

A young child with light brown hair, wearing a dark blue long-sleeved shirt, is sitting in a blue shopping cart. The child is looking to the right with a happy expression. The cart is filled with various items, including a blue cup and a white bag. In the background, there are shelves stocked with fresh produce, including apples, pears, and other fruits. A person's hands are visible on the right side of the frame, holding a clear plastic bag filled with red apples. The overall scene is bright and colorful, representing a typical grocery store environment.

Q4 & FY 2022

Ahold Delhaize Results

February 15, 2023

Cautionary notice

This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Words and expressions such as propose, outlook, ambition(s), commitment, proposition, on track, guidance, priorities, will, target(s), continues or other similar words or expressions are typically used to identify forward-looking statements.

Forward-looking statements are subject to risks, uncertainties and other factors that are difficult to predict and that may cause the actual results of Koninklijke Ahold Delhaize N.V. (the “Company”) to differ materially from future results expressed or implied by such forward-looking statements. Such factors include, but are not limited to, risks relating to the Company’s inability to successfully implement its strategy, manage the growth of its business or realize the anticipated benefits of acquisitions; risks relating to competition and pressure on profit margins in the food retail industry; the impact of economic conditions, including high levels of inflation, on consumer spending; changes in consumer expectations and preferences; turbulence in the global capital markets; political developments, natural disasters and pandemics; climate change; energy supply issues; raw material scarcity and human rights developments in the supply chain; disruption of operations and other factors negatively affecting the Company’s suppliers; the unsuccessful operation of the Company’s franchised and affiliated stores; changes in supplier terms and the inability to pass on cost increases to prices; risks related to environmental, social and governance matters (including performance) and sustainable retailing; food safety issues resulting in product liability claims and adverse publicity; environmental liabilities associated with the properties that the Company owns or leases; competitive labor markets, changes in labor conditions and labor disruptions; increases in costs associated with the Company’s defined benefit pension plans; ransomware and other cybersecurity issues relating to the failure or breach of security of IT systems; the Company’s inability to successfully complete divestitures and the effect of contingent liabilities arising from completed divestitures; antitrust and similar legislation; unexpected outcomes in the Company’s legal proceedings; additional expenses or capital expenditures associated with compliance with federal, regional, state and local laws and regulations; unexpected outcomes with respect to tax audits; the impact of the Company’s outstanding financial debt; the Company’s ability to generate positive cash flows; fluctuation in interest rates; the change in reference interest rate; the impact of downgrades of the Company’s credit ratings and the associated increase in the Company’s cost of borrowing; exchange rate fluctuations; inherent limitations in the Company’s control systems; changes in accounting standards; inability to obtain effective levels of insurance coverage; adverse results arising from the Company’s claims against its self-insurance program; the Company’s inability to locate appropriate real estate or enter into real estate leases on commercially acceptable terms; and other factors discussed in the Company’s public filings and other disclosures.

Forward-looking statements reflect the current views of the Company’s management and assumptions based on information currently available to the Company’s management. Forward-looking statements speak only as of the date they are made, and the Company does not assume any obligation to update such statements, except as required by law.

Welcome

JP O'Meara

SVP Investor Relations





Ahold Delhaize delivers strong increase in cost savings, supporting positive Q4 financial results; 2023 outlook reinforces commitment to Leading Together ambitions

