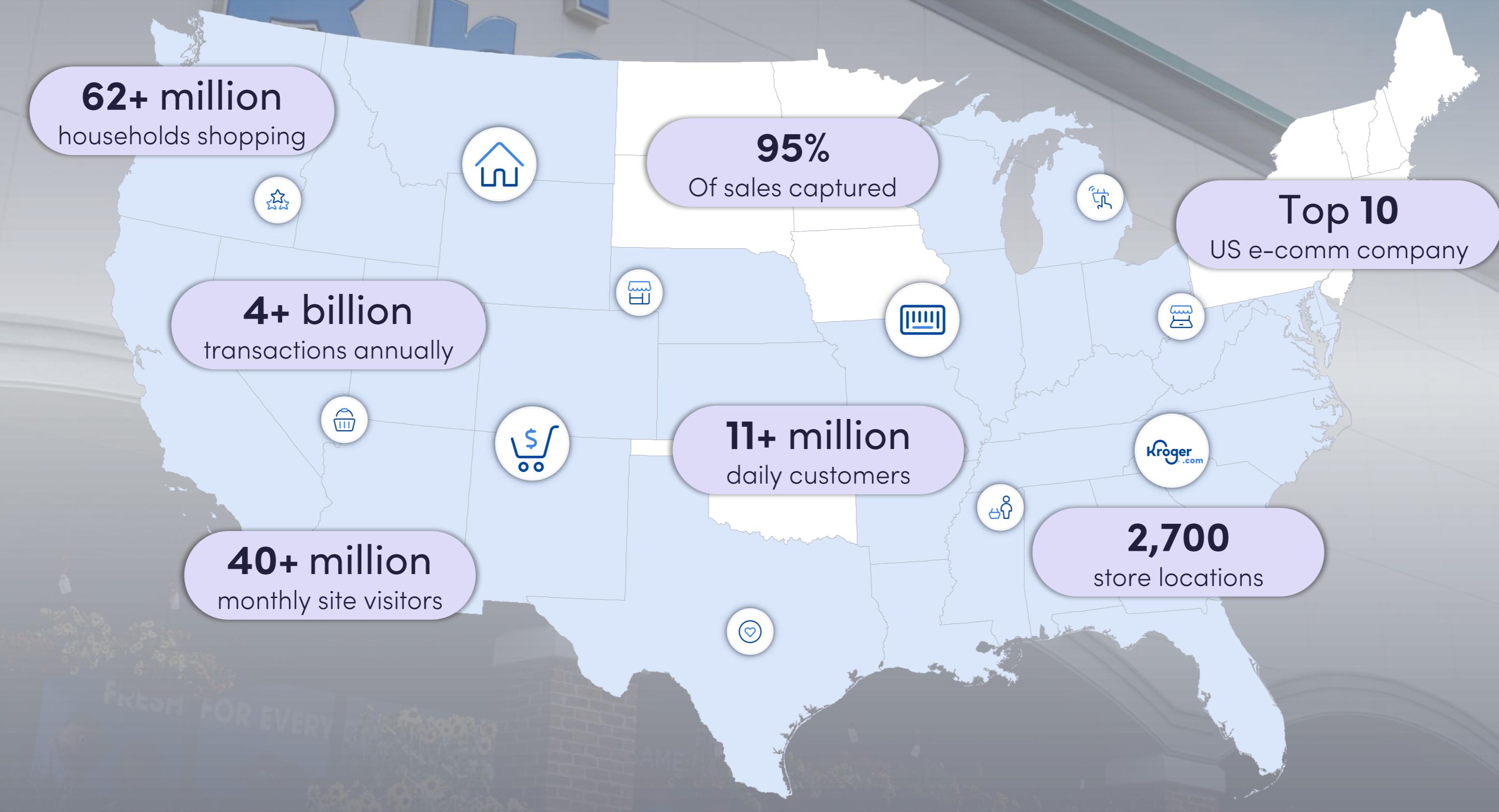


Delivering Value with Best Customer Communications (BCC)

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.



