

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 towards the right, where a person's hands are visible, filling a clear plastic mesh bag with red apples. The background shows a grocery store aisle with various fruits and vegetables on shelves. The text "Q4 & FY 2022" is overlaid in yellow on the left side of the image.

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

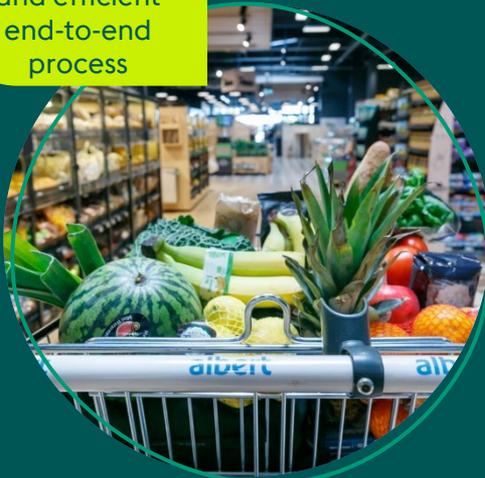
Lahův  
ALBERTA

Albert  
ALBERTA

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 ≥€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 ≥€4 billion cumulative savings from 2022 - 2025
- 2023 target of ≥€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 %<br>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 <sup>1</sup>            | Absolute increase in<br>dividend per share<br>40-50% payout ratio | 10.5% increase in dividend<br>per share<br>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 VAT<sup>1</sup>  
**€5.5 bn**  
vs LY  
(1.9%)

Underlying  
EBITDA  
**€125m**  
vs LY  
(29.9%)

Capital  
Expenditure  
**€169m**  
vs LY  
+10.3%

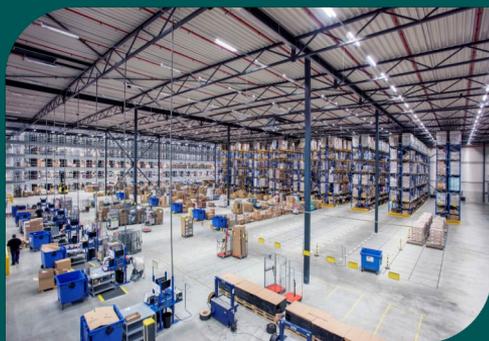
Net Consumer  
Online Sales<sup>2</sup>  
**€5.4 bn**  
vs LY  
(1.8%)



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. <sup>2</sup>

**€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 Sales<sup>1</sup>

**€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 op<sup>2</sup>**  
**€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 Sales<sup>1</sup>**  
**€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%**

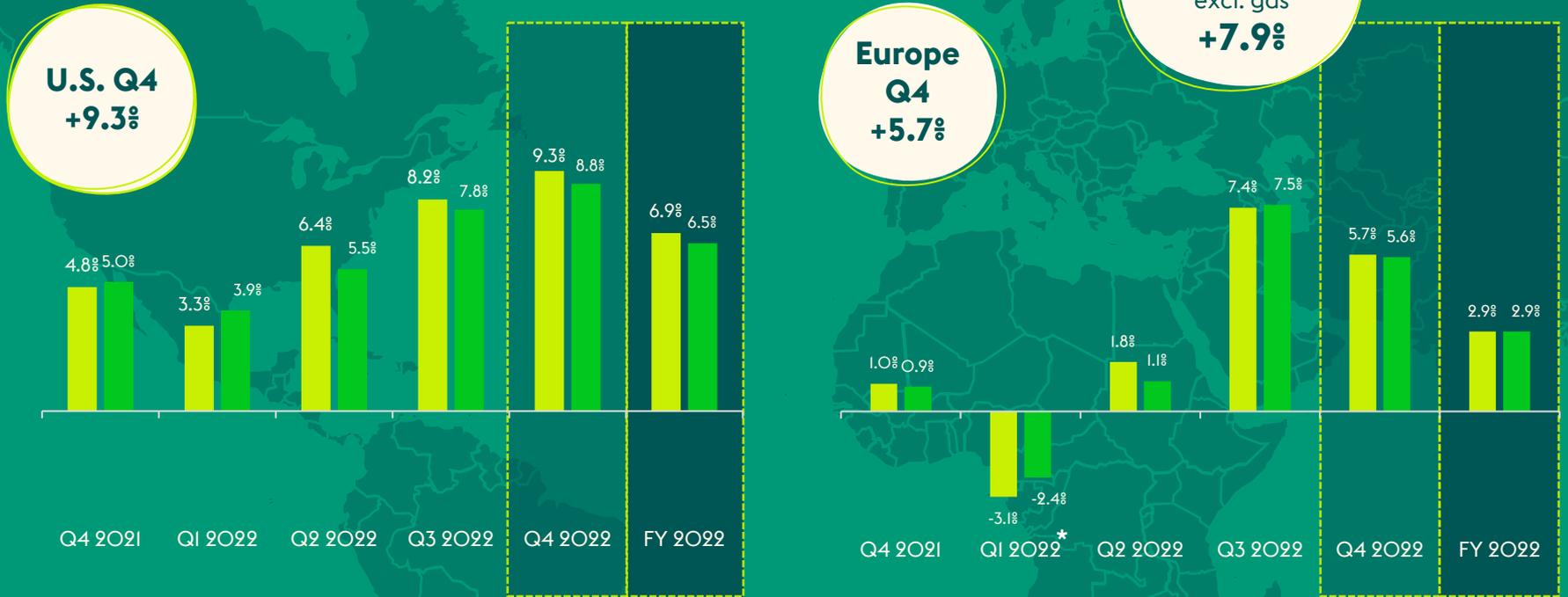
Diluted  
EPS  
**€2.54**  
vs LY actual rates  
**+17.2%**