- With double-digit food inflation levels in Q4, our brands intensified efforts to deliver customers great value and easy access to affordable and healthy food options. A key component of our efforts has been our Save for Our Customers cost savings program, which yielded **15% more savings** than originally expected in 2022.
- Group net sales were **€23.4 billion**, up **8.1%** in Q4 and up **6.9%** in 2022 at constant exchange rates and up **15.9%** in Q4 and up **15.1%** in 2022 at actual exchange rates.
- Q4 comparable sales excluding gas increased **9.3%** in the U.S. and **5.7%** in Europe.
- Net consumer online sales increased **5.0%** in Q4 and **4.9%** in 2022 at constant exchange rates. Excluding bol.com, grocery online sales increased **14.4%** in Q4 and **11.8%** in 2022 at constant rates.
- Q4 underlying operating margin was **4.4%**, an increase of **0.2** percentage points at constant and actual exchange rates. Underlying operating margin for 2022 was **4.3%**, a decrease of **0.1** percentage points.
- Q4 diluted underlying EPS was **€0.72**, an increase of **22.6%** over the prior year at actual rates. 2022 diluted underlying EPS was **€2.55**, up **16.5%** at actual rates compared to the prior year.
- 2022 free cash flow was **€2.2 billion** compared to the most recent guidance of approximately €2 billion.
- We propose a cash dividend of **€1.05** for fiscal year 2022, which is a **10.5%** percent increase compared to 2021.
- Ahold Delhaize introduces **“Accelerate”** initiative to bolster Save For Our Customer cost savings program and provide additional stimulus to key Leading Together strategic priorities.
- 2023 Outlook: underlying operating margin of **≥4.0%**; underlying **EPS to be around 2022 levels**; free cash flow of approximately **€2.0 billion**; net capital expenditures of approximately **€2.5 billion**.



OVOCÍ A ZELENINA
Tržnice
— U ALBERTA —

Business Highlights

Q4 & FY2022

Frans Muller, President & CEO



Zdravě
ALBERTA

Lahůvka

Albert
MCCANNI

ZDE ZVAŽTE
OVOCE A ZELENINU
PŘI NÁKUPU S APLIKACÍ
ALBERTA

Empowering customer choice by providing great value and easy access to affordable and healthy food options

Effective negotiations with suppliers and efficient end-to-end process



Expanding own-brand and healthy assortment

Deepening engagement with our customers through **optimized loyalty programs**



Exceeded Save For Our Customers goal with €979 million for 2022

Forecasting \geq €4 billion of additional savings from 2022-2025

- Initial target
- Additional Savings










- Save for Our Customers helps fund growth investments, absorbs cost pressures, and improves our customer value proposition
- On track to achieve \geq €4 billion cumulative savings from 2022 - 2025
- 2023 target of \geq €1 billion

Giving back to our local communities



Performance Review: Key Highlights

	Key Financial Targets	2022 Most Recent Guidance	Results in 2022
	Group underlying operating margin	≥ 4.0%	4.3%
	Diluted underlying EPS growth at actual rates	Low double-digit growth % vs 2021	16.5%
	Capital expenditures, net	~ €2.5 billion	€2.2 billion
	Free cash flow	~ €2.0 billion	€2.2 billion
	Dividend payout ratio ¹	Absolute increase in dividend per share 40-50% payout ratio	10.5% increase in dividend per share 40% payout ratio
	Share buyback	€1 billion	€1 billion
	Save for Our Customers	≥ €850 million	€979 million

Strong portfolio delivers resilient Q4 performance

Net Sales
€23.4 bn
vs LY constant
rates **+8.1%**

**Diluted
Underlying
EPS €0.72**
vs LY actual
rates **+22.6%**



Food Lion winning streak continues



Highlights:

- 41 consecutive quarters of positive comparable sales growth
- **Food Lion To Go** is now available in **655 stores** with 50 additional planned for 2023
- Recognized by Newsweek as one of **'America's Greatest Workplaces for Diversity'**



Albert Heijn winning market share



Highlights:

- Full Year 2022 market share of **37%**, up 130 basis points compared to 2021
- Albert Heijn Premium celebrates 1-year anniversary with **>675,000 members**
- 19 private label products voted '**best product of the year**'



Stop & Shop NYC remodels encouraging



Highlights:

- **4 remodels** in New York City in second half of 2022 with **8 planned** for Q1 2023
- Roll-out of key learnings from NYC to **40 other urban stores** throughout 2023
- Flashfood expanded to **42 stores** and to more than **300** in 2023





bol.com

Full year results 2022



Net sales
€2.7 bn
vs LY
(3.2%)

