

The following table provides highlights of our financial performance:

Financial Performance Data
(\$ in millions, except per share amounts)

	2019	Percentage Change	2018
Sales	\$ 122,286	0.4 %	\$ 121,852
Net earnings attributable to The Kroger Co.	1,659	(46.7)%	3,110
Adjusted net earnings attributable to The Kroger Co.	1,786	2.3 %	1,745
Net earnings attributable to The Kroger Co. per diluted common share	2.04	(45.7)%	3.76
Adjusted net earnings attributable to The Kroger Co. per diluted common share	2.19	3.8 %	2.11
Operating profit	2,251	(13.9)%	2,614
Adjusted FIFO operating profit	2,995	4.0 %	2,880
Reduction in total debt, including obligations under finance leases	1,153	220.3 %	360
Share repurchases	465	(76.9)%	2,010
Dividends paid	486	11.2 %	437
Dividends paid per common share	0.600	13.2 %	0.530
Identical sales excluding fuel	2.0 %	N/A	1.8 %
FIFO gross margin rate, excluding fuel and Adjusted Items, bps decrease	(0.23)	N/A	(0.55)
OG&A rate, excluding fuel and Adjusted Items, bps increase (decrease)	(0.29)	N/A	0.07

OVERVIEW

Notable items for 2019 are:

Shareholder Return

- Net earnings attributable to The Kroger Co. per diluted common share of \$2.04.
- Adjusted net earnings attributable to The Kroger Co. per diluted common share of \$2.19.
- We returned \$951 million to shareholders from share repurchases and dividend payments.
- Over the last 12 months, we decreased total debt, including obligations under finance leases, by \$1.2 billion.

Other Financial Results

- Identical sales, excluding fuel, increased 2.0% in 2019.
- Digital revenue grew 29% in 2019, driven by Pickup and Delivery sales growth. Digital revenue growth has moderated primarily due to cycling our merger with the Home Chef business. Digital revenue primarily includes revenue from all curbside pickup locations, online sales delivered to customer locations and products shipped to customer locations.
- Alternative profit streams grew over \$100 million in 2019 compared to 2018, meeting our expectations. Kroger's ecosystem fuels the growth of adjacent alternative profit streams like Kroger Personal Finance, customer data insights, and media businesses that are essential components of *Restock Kroger*. These businesses comprise a significant portion of Kroger's overall alternative profit stream portfolio. They are dependent on a core supermarket business to deliver sustainable, long-term growth and profitability.

Significant Events

- During the fourth quarter of 2019, we recognized transformation costs of \$52 million, \$37 million net of tax, primarily including 35 planned store closures.