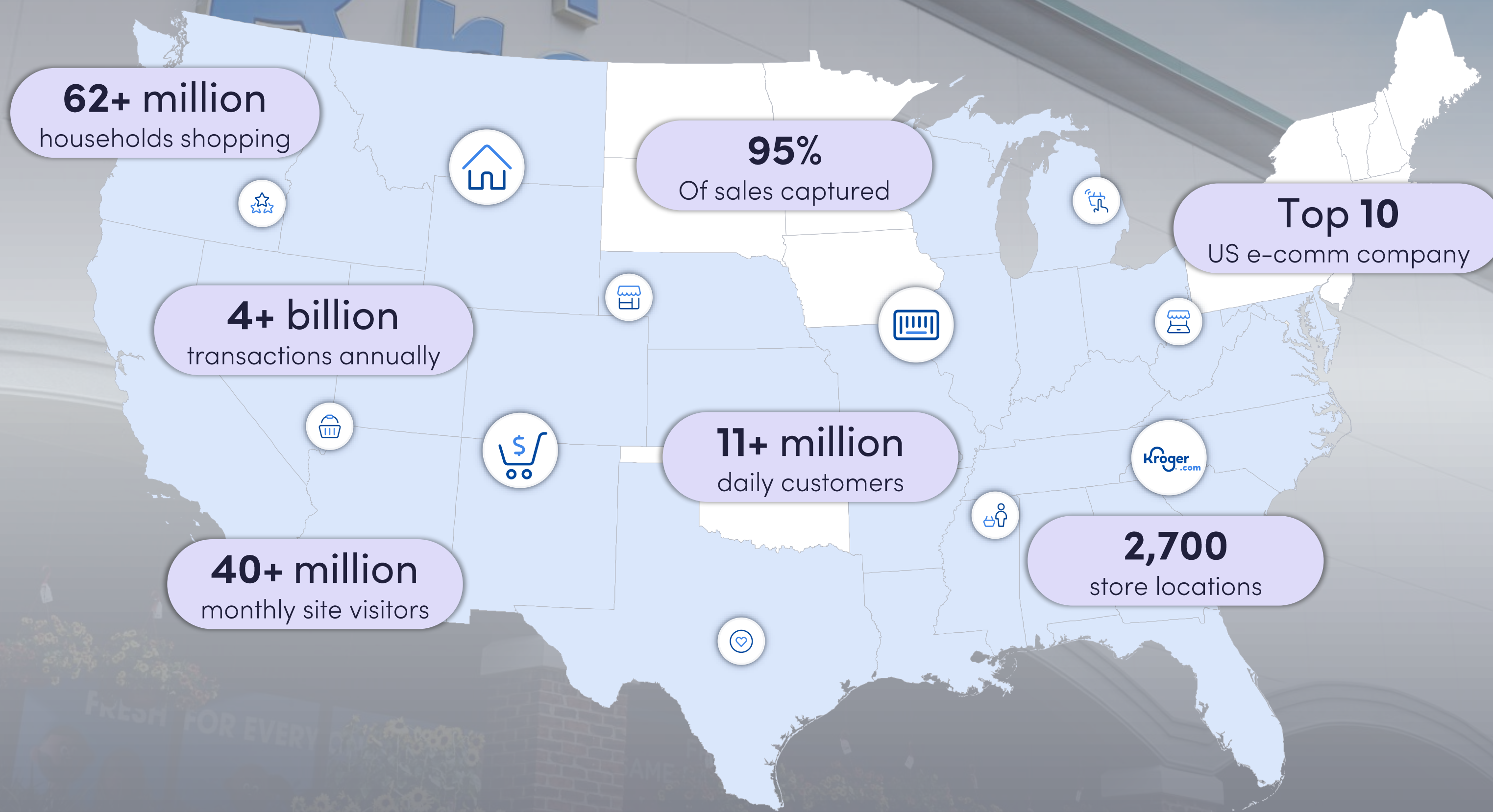


Delivering Value with Best Customer Communications (BCC)

As one of the nation's largest retailers, Kroger brings market leading audience reach, depth of insights, and loyalty program coverage

