

Publix. PUBLIX SUPER MARKETS, INC.

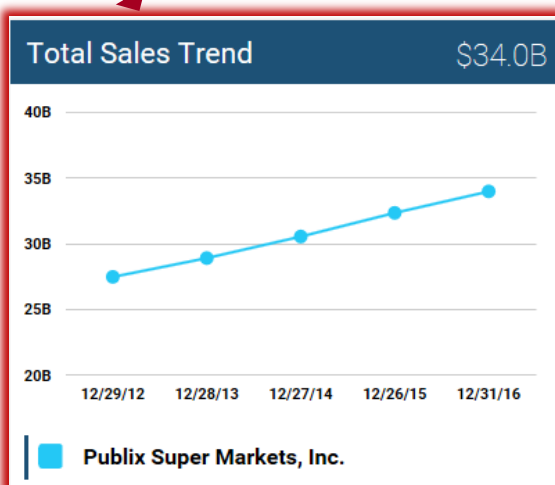
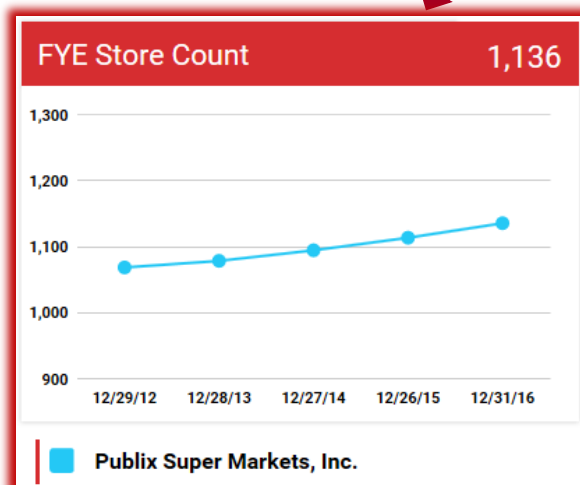
STORE TRENDS

StoreTrends Publix Super Markets operated 1,136 supermarkets as of its fiscal year ended December 31, 2016. Its store base is primarily spread across Florida (68%), Georgia (16%), Alabama (5.5%) and South Carolina (5%). The map below shows the Company's store concentration, based on the percentage of stores by state. [Click here to view a more interactive analysis on the Company's real estate, including store count by state \(frequently updated\).](#)



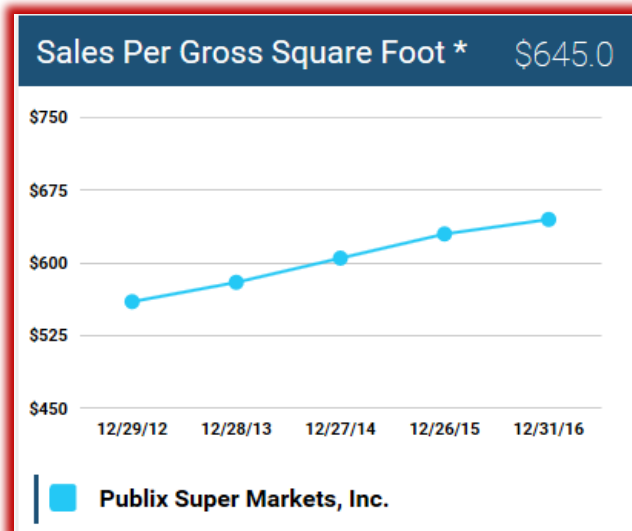
As seen in our Store Trends profile, the following charts illustrate the Company's store growth and sales per fiscal year (as of FYE December 2016).

