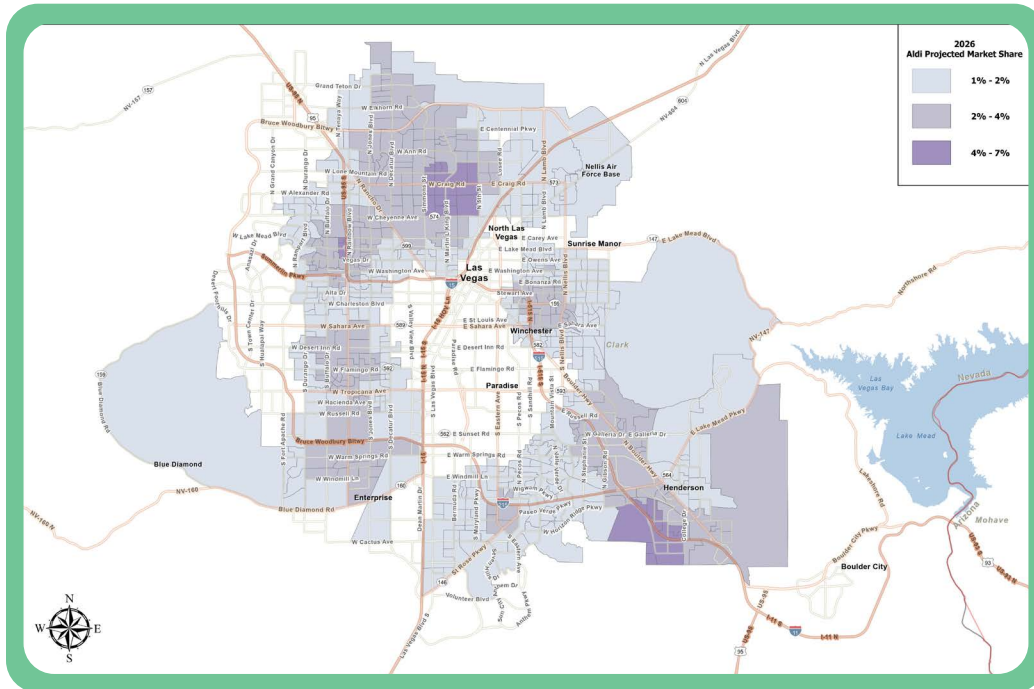
## EXPANSION INTO LAS VEGAS

In addition to the southeast region of the U.S., Aldi specifically mentioned its desire to grow its presence in the Western region by adding more stores in Southern California and Phoenix, and by entering new cities, like Las Vegas. We found the prospect of Aldi entering a new city like Las Vegas particularly interesting, prompting the RetailStat team to take a deep dive into the market.