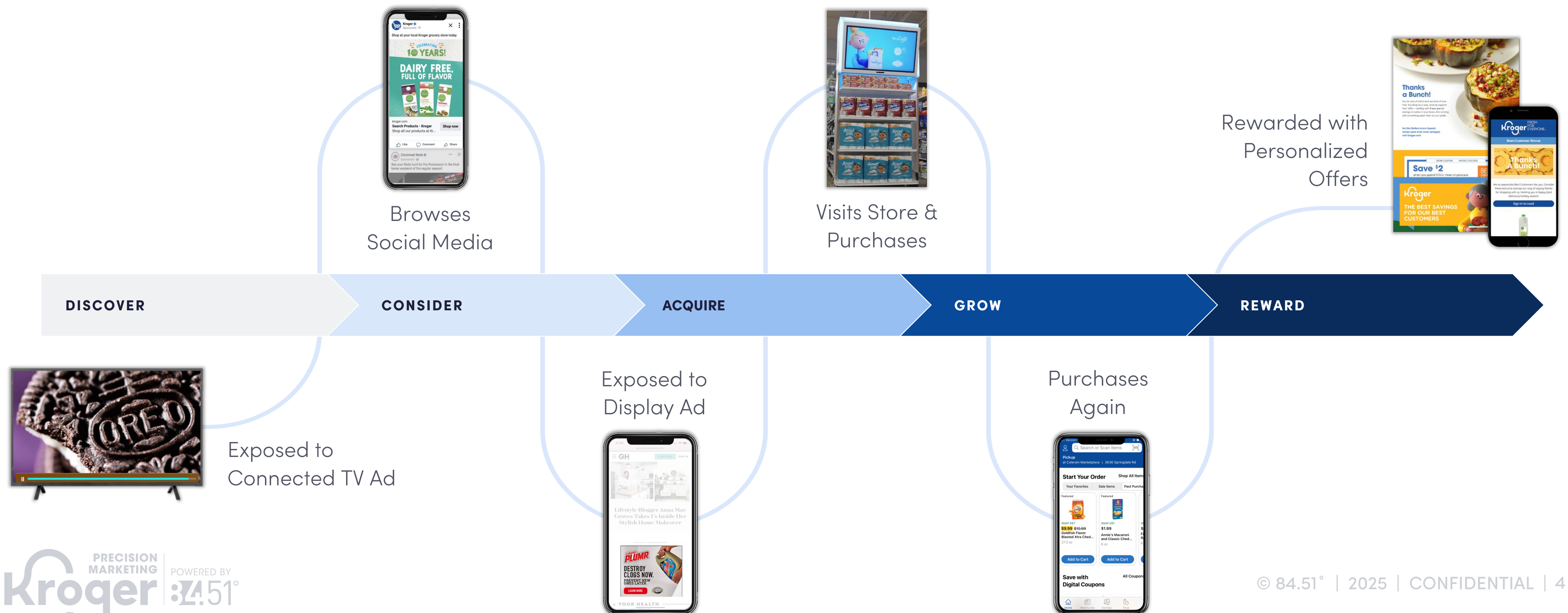


Introducing the unified **Kroger Precision Marketing** Powered by 84.51°.

Kroger Precision Marketing helps brands build strong connections with consumers to drive sustainable brand growth through science driven Insights to Activation.



We **bring your brand to life wherever shoppers are consuming media** to ensure your brands are added to basket.



WHY REWARD?

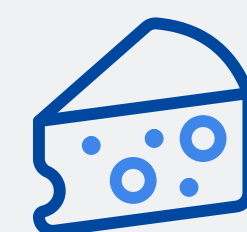
Loyalty is the foundation of growth.

Loyal HHs are the engine that drive your brand forward — they spend more, more consistently, more widely, and more frequently than non-loyals. On average, a loyal Kroger HH is 10x as valuable as a non-loyal. Investing in these customers lays the foundation for continued brand performance and growth.