GMV
excluding VAT¹
€5.5 bn
vs LY
(1.9%)

Underlying
EBITDA
€125m
vs LY
(29.9%)

Capital
Expenditure
€169m
vs LY
+10.3%

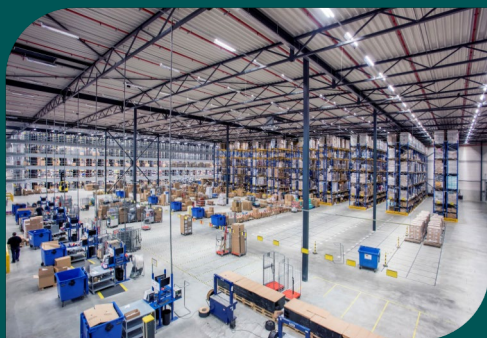
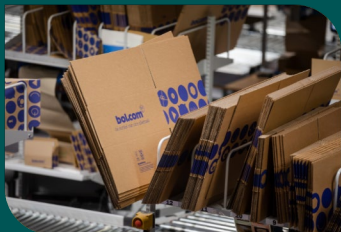
Net Consumer
Online Sales²
€5.4 bn
vs LY
(1.8%)



1. Gross merchandise value ("GMV") is the total gross value of goods sold through bol.com's online platform (either Retailer I or Network), exclusive of value added taxes and not taking into account any shipping costs, discounts, returns and cancellations.
2. Net consumer online sales is defined as online sales including sales of third parties via bol.com's Plaza. Net consumer online sales excludes Value Added Tax (VAT).

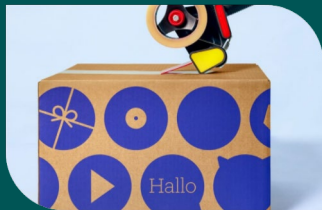
All comparisons are at actual rates

bol.com's investment in new revenue streams is paying off



Highlights:

- bol.com advertising revenues **up 43%** versus prior year
- Logistic services revenue **up 18%** versus prior year
- Highest ever online market share for electronics
- Introduced a **Smart Shopping** page to help customers save money by highlighting **energy saving** products



Q4 & FY 2022

Financial Highlights

Natalie Knight, Chief Financial Officer





Fourth Quarter results 2022

Underlying Performance



Net sales
€23.4 bn

LY constant rates
+8.1%

Underlying
operating income
€1.0 bn

vs LY constant rates
+13.8%

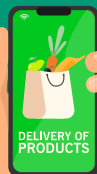
Underlying income
from continuing op. ²
€707 m

vs LY constant rates
+10.1%

Underlying
Operating
Margin

4.4%

vs LY constant rates
+0.2 pts



Comparable
Sales Growth
excl. gas

+7.9%

U.S. **9.3%** EU **5.7%**

Net Consumer
Online Sales¹

€3.2 bn

vs LY constant rates
+5.0%

Diluted
Underlying EPS
€0.72

vs LY actual rates
+22.6%

1. Net consumer online sales is defined as online sales including sales of third parties via bol.com's Plaza. Net consumer online sales excludes Value Added Tax (VAT).
2. Adjusted for impairments of non-current assets, gains and losses on the sale of assets and leases/subleases, restructuring and related charges and other items considered not to be directly related to the underlying operating performance