Click the charts for more detail



Source: RETAILTOOLS by Creditintell FD Reports™

SalesPerSquareFoot™ The typical Publix store is about 47,000 square feet. In fiscal 2016, stores generated average sales per store of \$30.2 million, and sales per gross square foot were \$645.00, up from \$632.00 in fiscal 2015. Current supermarket prototypes range from 28,000 to 61,000 square feet. Supermarkets are often located in strip shopping centers where the Company is the anchor tenant. The majority of the Company's supermarkets are leased. Substantially all of these leases will expire during the next 20 years, but are expected to be renewed or replaced by new leases. Both the building and land are owned at about 230 locations. Most common food retailers, located within ¼ mile of a Publix, include Walmart, Target, Kroger, and the Fresh Market. **For more details on Publix segment averages, click here:**



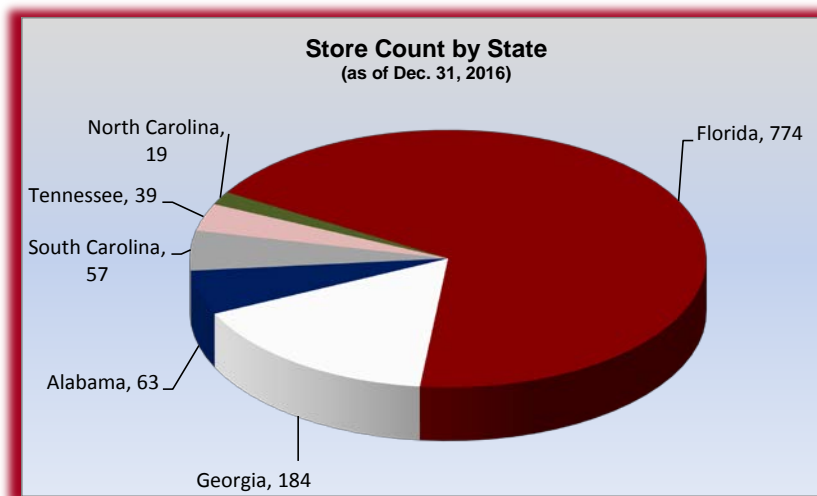
Source: RETailTOOLS by CreditIntell FD Reports™

During fiscal 2016, the Company opened 32 new supermarkets (including seven replacement supermarkets), closed ten supermarkets (representing a 2.4% net increase in square footage) and remodeled 156 units. Ten supermarkets were closed during the period. This compares to fiscal 2015 when the Company opened 28 new supermarkets (including 10 replacement supermarkets) and remodeled 154 units. Nine supermarkets were closed during the period. Although details for new or remodeled stores for 2017 were not released, the Company increased its capex budget for the year by roughly \$400.0 million to \$1.85 billion.

Store Activity								
	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Stores operating at start of fiscal year:	993	1,014	1,034	1,046	1,069	1,079	1,095	1,114
Stores opened:	48	41	29	31	22	32	28	32
Stores closed:	(27)	(21)	(17)	(8)	(12)	(16)	(9)	(10)
Stores remodeled:	85	115	126	113	109	138	154	156
Total stores FYE:	1,014	1,034	1,046	1,069	1,079	1,095	1,114	1,136



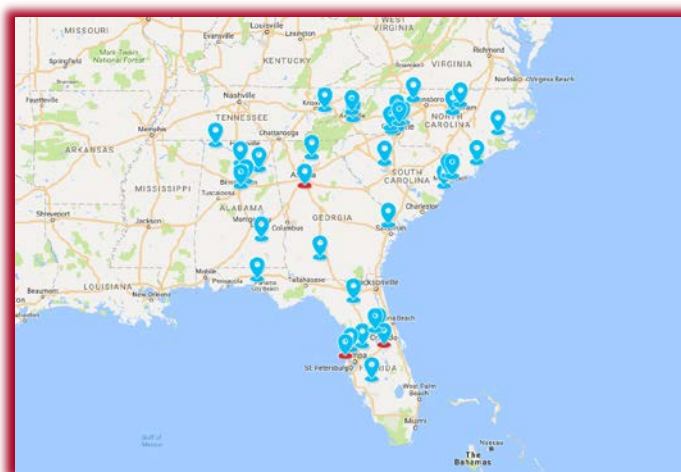
The chart below illustrate the Company's store count by state and its growth. Expansion is a key strategy for the Company in terms of capturing additional market share, especially in the Carolinas and specifically the Charlotte market. Over the prior seven year period, nearly 100% of the Publix' store base was remodeled or new.