BCC Households visit 5x more often

Contacted vs non contacted households



BCC Households shop 3x more categories

Contacted vs non contacted households



BCC Households spend 6x more \$\$

Contacted vs non contacted households

It's not enough to acquire customers – we're on a mission to help you **grow and retain your loyal customer base.**



FY26 BCC



STREAMLINED PORTFOLIO

- Portfolio concentrated on three key offerings: Loyal Customer Mailer (LCM), MyMagazine, and New at Kroger (NAK)



KEEP IT PERSONAL

- Custom 1:1 mailers delivered to 19.8M HHs
- 9+ contacts per HH



IMPACT AT SCALE

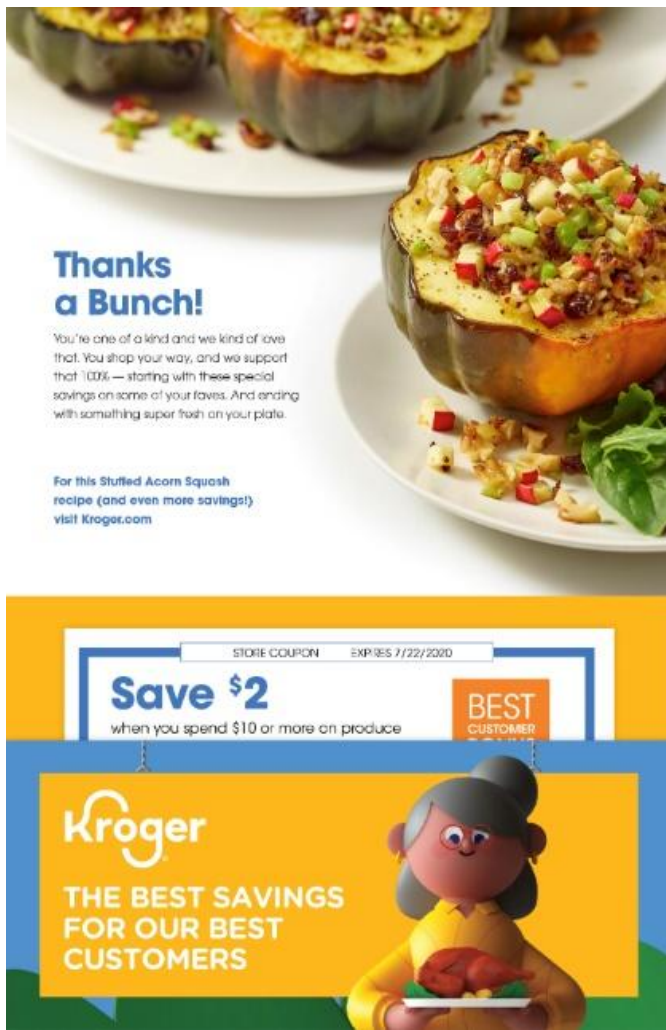
- 2.1 Billion personalized offers served each year
- Over \$2.5 Billion in total savings delivered

In FY26, we'll continue identifying the best channel(s) to **reach customers on their terms.**

BEST CUSTOMER COMMUNICATIONS

Channel selection is personalized based on customer response and will become more flexible over time as a greater proportion of Kroger customers engage digitally.

We'll continue evaluating performance metrics, Kroger business metrics, and customer engagement to determine appropriate channel mix in FY26.



Direct Mail

Average circ:
70% of circulation was delivered via DM in FY25.



Email

Average circ:
30% of circulation was delivered via email in FY25.

Putting our **Legacy** to work.

With 20 years of experience, we bring a strong track record of delivering value. But we're not stopping there.

BCC BEGINS

- From LCM in market on March 10, 2005
- Direct Mail Only
- Reach: 6.4MM HHs (segment-based targeting)
- 67 CPG Brands; 1.9% redemption rate

BUILDING EXPERTISE

- Science continues to evolve, from segmentation focus to buying behavior focus
- Added enhanced household and 1:1 relevancy science
- Expanded Reach and Customer Touchpoints

TODAY

- We reach customers where they are (email or direct mail), with personalized touchpoints at scale
- Personalization science ranks every coupon offer and scores every Kroger household to create a personalized ranking of offer preference
- Full campaign measurement following iAB recommended methodology

LOOKING AHEAD

- Continued long-term value research
- Ongoing research to continuously improve how we optimize across households, offers and channels to drive loyalty in an evolving retail landscape



BEST CUSTOMER COMMUNICATIONS PERFORMANCE

A **Proven** Track Record.