Full year results 2022

Underlying Performance



Net sales
€87.0 bn
vs LY constant rates
+6.9%

Underlying operating income
€3.7 bn
vs LY constant rates
+3.5%

Underlying income from continuing op²
€2.6 bn
vs LY constant rates
+4.4%

Underlying Operating margin
4.3%
vs LY constant rates
(O.I) pts

Comparable
Sales Growth
excl. gas
+5.4%
U.S. **6.8%** EU **2.9%**

Net Consumer Online Sales¹
€11.3 bn
vs LY constant rates
+4.9%

Diluted Underlying EPS
€2.55
vs LY actual rates
+16.5%



1. Net consumer online sales is defined as online sales including sales of third parties via bol.com's Plaza. Net consumer online sales excludes Value Added Tax (VAT). Ahold Delhaize's management believes that this measure provides more insight into the growth of our online businesses.
2. Adjusted for impairments of non-current assets, gains and losses on the sale of assets and leases/subleases, restructuring and related charges and other items considered not to be directly related to the underlying operating performance



Fourth Quarter results 2022

*IFRS-Reported
Results*



Net sales
€23.4 bn
vs LY actual rates
+15.9%

Online Sales
€2.4 bn
vs LY actual rates
+12.4%

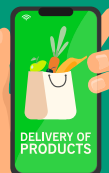
**Operating
income**
€1.2 bn
vs LY actual rates
+30.5%

**Operating
margin**
5.0%
vs LY actual rates
+0.6 pts

Positively impacted by gains on
sale of assets of €158m

**Net income
from continuing
operations**
€809 m
vs LY actual rates
+27.6%

**Diluted
EPS**
€0.82
vs LY actual rates
+32.4%





Full year results 2022

*IFRS-Reported
Results*



Net sales
€87.0 bn
vs LY actual rates
+15.1%

Online Sales
€8.6 bn
vs LY actual rates
+11.9%

Operating
income
€3.8 bn
vs LY actual rates
+13.5%

Operating
margin
4.3%
vs LY actual rates
(0.1) pts

Net income
from continuing
operations
€2.5 bn
vs LY actual rates
+13.4%

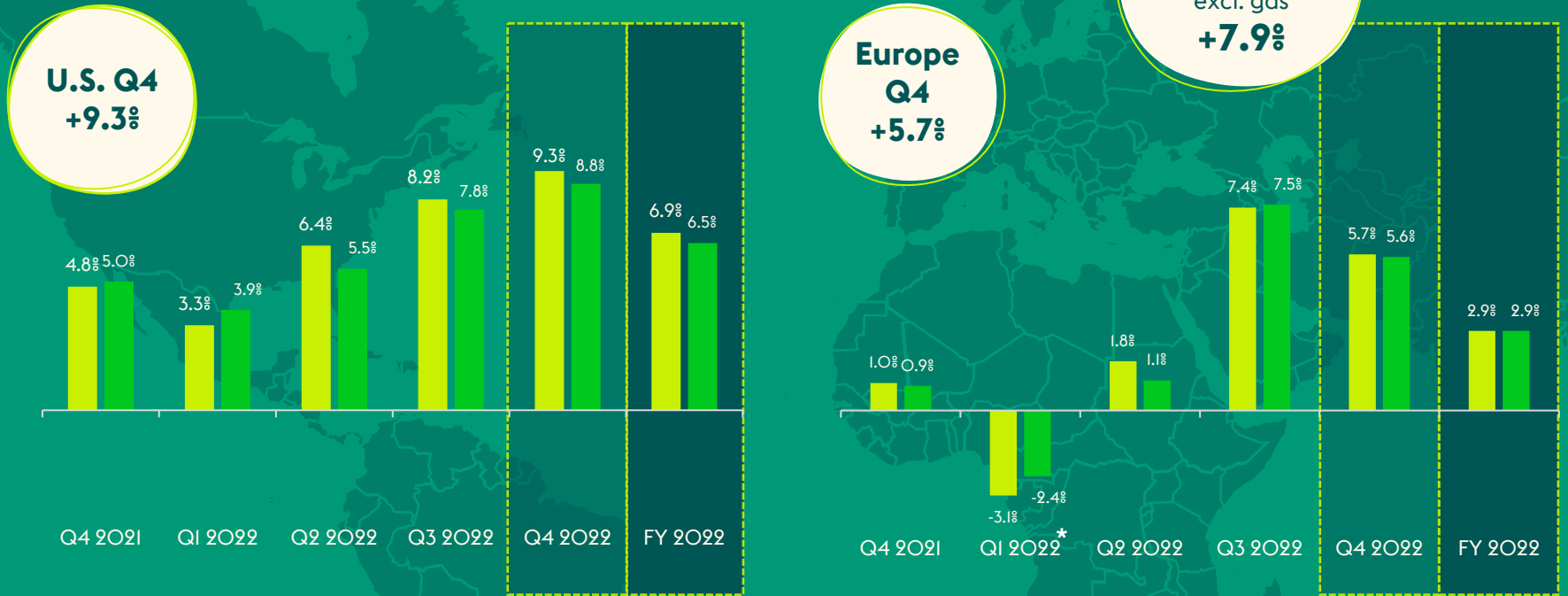
Diluted
EPS
€2.54
vs LY actual rates
+17.2%