# 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



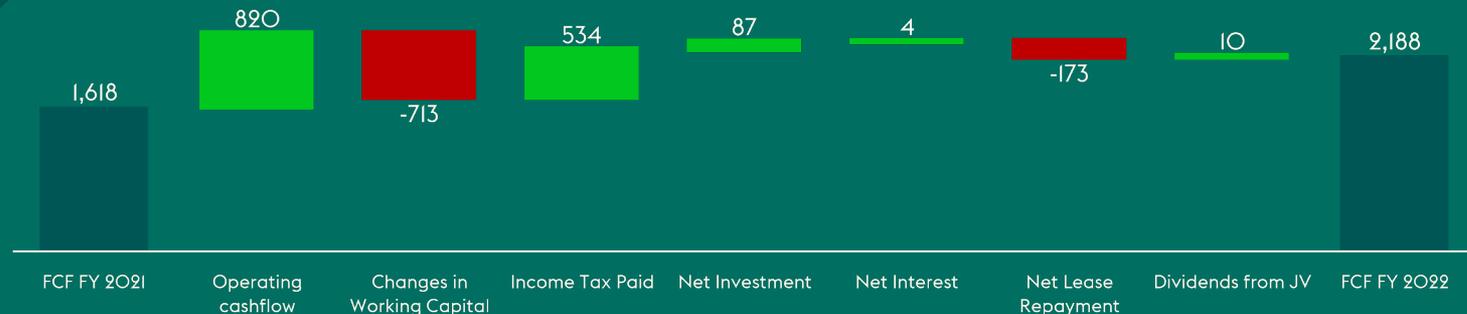
## Highlights: Europe

- 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 **100<sup>th</sup> Albert Heijn to Go** at BP gas stations
- Delhaize Serbia opens its **500<sup>th</sup> store**



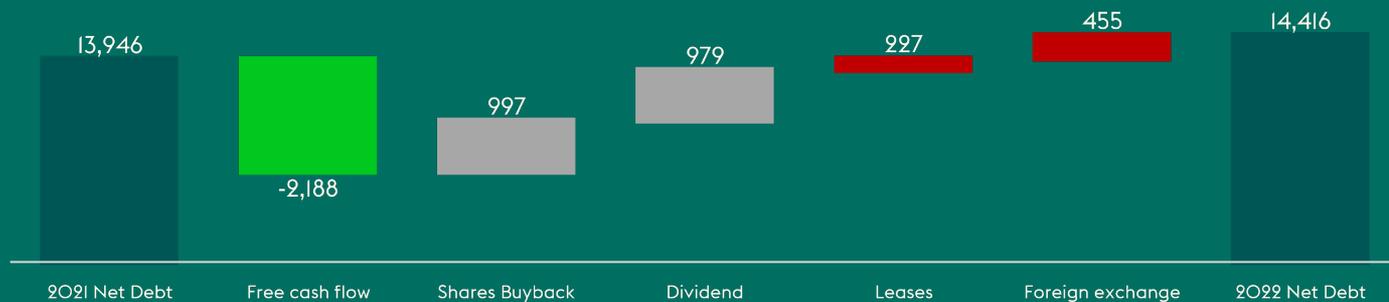
# Q4 and Full Year Free Cash Flow Bridge

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 CO<sub>2</sub>  
emissions<sup>1</sup>**

**Reducing CO<sub>2</sub>  
emissions**



**Reducing Food  
Waste**



**33%**  
**Reduction in  
food waste<sup>2</sup>**

**54.4%**

**of healthy  
own-brand sales**

**Elevating healthy**



1. <sup>‡</sup> reduction is based on the cumulative trajectory towards the 50<sup>‡</sup> reduction of absolute scope 1 and 2 CO<sub>2</sub> 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% <sup>1</sup> |             |             |             |
| Reduction in tonnes of food waste <sup>2</sup>                              | 34%         | >38% <sup>1</sup>  | 50%         |             |             |
| Absolute CO <sub>2</sub> -equivalent emissions (scope 1 and 2) <sup>3</sup> |             | 34% <sup>1</sup>   | 50%         | Net zero    |             |
| % reduction in absolute CO <sub>2</sub> -equivalent (scope 3) <sup>4</sup>  |             |                    | 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 CO<sub>2</sub> 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**<sup>1,2</sup>



**€1 billion**  
**Share Buyback**<sup>2</sup>

# Industry-leading local omnichannel food retailer



Total stores  
7,659



60M  
customers  
served  
weekly

Dense  
networks

Optimized  
own-brand  
products



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

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

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

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