BCC connects customers with rewards that matter — turning loyalty into stronger engagement and standout ROI. By tailoring incentives to what truly resonates, we spark deeper, more lasting customer relationships. The result: measurable impact today and scalable growth for tomorrow.

Data shown for Q1-Q2 FY25; Comparisons for sales and basket uplift to Q1-Q2 FY24

Incremental Return on Ad Spend (iROAS): Total sales difference between test and control relative to the Total Campaign Cost
$$\text{Cost iROAS} = (\text{Total Test Group Sales} - \text{Total Control Group Sales}) / \text{Total Campaign Cost}$$

Response Rate: Households redeeming at least one coupon / Households reached

Redemption Rate: Coupons redeemed / Total coupons allocated

Events Considered: LCM 2501-2506 and MyMagazine 2501-2502

iROAS

1.5x

HH
RESPONSE

49%

SALES UPLIFT
PER COUPON

6% YoY

AVERAGE
REDEMPTION RATE

12%

BASKET UPLIFT
PER COUPON

6% YoY

EMAIL OPEN
RATE

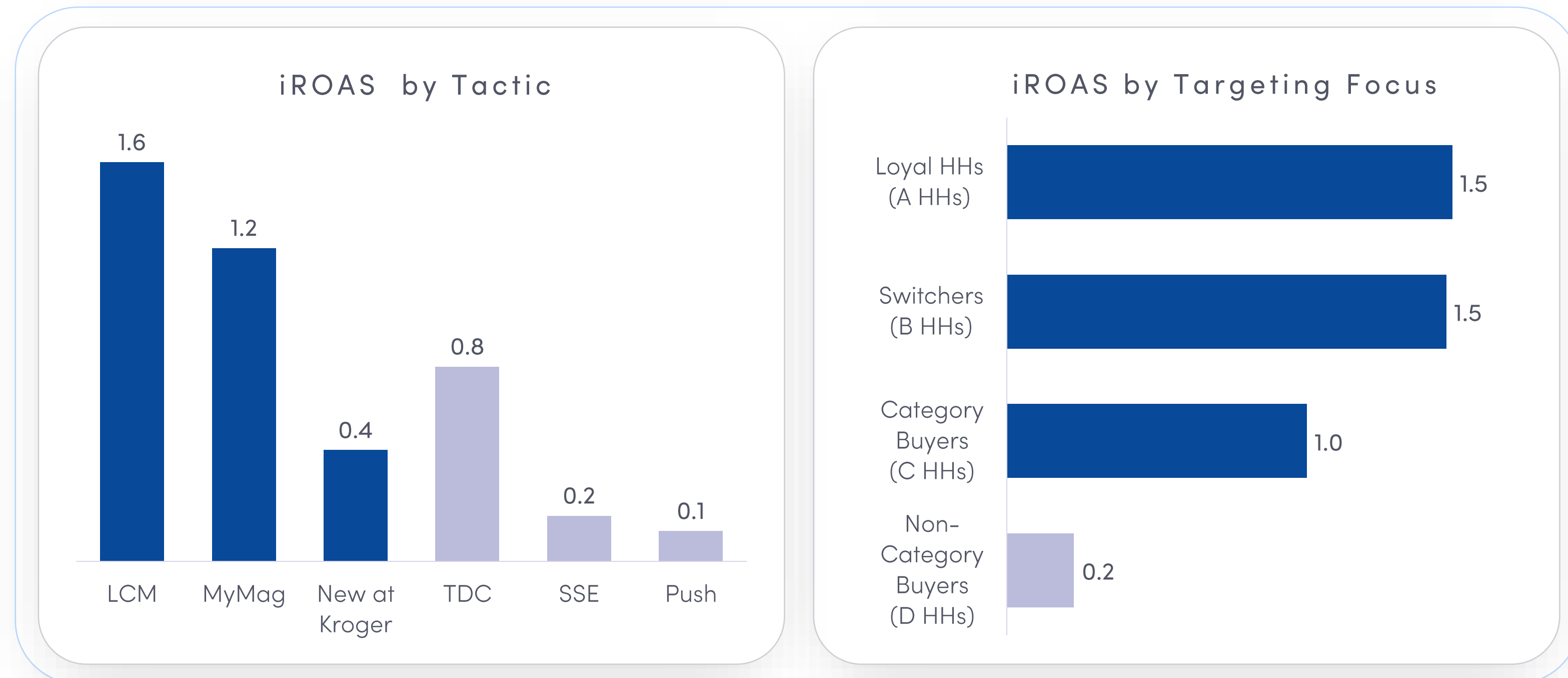
52%

BCC tactics [LCM, MyMag, NAK] target households that have previously interacted with your product [Loyal Households/Switchers] or those purchasing within the same category as your product [Category Buyers].

All tactics have a role in CPG support strategy to achieve specific objectives; BCC tactics are key to driving incrementality overall and within loyals:

- HHs receiving 2 BCC offers deliver 4x annual uplift compared to only 1 BCC offer.
- HHs receiving 3+ BCC offers amplify annual uplift by an **additional** 4x over 2 BCC offers.