The chart below illustrates the Company's most recent store openings (since FYE 12/31).

MOST RECENT STORE OPENINGS			
Location	Square-footage	Location	Square-footage
Boone, NC	49,100	Birmingham, AL	35,960
Naples, FL	45,600	Pensacola, FL	29,880
Statesville, NC	45,600	Weaverville, NC	49,100
St. Petersburg, FL	53,800	Franklin, TN	45,600
Apex, NC	45,600	Troy, AL	45,600
Hickory, NC	49,100	Lake Placid, FL	45,000

For a more interactive view of recent store openings/closings, [click here](#):



Source: RETailTOOLS by Creditintel FD Reports™



FUTURE GROWTH & OUTLOOK

Publix utilizes several core strategies to differentiate from its competition, including product quality, shopping environment, competitive pricing, convenient locations and customer service. Another key distinction is its employees are invested in the business, as Publix is the country's largest employee-owned grocery chain. As evidenced from the chart to the right, **Publix has posted solid sales results over the last several years, driven by positive comps and store base expansion, pushing revenues to \$34.00 billion in fiscal 2016.** The Company was not immune to the deflationary trends in the supermarket sector in 2016, which restrained comps growth and impaired gross margin. During fiscal 2016, the Company added a net 22 stores, representing a 2.4% increase in square footage, bringing its total store count to 1,136 as of December 31.

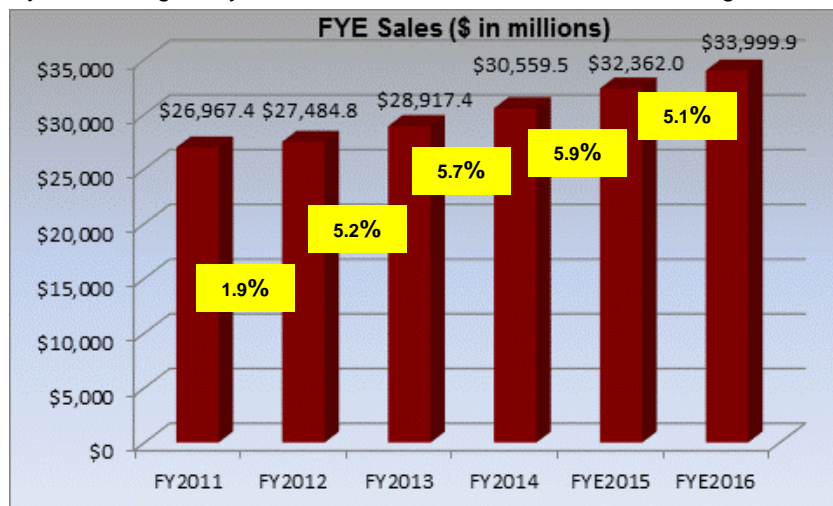
Publix continues to dominate in Florida, where it operates close to 70% of its stores; in most cases it maintains control of 35% – 50% of its primary metro areas.

Walmart remains its biggest threat in Florida and has continued to expand, including

adding its Neighborhood Markets format (currently 80 in the state). Further, with the growth of extreme discount formats like Aldi, Save-A-Lot and Lidl, which expects to open its first US store later this year, Walmart has taken an aggressive approach to defending its market share by implementing price cuts. This increased promotional effect has trickled down throughout the grocery sector. Publix' other major competitor is Winn-Dixie (Southeastern Grocers), which has largely been consolidating its underperforming stores base, and also converting some stores to its discount Harvey's and Hispanic Fresco y Mas banners. Still, there appears to be an opportunity for a traditional competitor such as Albertsons or Kroger to expand into the market. Meanwhile, the Sunshine State is seeing its fair share of expansion from alternative competitors including natural food formats Whole Foods, The Fresh Market and new players like Lucky's Market and Sprouts which is planning its first new stores in the state, as well as discounters such as Aldi, Save-A-Lot and Trader Joe's. Although it currently operates just 17 stores in the state, Trader Joe's, known for its brand loyalty is expected to fully expand into Florida in the coming years. Fresh Market operates 44 stores in Florida and was recently purchased by private equity firm Apollo Global Management, which instituted a comprehensive rebranding effort focused on widening TFM's appeal, including lower prices. Save-A-Lot has operated supermarkets in Florida since the '80s, managing mostly to fly under the radar. But in recent years, the Company has moved into Florida in a big way, making the state Save-A-Lot's largest market with about 145 stores and two distribution centers. Like Aldi, its extreme discount stores target a lower income demographic and are often located in older shopping centers in areas where Publix has avoided, allowing it to carve out its own niche. **Nevertheless, Publix has saturated the market and as a result has evolved as the dominant brand, making it difficult for a competitor coming to Florida to establish a big enough footprint to compete. With its comfortable margins, strong balance sheet and cash flows, Publix is well positioned for battle to preserve its share.**