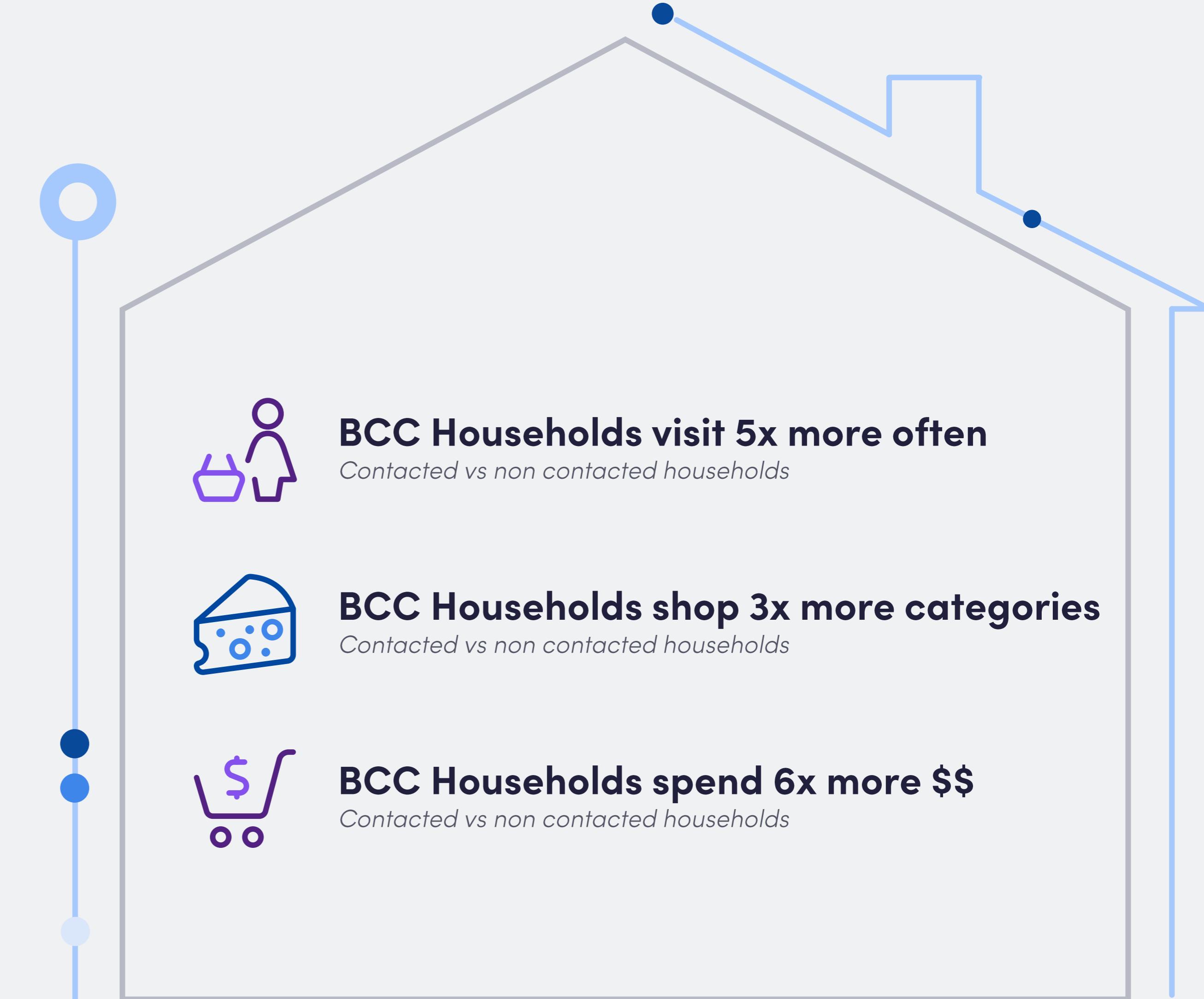
We **bring your brand to life wherever shoppers are consuming media** to ensure your brands are added to basket.



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.

WHY REWARD?



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



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.

Putting our **Legacy** to work.



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
 $iROAS = (\text{Total Test Group Sales} - \text{Total Control Group Sales}) / \text{Total Campaign Cost}$
 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