Lower funnel BCC tactics drive **higher incrementality**.



Source: 2025 YTD Prism campaign measurement data for all LCM, MyMagazine, New at Kroger events. Non-BCC Channels sourced from standard KPM reporting for all 2025 campaigns YTD.

Note: ROAS metrics on this page use adjusted sales uplift.

2026

BCC Execution Details

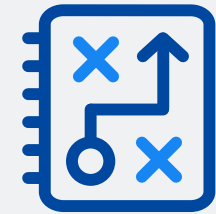


Where we go from here.



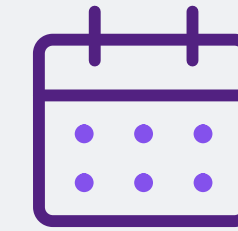
GET THE DETAILS

Log in to Prism to see your FY26 BCC Expectation ask.



MAKE A PLAN

Work with your account team on a FY26 plan. More details on tactics, key dates, and full calendar on the following slides.



FINISH FY25 STRONG

As we close out the year, work with your account teams to close any gaps to FY25 Expectations.



2601 EVENTS ON THE HORIZON

2026 is almost here — deadlines for first 2026 events:

- MyMagazine 2601: 10/3/25
- LCM 2601: 10/17/25
- NAK 2601: 10/24/25

2026 BCC Calendar of Events

	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
THANK YOU & REWARD	LCM	LCM	LCM	LCM	LCM	LCM	LCM	LCM	LCM	LCM	LCM	LCM
REWARD & ACQUISITION		MyMag		MyMag		MyMag		MyMag		MyMag		MyMag
ACQUISITION & NEW ITEM AWARENESS	NAK		NAK		NAK		NAK		NAK		NAK	

All events include Kroger Exclusive offers (plus Fuel Points Program with spend)

Fresh offers to drive increased coverage across the store

Monthly LCMs - 12 deliveries per year (4-week redemption window)

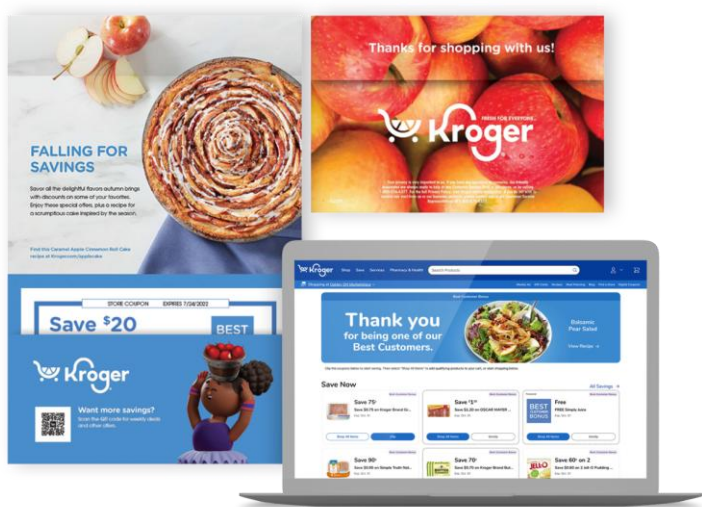
Seasonally-inspired MyMagazines (10-week redemption window)

THANK YOU!