In response to the increased promotional environment, including the aforementioned Walmart price investments, Publix has recently increased its promotional activity to maintain top-line growth. The Company has also ramped up expansion efforts, with store base expansion continuing into more northern markets, including North Carolina. **It entered the state in 2014 with its first store located in Charlotte and has since expanded to 18 stores with another dozen in the pipeline expected to open over the next two years.** Seven North Carolina stores have opened since the start of fiscal 2016, including its first store in the eastern half of the state, a 49,000 square-foot supermarket in New Bern. Past reports had surfaced that the Company's sights were set on the Raleigh-Durham-Chapel Hill "Triangle" and the Greensboro-Winston-Salem metro area. North Carolina is currently dominated by Harris Teeter (Kroger), Walmart and Food Lion (Ahold Delhaize). **As noted, German discount grocer Lidl, has plans for expansion in the U.S. after establishing its regional headquarters and a distribution center in North Carolina. Its stores are similar to ALDI, offering a small selection of groceries, mostly private label, and the Company could open 150 stores in the U.S. by 2018. Though not a direct challenge to the Company, Lidl adds to an already crowded field of traditional grocery and alternative channel competitors.**

Publix recently announced plans to "reignite" its GreenWise store concept, which focuses on organic ingredients and products. The first newly redesigned GreenWise will be in Tallahassee, FL, and is expected to debut in late 2018. Publix currently has three GreenWise Market stores located in Palm Beach Gardens, Boca Raton and Tampa, FL. It is aggressively looking for potential sites for additional GreenWise locations across its operating areas.



In February 2016, the Company announced its planned entry into Virginia, including a 54,000 square foot store in the Richmond area expected to open in the fourth quarter of 2017, and a 49,000 square foot store in Henrico County expected to open in fiscal 2018. The Company also acquired 10 Martin's stores located in Richmond, VA from Ahold and Delhaize. The Company is expecting to spend approximately \$3.5 million each to remodel the locations; the first three began in late 2016 and are expected to open in summer 2017. **Publix is also reportedly looking to expand into the Washington, D.C. area. As Publix enters new markets in the Carolinas, Tennessee and Virginia, the Company is going up against established brands known for their brand loyalty like Harris Teeter, Food Lion, Ingles, as well as Wegman's, which has been expanding into these same markets.** Although Publix' strong brand equity provides it with immediate recognition in the new markets, it faces more of a challenge competing with these well entrenched existing players. Further, the competitive threat of Kroger or another traditional player moving into the Company's home state of Florida could pressure the Company's heretofore impressive operating results.

Michael Blackburn, Senior VP: 1-800-789-0123, ext. 131

MARKET POSITION

Comparative Market Share

The following displays a two-year comparison of Publix' share in its major markets as of Jan. 2017 and Jan. 2015. As evidenced from the charts below, Publix is the market share leader in its Florida operating areas, with Walmart second in each. Over the past two years, the Company has made inroads in Charlotte, NC growing its store base and market share exponentially.