SALES UPLIFT
PER COUPON

6% YoY

BASKET UPLIFT
PER COUPON

6% YoY

HH
RESPONSE

49%

AVERAGE
REDEMPTION RATE

12%

EMAIL OPEN
RATE

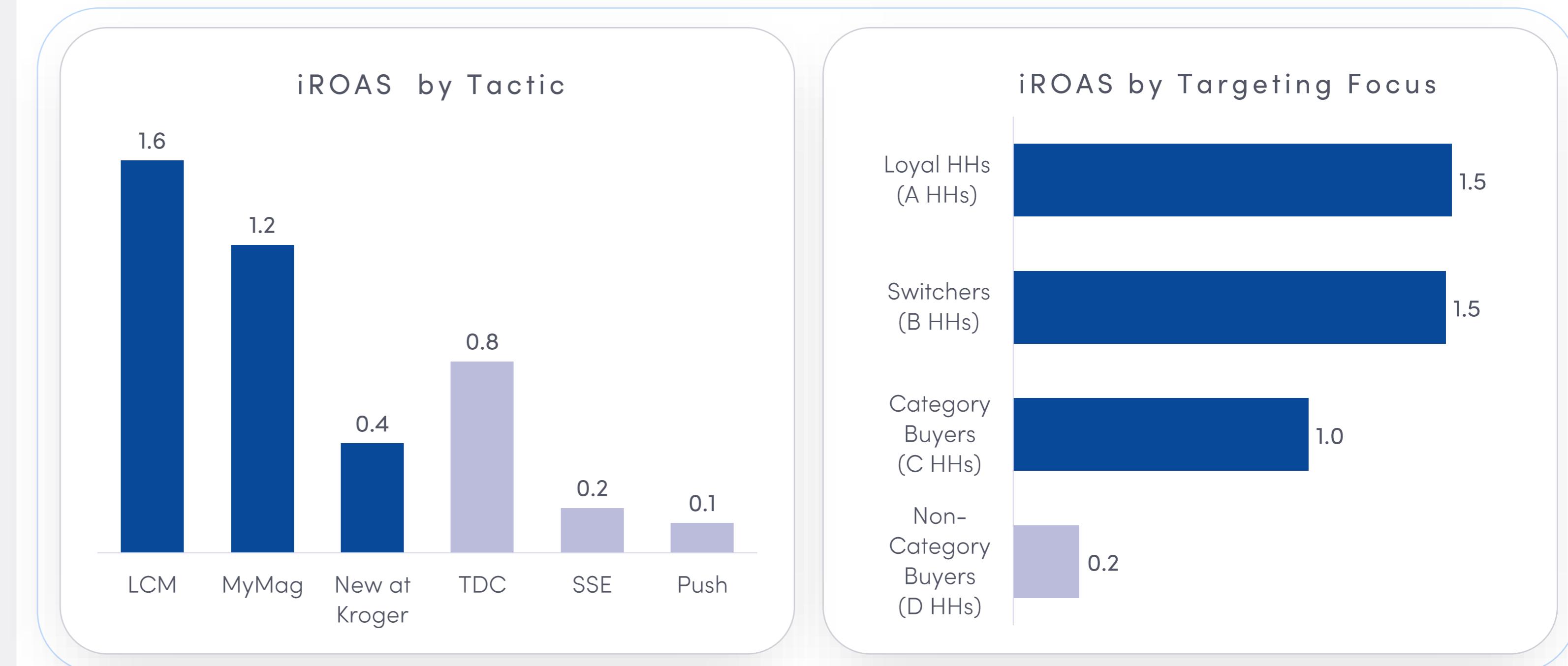
52%

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										
REWARD & ACQUISITION		MyMag										
ACQUISITION & NEW ITEM AWARENESS	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)

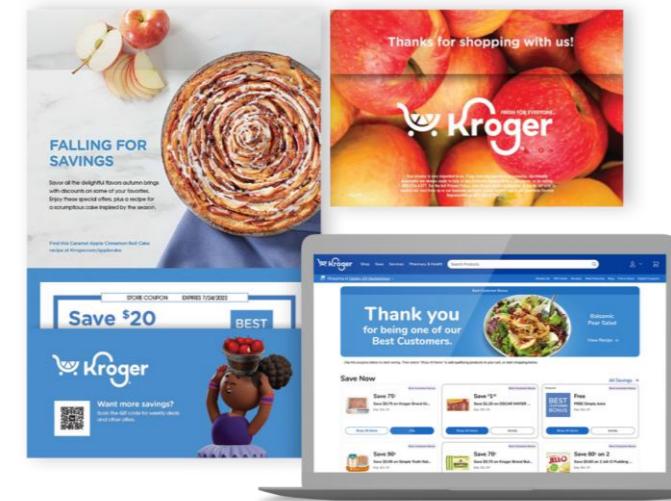


THANK YOU!

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

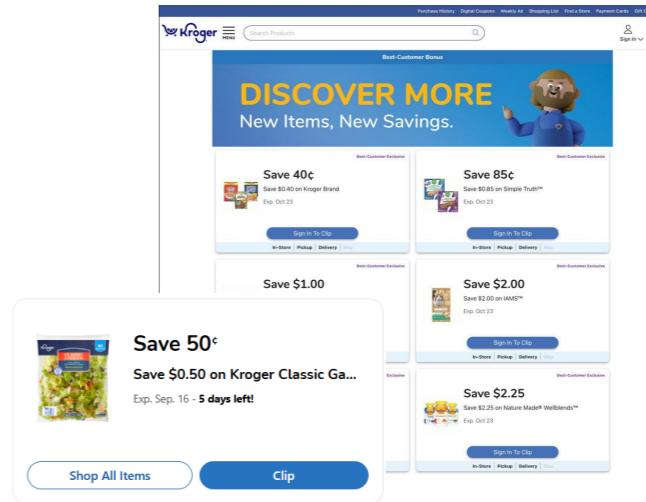
MY MAGAZINE (Mymag)



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)