BEST CUSTOMER COMMUNICATIONS 2026

Summary of BCC Investment Options

LOYAL CUSTOMER MAILER (LCM)



Reward and Retain

- Monthly delivery cadence
- 1 month redemption window
- Focus on A & B HHs to drive loyalty and retain current brand buyers

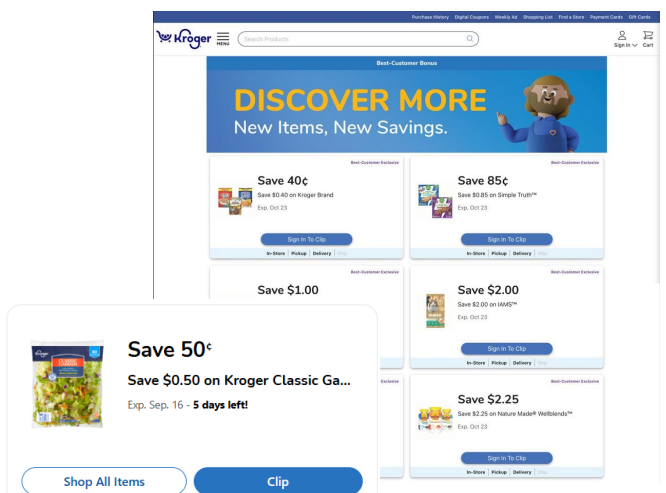
MY MAGAZINE (MYMAG)



Retain and Acquire

- Full-format magazine
- 10 Week redemption window
- In addition to A/B HHs, MyMagazine engages C HHs to acquire new HHs that purchase in the commodity but do not purchase your brand

NEW AT KROGER (NAK)

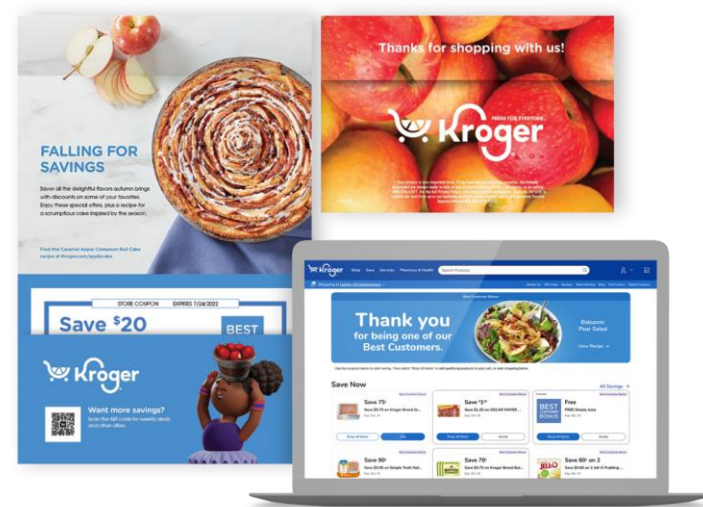


Drive Trial of New Items

- Fully Digital Delivery
- 10 Week redemption window
- Focus on HHs that engage in sub-commodities and have a high propensity to buy new products
- Min 100k Circulation

BCC Household Segmentation

LOYAL CUSTOMER MAILER (LCM)



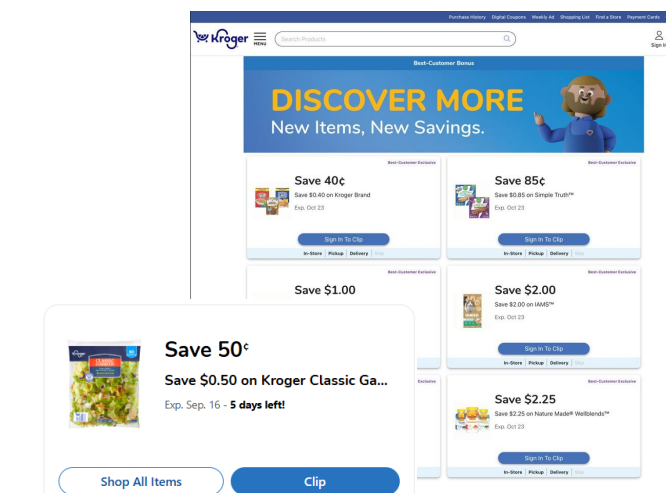
A & B HH
Segmentation Focus

MY MAGAZINE (MYMAG)