Comparable sales growth trends by region

Ex. Gas

Actuals excluding gas
Ex weather/calendar



*Q1 2022 weather/calendar impacts on European comparable sales of 0.7 pts restated from prior communication of 0.3pts

Highlights: United States

- Net sales grew **9.2%** at constant rates, **22.2%** at actual rates, to **€14.8 bn**
- Q4 comparable sales excluding gasoline increased **9.3%**
- **17.3%** online sales growth in Q4 (constant rates); building on top of **31%** growth in the same quarter last year
- Food Lion and Hannaford achieved positive **double-digit** comparable store sales growth for the **second consecutive quarter**
- **Underlying operating margin** was **4.7%** compared to **4.4%** in the prior year
- **1,547** click & collect points in the U.S. - an **increase of 162** compared to 2021; **97.5%** of customers with access to Online Grocery



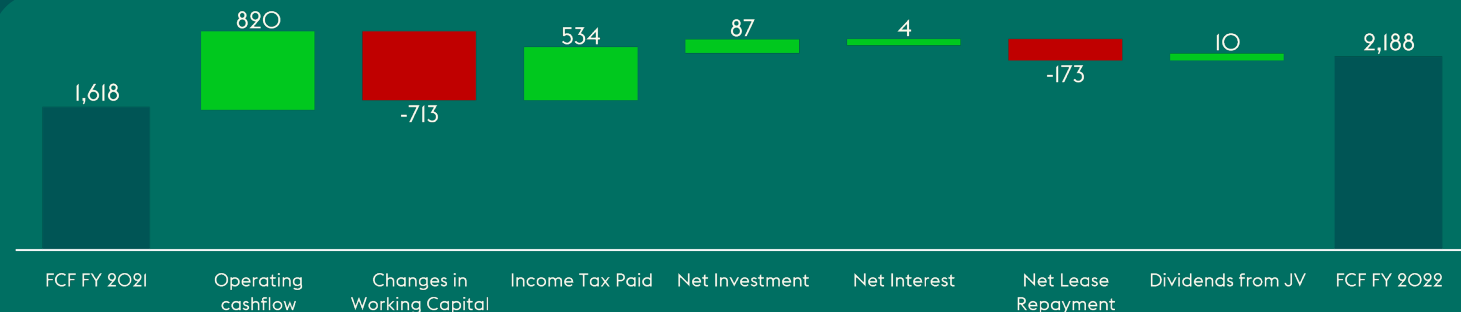
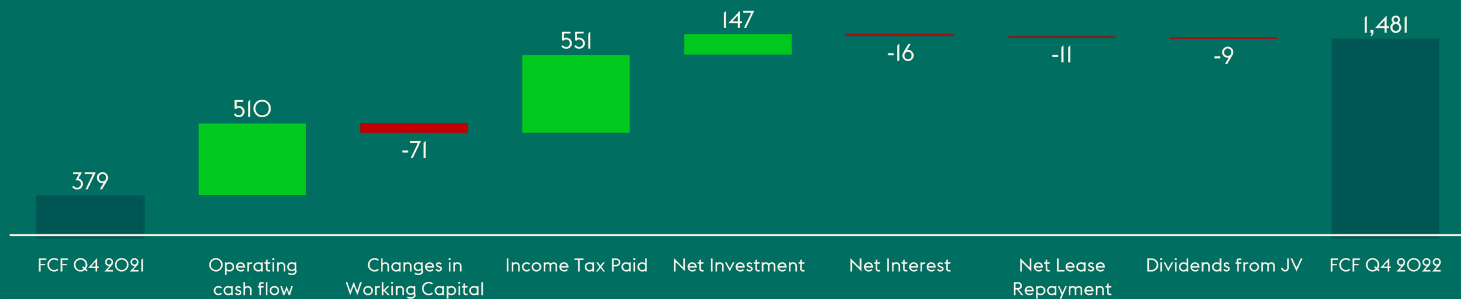
Highlights: Europe