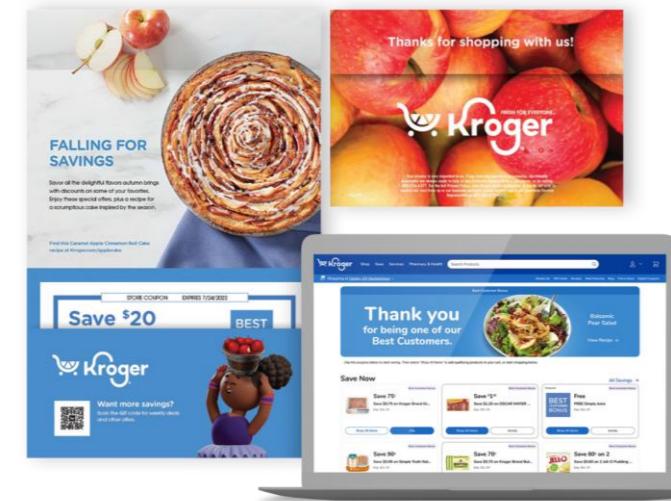


Drive Trial of New Items

- 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

Retain & Grow
Share with
Current HHs

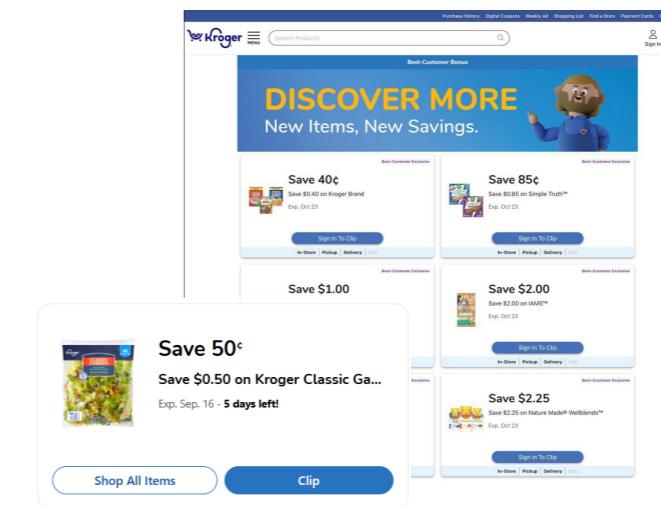
MY MAGAZINE (Mymag)



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

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.

NEW AT KROGER (NAK)

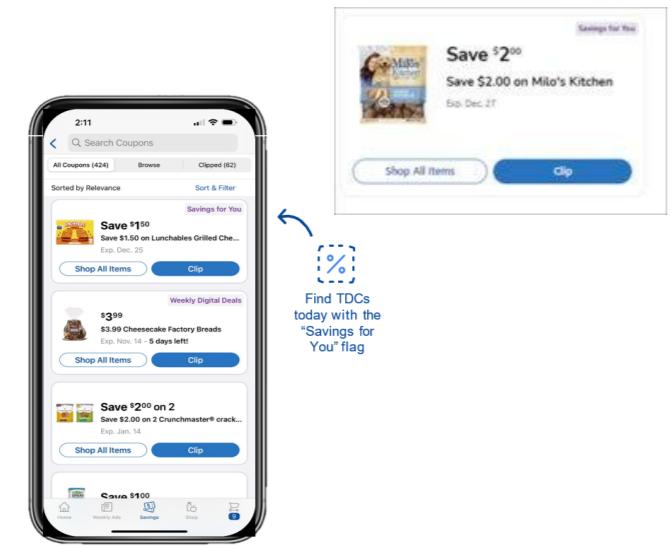


C & D HH
Segmentation Focus

Increase
Penetration &
Acquire HHs

Custom Incentive Capabilities

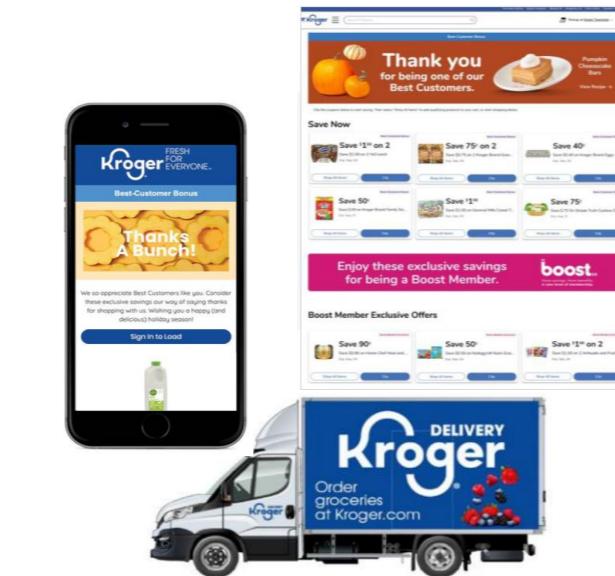
TARGETED DIGITAL COUPONS



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 carousal 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