Miami, FL	Jan. 2017			Jan. 2015	
	Market Share	Store Count		Market Share	Store Count
Publix	46.3%	233	Publix	49.1%	228
Walmart	18.4%	64	Walmart	17.0%	53
Southeastern Grocers	10.5%	77	Southeastern Grocers	11.4%	83
Whole Foods	3.6%	15	Whole Foods	3.1%	12
ALDI	2.7%	27	Sedanos	2.4%	31
All Other	18.6%	306	All Other	17.0%	262

Atlanta, GA	Jan. 2017			Jan. 2015	
	Market Share	Store Count		Market Share	Store Count
Kroger	29.4%	128	Kroger	29.9%	127
Walmart	23.6%	83	Walmart	24.7%	82
Publix	23.3%	142	Publix	23.7%	141
Ingles Markets	4.0%	40	Ingles Markets	4.0%	40
Food Depot	2.6%	32	Whole Foods	2.7%	9
All Other	17.1%	212	All Other	15.1%	220

Tampa, FL	Jan. 2017			Jan. 2015	
	Market Share	Store Count		Market Share	Store Count
Publix	43.2%	116	Publix	42.2%	113
Walmart	26.5%	53	Walmart	26.3%	48
Southeastern Grocers	14.8%	70	Southeastern Grocers	16.7%	72
ALDI	3.2%	15	Supervalu	2.5%	33
Supervalu	2.6%	35	Target	2.3%	6
All Other	9.7%	70	All Other	10.1%	83

Orlando, FL	Jan. 2017			Jan. 2015	
	Market Share	Store Count		Market Share	Store Count
Publix	40.1%	96	Publix	41.2%	95
Walmart	31.2%	42	Walmart	30.8%	37
Southeastern Grocers	7.3%	27	Southeastern Grocers	9.4%	31
Target	4.8%	9	Target	5.0%	9
ALDI	4.6%	23	ALDI	2.3%	21
All Other	11.9%	92	All Other	11.3%	87

Jacksonville, FL	Jan. 2017			Jan. 2015	
	Market Share	Store Count		Market Share	Store Count
Publix	35.0%	49	Publix	37.0%	49
Walmart	26.2%	24	Walmart	25.7%	22
Southeastern Grocers	23.9%	44	Southeastern Grocers	23.0%	43
Military	2.7%	2	Military	3.0%	2
Target	2.0%	3	Target	2.1%	3
All Other	10.2%	51	All Other	9.2%	44

North Port - Sarasota, FL	Jan. 2017			Jan. 2015	
	Market Share	Store Count		Market Share	Store Count
Publix	50.8%	39	Publix	51.7%	39
Walmart	27.1%	14	Walmart	25.9%	12
Southeastern Grocers	10.3%	14	Southeastern Grocers	11.8%	15
ALDI	1.9%	4	Target	1.8%	1
Whole Foods	1.6%	1	Whole Foods	1.7%	1
All Other	8.4%	24	All Other	7.0%	22

Nashville, TN*	Jan. 2017			Jan. 2015	
	Market Share	Store Count		Market Share	Store Count
Kroger	40.2%	51	Kroger	40.3%	53
Walmart	27.2%	32	Walmart	27.7%	29
Publix	14.7%	28	Publix	14.8%	28
ALDI	2.3%	17	Delhaize	2.1%	10
Ahold Delhaize	1.9%	9	Houchens	1.9%	17
All Other	13.9%	103	All Other	13.2%	99

Charlotte, NC*	Jan. 2017			Jan. 2015	
	Market Share	Store Count		Market Share	Store Count
Walmart	26.2%	40	Walmart	26.9%	34
Kroger	25.4%	61	Kroger	25.6%	57
Ahold Delhaize	20.1%	103	Delhaize	21.3%	104
Southeastern Grocers	7.1%	25	BI-LO	7.8%	27
Publix	6.1%	17	Publix	3.5%	9
All Other	15.1%	106	All Other	14.8%	99

*In July 2016, Ahold and Delhaize Group finalized their merger and formed Ahold Delhaize

Source: The Nielsen Company – TDLinX
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Products / Formats / Banners

All of the Company's stores stock traditional grocery products and include produce, meat, deli, bakery, seafood, and floral departments. More than 800 of its locations have pharmacy departments, and select stores also include cafés and sushi bars as well as liquor and housewares sections. The Company's standard supermarkets range in size from 28,000 – 61,000 square feet and average about 47,000 square feet. Additionally, Publix offers a "special order" service for infrequently or never-stocked products, as well as its 'Aprons' home meal replacement program.