- Net sales were **€8.6 bn**, an increase of **6.2%** at constant exchange rates and **6.6%** at actual exchange rates
- Q4 Europe comparable sales excluding gasoline increased **5.7%**
- **Net consumer online sales** in the segment **-0.6%** compared to **27.9%** growth in prior year; grocery online sales increased **8.0%**
- **Underlying operating margin** in Europe was **4.0%**, down 0.2 percentage points from the prior year due to escalating energy costs
- **FY2022 market share gains** at Albert Heijn, Bol.com and in most CSE brands
- Rolled out **100th Albert Heijn to Go** at BP gas stations
- Delhaize Serbia opens its **500th store**



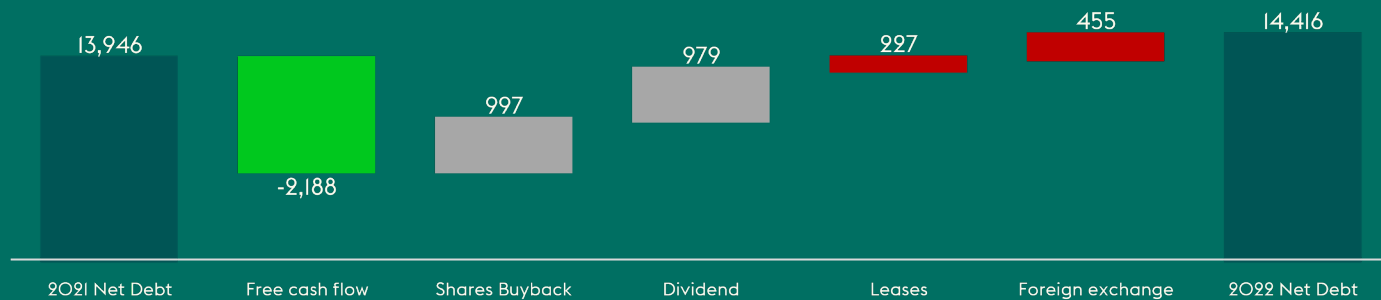
Q4 and Full Year Free Cash Flow Bridge

FCF Q4 & FY2022 vs Last Year (in €m)



Full Year Debt Bridge

FY2022 vs Last Year (in €m)



Strong dividend growth from 2018 through 2022



- We propose a cash dividend of **€ 1.05** per common share for the financial year of 2022
- This reflects our ambition of sustainable growth of the dividend share. This represents a payout ratio of **40%**, based on the expected dividend payment on underlying income from continuing operations (52-week basis), which is in line with our dividend policy

Healthy & Sustainable

32%

**Reduction in
absolute CO2
emissions¹**

**Reducing CO2
emissions**



**Reducing Food
Waste**



33%
**Reduction in
food waste²**

54.4%

**of healthy
own-brand sales**

Elevating healthy



1. [‡] reduction is based on the cumulative trajectory towards the 50% reduction of absolute scope 1 and 2 CO₂-equivalent emissions by 2030 compared to our restated 2018 baseline. Amount is from own operations.
2. Measured in tonnes of food waste per food sales against the restated 2016 baseline