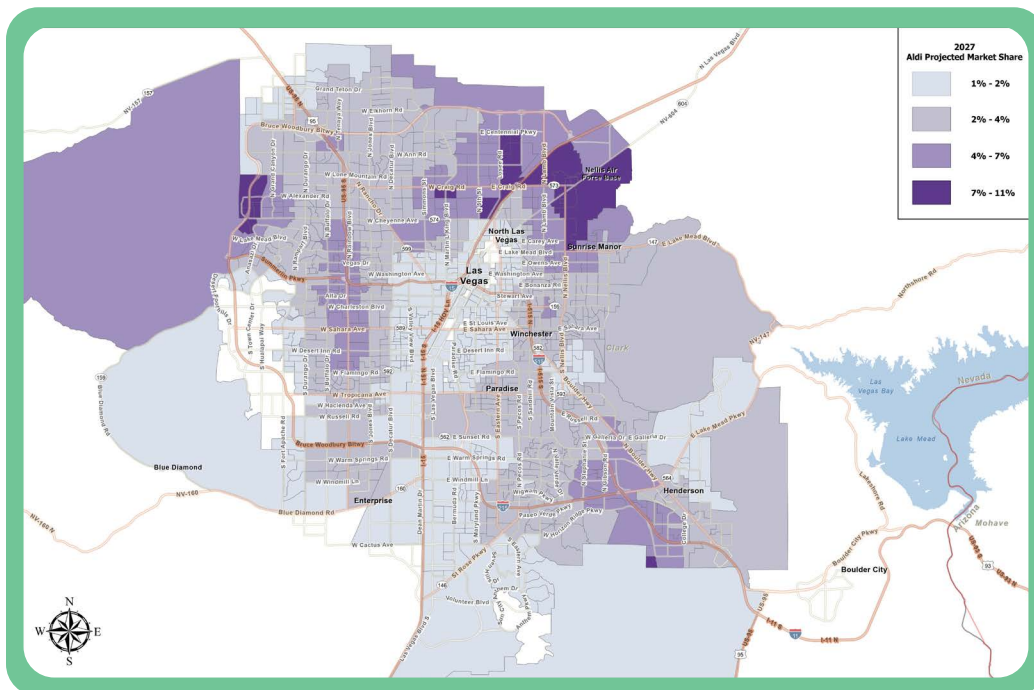
We created three market maps for the Las Vegas area, projecting Aldi's hypothetical market share from 2025-2027. The first map, shown below, represents Aldi's market presence after the two Las Vegas locations currently in the Company's pipeline open in 2025. With the opening of these stores, we project that Aldi will initially capture around 0.3% of the overall grocery market, with some areas near the stores experiencing higher penetration, potentially reaching as high as 4%.



Building on Aldi's ambitious expansion trajectory, the map below models the potential impact of opening seven additional stores in the Las Vegas market, bringing the total to nine locations in the region by the end of 2026. This modeled expansion would increase Aldi's projected market share to approximately 1.5% overall, with some trade areas potentially seeing market shares as high as 7%.



Following this trajectory, the third map illustrates the potential impact of adding seven more stores by 2027, bringing the total to 16 locations in the market. This expansion would increase Aldi's projected market share to approximately 2.5% overall, with some trade areas seeing market shares as high as 11%. When compared to current grocers in the Las Vegas metro, a 2.5% market share would position Aldi 6th, tied with Sprouts. Smith's currently leads the market with about 22% share, followed by Walmart SC at 13% and Albertsons at 12.5%. Beyond these top three contenders, the market share for 4th place drops to 4% (Walmart NM) and becomes significantly more fragmented, with further declines in market share observed across the remaining banners.



## WHAT THIS MEANS FOR OWNERS

For landlords, tracking Aldi conversions is equally essential. As Aldi takes over existing retail spaces, landlords gain the opportunity to re-lease their properties in a market where demand exceeds supply. Additionally, Aldi's presence often attracts foot traffic and enhances the overall attractiveness of a shopping area, potentially leading to higher rental incomes for landlords.

## CONCLUSION

In summary, we believe Aldi's strategic growth initiatives, including its ambitious store investment plan and recent acquisition of SEG, are significant strides toward its goal to dominate discount grocery retailing in the U.S. According to [RetailStat's market share projections](#), Aldi has the potential to significantly strengthen its presence in the Northeast and Midwest regions, while also reshaping the grocery landscape in areas such as Southern California, Phoenix, and Las Vegas. With substantial financial resources at its disposal, Aldi's \$9 billion investment into store expansion is likely just the beginning. The Company is poised to capitalize on sizable opportunities to capture market share from slower-growing traditional supermarket chains. Find out more about RetailStat's [Financial Health Insights and Accounts Receivable Management Solutions](#) to monitor trends and important news on grocery and other retailers.

Join our [Retail 2H Outlook Webinar](#) on June 6th to learn more.

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Want to learn more about our data products, request a comprehensive list of the above-mentioned store conversion possibilities, or investigate and discuss Aldi with our team of expert analysts, contact us at [contact@retailstat.com](mailto:contact@retailstat.com).