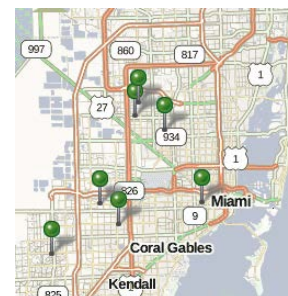
Publix. The majority of the Company's stores operate under its namesake banner. Stores typically stock close to 40,000 SKUs and sell roughly 3,000 private label products. In addition to its longstanding Publix and Publix Premium private label brands, the Company also sells its GreenWise specialty private label brand, introduced in 2003, which features natural and organic products. More recently, the Company began offering Publix Deli and Publix Bakery-branded prepackaged items.



In 1996, Publix installed its first "GreenWise Market" in-store natural/organic foods department and, based on positive results, opened the first store under that banner in Palm Beach Gardens, FL nine years later. Smaller than traditional Publix supermarkets, GreenWise stores range in size from 36,000 – 39,000 square feet and are built with "green" features and materials. These locations tend to be slightly more upscale, stocking national and private-label organic, natural and environmentally friendly items across a number of categories, along with a smaller selection of conventional grocery items. The Company added two more GreenWise Markets in Boca Raton and Tampa in 2008, and recently announced plans to "reignite" the concept with its first newly redesigned GreenWise set to open in Tallahassee, FL, in late 2018. The Company is aggressively looking for additional GreenWise locations across its operating areas.



The Company debuted the Hispanic-themed banner Publix Sabor in March 2005 in Kissimmee, FL. Sabor stores offer popular and authentic Hispanic items, including packaged and prepared foods; they have bilingual employees, signage, and product information, and include juice bars, cafés, and fragrance and accessory counters. This format ranges in size from 36,000 square feet to 61,000 square feet. All seven Sabor stores are located in Florida, including three in Hialeah and four in Miami.



In 2003, the Company opened the first Publix Liquors store and has since grown to more than 200 locations in Florida (a state where only wine and beer may be sold in supermarkets). These stores, which typically occupy less than 4,000 square feet, are situated next to Publix supermarkets, often sharing a wall.

The first Publix in-store pharmacy was opened about 30 years ago. On July 14, 2016, the Company announced it had opened its 1,000th pharmacy in Arcadia, FL.

In January 2016, the Company received approval to open a new 28,800 square-foot store (its smallest store) at the University of South Florida in Tampa. The store, which is slated for completion in late 2017, is reportedly "the first Publix location fully integrated into a student housing village on a college campus." Publix recently announced a trial partnership with Starbucks, and is testing Starbucks kiosks at four stores in Florida and North Carolina. The first three locations are part of a pilot phase, and a dozen more will follow, if proven successful. The 300 square-foot Starbucks kiosks are run by Publix employees.

[Click here](#) to forward this report.

Distribution / Manufacturing / Merchandising

The Company supplies its supermarkets from nine primary distribution centers and six manufacturing facilities. Combined the facilities comprise approximately nine million square feet of warehouse space. In March 2017, Publix opened a 640,000 square-foot distribution center in McCalla, AL, its first in the state. The Company maintains a fleet of roughly 525 tractors and 2,500 trailers that service about 370 cities.