Healthy & Sustainable Targets And Ambitions

	2023 Target	2025 Target	2030 Target	2040 Target	2050 Target
% of healthy own-brand food sales	55.0%	55.6% ¹			
Reduction in tonnes of food waste ²	34%	>38% ¹	50%		
Absolute CO ₂ -equivalent emissions (scope 1 and 2) ³		34% ¹	50%	Net zero	
% reduction in absolute CO ₂ -equivalent (scope 3) ⁴			37%		Net zero

1. 2025 Target aligned with our sustainability-linked revolving credit facility as announced in December 2022
 2. Measured in tonnes of food waste per food sales against the restated 2016 baseline
 3. % reduction is based on the cumulative trajectory towards the 50% reduction of absolute scope 1 and 2 CO₂ equivalent emissions by 2030 compared to our restated 2018 baseline. Amount is from own operations.
 4. Measured against 2020 baseline

2023

Outlook

Frans Muller, President & CEO



Leading Together through our 4 priorities

For customers

Serve customers with deeper (digital) relationships

For operations

Accelerate the omnichannel transformation & continue to be the best local operators

For our portfolio

Create the ecosystem for smarter customer journeys

For Health & Sustainability

Lead the transformation into a healthy & sustainable food system

Enabled by

Best Talent



Technology

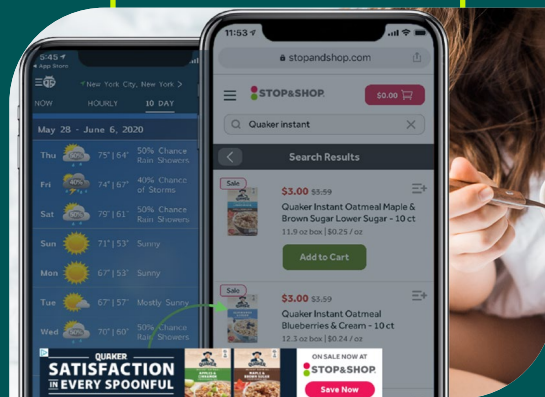
2023 Priorities Outlook

Double-digit
loyalty sales
growth

Omnichannel
ecosystem



≥20%
complementary
revenue
streams growth



Monetization

Operational
excellence

≥€1 bn
Save for Our
Customers




Accelerate

2023 Outlook reinforces commitment to Leading Together

Our great local brands continue to support customers to manage their shopping baskets efficiently, ensuring access to affordable and healthy food options in inflationary environment

2023



≥4%
Underlying
Operating Margin



Around 2022 levels
Underlying diluted
EPS



≥€1 billion
Save for Our Customers



~€2.5 billion
Capital Expenditures



~€2.0 billion
Free Cash Flow



40-50%
payout;
YOY growth in
dividend per share
Dividend payout ratio^{1,2}



€1 billion
Share Buyback²

Industry-leading local omnichannel food retailer



Total stores
7,659



60M
customers
served
weekly

Dense
networks

Optimized
own-brand
products



U.S. loyalty
customers of
20M with ~80%
loyalty sales
penetration

1,547
Click & Collect
points in U.S.

Own-brand
penetration in
the EU of ~50%
and U.S. of ~32%

Benelux loyalty
customers of
8.3M with ~60%
loyalty sales
penetration



Advanced
Omnichannel
offerings

Q&A

 FOOD LION

 STOP & SHOP



 The
GIANT
Company

 Giant



 Etos

 Gall & Gall
SINCE 1884

 Peapod
DIGITAL LABS

 Retail Business
Services

 albert

 bol.com
de winkel van ons allemaal



 Tempo



 ENA FOOD
CASH & CARRY



 freshdirect



 European
BUSINESS
SERVICES

 ADUSA
SUPPLY CHAIN

Thank you