A & B (60%) & C (40%) HH
Segmentation Focus

NEW AT KROGER (NAK)



C & D HH
Segmentation Focus

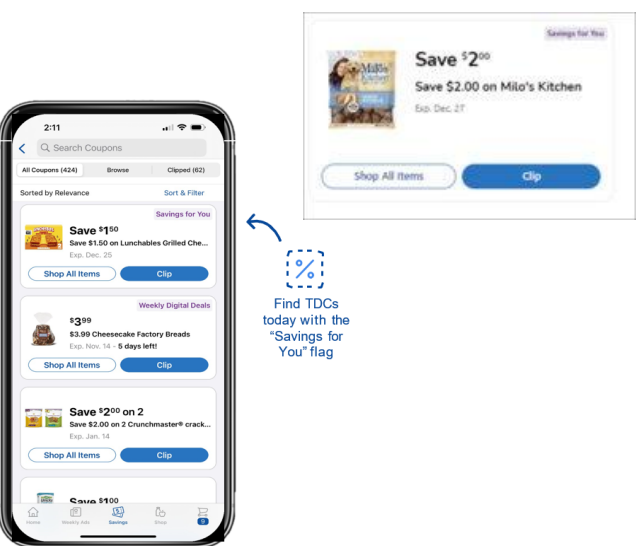
Retain & Grow
Share with
Current HHs

BCC's unique household mix varies by tactic, allowing you to reach valuable, relevant households. Many factors refine specific audiences for an offer, including, but not limited to, share of requirements, purchase behavior, and mix of offers in the event.

Increase
Penetration &
Acquire HHs

Custom Incentive Capabilities

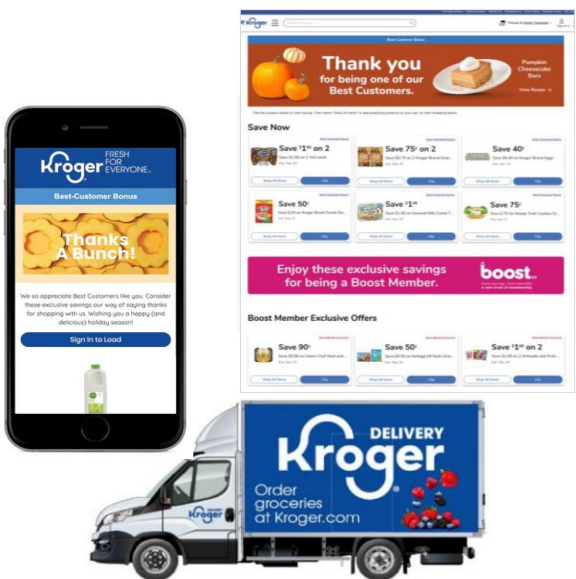
TARGETED DIGITAL COUPONS



Customize Audiences and Quick Turn

- Digital Coupon with custom audience capabilities
- 3-week launch timeline
- Tailor audiences to match key brand priority KPIs
- Min 200K Circulation

BOOST EXCLUSIVE LCM



Reward and Retain Select Boost HHs

- Reach your most valuable customers with exclusive offers served through LCM
- Served digitally via email and/or digital carousel directly under standard BCC offers
- Offers are static and must be at least a 30% discount

DIRECT MAIL SOLO



Customized Capabilities to Drive Consideration & Conversion/Retention

- Break through mailbox clutter with our Direct Mail (Print) Solo solution to generate product awareness and engagement by targeting households via custom purchase criteria
- Get access to 14M Direct Mail Exclusive households

MYMAG FULL PAGE ADS AND NEW INNOVATION MODULES



Drive Brand Awareness across MyMagazine HHs

- Whether you are launching a new product or have a national brand initiative, MyMagazine ad placements can help deliver to 4-6MM Kroger HHs