Distribution Centers	Manufacturing Facilities	
McCalla, AL	Lakeland, FL	Dairy Plant
Boynton Beach, FL	Lakeland, FL	Bakery Plant
Miami, FL	Lakeland, FL	Deli Plant
Deerfield Beach, FL	Deerfield Beach, FL	Dairy Plant
Orlando, FL	Lawrenceville, GA	Dairy Plant
Jacksonville, FL	Atlanta, GA	Bakery Plant
Sarasota, FL		
Lakeland, FL		
Lawrenceville, GA		

During fiscal 2014, the Company began operations at its newly built, one million square-foot Orlando distribution center, serving stores throughout Florida. The location was developed to relieve capacity restraints of the nearby distribution centers and support future growth. In June 2015, the Company invested about \$15.0 million, which included the purchase of a 245,000 square-foot warehouse, to expand a pharmacy distribution center in Orlando. In March 2017, Publix opened a 640,000 square-foot distribution center in McCalla, AL, originally announced in August 2015. It is the Company's first DC in the state. The facility, initially estimated to cost \$34.0 million, will begin shipping to 80 stores throughout Alabama and Tennessee, and the Company projects that by the end of the year the distribution footprint will expand to 60 additional stores in Georgia as well as the Florida panhandle.

Publix offers a variety of nationally advertised and private label brands as well as unbranded merchandise such as produce, meat and seafood. Approximately 74% of the total cost of products purchased is delivered to the supermarkets through the Company's distribution centers. Private label items are produced in the Company's dairy, bakery and deli manufacturing facilities or are manufactured for the Company by suppliers. Publix has its own private-label meat, Greenwise, which has grass-fed, free-range and hormone-free Angus beef and lamb, and hormone-free chicken.

Publix recently introduced a number of convenience products including easy meal options such as grab and go entrees in its deli department and fresh seafood cook-in-bag dinners. The Company also expanded its online ordering options to the bakery department and rolled out a cake-ordering program. Shelf tags were redesigned allowing for easier navigation. A craft beer icon program was also introduced building on its existing wine icon program.

As Publix looks to expand on convenience it recently began piloting an online grocery delivery service through a partnership with Instacart that services cities throughout Florida (offered at 123 stores), Georgia (45 stores), North Carolina (12 stores), and Tennessee (21 stores).

General Information

Address:	3300 Publix Corporate Pkwy Lakeland, FL 33811	TTM Sales:	\$34.00 billion (FYE 2016)
Phone:	(863) 688-1188	Market Areas Served:	FL, GA, SC, AL, TN, NC
Business Type:	Grocery Retail	Operations:	1,136 stores (as of Dec. 31, 2017)

Key Personnel

Chairman:	Ed Crenshaw	EVP and CFO:	David Phillips
President and CEO:	Todd Jones	SVP, Retail Operations:	Kevin Murphy

COMPANY BACKGROUND

Publix was founded in 1930 by George W. Jenkins, a former manager of a Piggly Wiggly supermarket, when he opened the first store in Winter Haven, FL. After establishing its Lakeland, FL headquarters in 1944, the Company continued to grow, reaching 24 supermarkets by 1951. In the late 1950s, Publix entered south Florida with a Miami location, purchased and converted seven Grand Union supermarkets in Florida, and began selling stock to employees. The following decade Publix added a new distribution facility in south Florida, and in the 1980s began adding pharmacies to its stores as well as expanding its distribution and manufacturing network. In the 1990s, Publix left its home state for the first time, entering Georgia, South Carolina, and Alabama. During that decade it debuted its GreenWise Market natural foods banner and acquired nine Atlanta-area stores from A&P. In the 2000's, the Company launched its home meal replacement program "Aprons," and debuted its Hispanic-themed Sabor banner.

Today, Publix is one of the ten largest-volume grocery chains (and the leading employee-owned supermarket chain) in the U.S., with over 1,100 locations throughout the southeastern states of Florida, Georgia, Tennessee, Alabama, North Carolina and South Carolina. The Jenkins family owns about 20% of Publix, but employees are the controlling shareholders, with an 80% stake. All staffers who have put in 1,000 work hours and a year of employment receive an additional 8.5% of their total pay in the form of Publix stock. The Company creates a positive corporate culture through its Employee Stock Ownership Plan, keeps executives' salaries "at responsible levels," and holds customer service as one of its highest priorities.

After more than 40 years with the Company, Publix CEO Ed Crenshaw announced his retirement, effective April 2016 and was replaced by Todd Jones, who held on to his previous role as president. Mr. Crenshaw remains chairman of the board.

An archive of past SSIs and CMI is available at www.fdreports.com

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