PERFORMANCE REVIEW

LOCAL MATTERS

Tempo Serbia

Driving long-term value creation

JOLANDA POOTS-BIJL, CHIEF FINANCIAL OFFICER; MEMBER MANAGEMENT BOARD AND EXECUTIVE COMMITTEE

We are pleased that Jolanda Poots-Bijl joined Ahold Delhaize as CFO in 2023. With over 20 years of executive and supervisory board experience, Jolanda is a leader focused on making things better and helping colleagues succeed, as well as driving financial success. We talked to her about her first impressions, leadership philosophy and ambitions for Ahold Delhaize.

Q Jolanda, can you share some insights into your onboarding at Ahold Delhaize. What were your first impressions and learnings?

I had the pleasure of starting my time at Ahold Delhaize with an extensive six-week induction program. This gave me the opportunity to dive into the business and visit almost all of our great local brands, learning about what makes them unique and their histories and ambitions going forward. And, most importantly, meet many wonderful colleagues across the company.

I was struck by how many customers stopped us to share how positive they are about the role our brands' stores and associates play in their daily lives and their communities.

During these first months with the company, I have been impressed by my colleagues' dedication and passion, their agility in managing dynamic times and their pride in the strong results our businesses continue to deliver. We are a true people-for-people business, well positioned in the heart of society. I have found that the Ahold Delhaize team is not afraid to tackle challenges head on, take on difficult projects and make tough choices where they see benefits for the customer and the potential of sustainable long-term value creation – for example, with the transformation in Belgium and the divestment of FreshDirect.

Q&A WITH OUR CFO

As an experienced business leader, you bring a fresh, new perspective to Ahold Delhaize. What opportunities and challenges do you see for the business in the next few years?

At Ahold Delhaize, we have many things to be proud of. We are a robust company with a strong international presence, an industry-leading position, a strong balance sheet, many talented associates and a family of great local brands that are often number one or two in their countries or regions. This enables us to successfully navigate both the challenges and opportunities ahead.

Having said that, many of the markets we operate in are faced with geopolitical and macroeconomic uncertainty. While inflation has passed its peak, consumers' household budgets remain under pressure.

This requires our brands to be agile and adaptable to meet and exceed customer needs. Our brands are constantly looking for opportunities to further improve their Customer Value Propositions (CVP) and keep their assortments affordable and healthy.

> **While our strategy and financial strength are important for our future success, it is our people who make the real difference.**

We want to be a leader in ESG, invest in our people and be responsible operators, while also delivering a good performance for our shareholders. We will further invest in our technology landscape so we can continue to be a digital leader. The fast rate of change in tech provides many opportunities to serve customers, and, by leveraging our scale through smart convergence, we will be able to save as we innovate.

To structurally realize these ambitions and build a long-term, future-proof organization for all stakeholders, growth is important. Balancing all these topics is both our challenge and our opportunity going forward.

How can the Finance function support the company's sustainability ambitions?

Sustainability is embedded in Ahold Delhaize's DNA; we are one of the front runners in our industry. I am passionate about maintaining this position and proud of the commitments we have made around, for example, the reduction of GHG emissions and food waste.

I see an important role for the Finance function to help us realize these commitments by providing the focus and transparency that is needed to drive our sustainability journey. In 2023, we further increased the quality and accuracy of our ESG data – and will continue to improve it. We also made great strides to prepare for the implementation of the Corporate Sustainability Reporting Directive (CSRD). We also work closely together with our sustainability, commercial and operational teams to turn our long-term sustainability ambitions into detailed roadmaps. We must also continuously collaborate with our external partners across the value chain and use our scale to positively influence the food industry.

And even though we have already incorporated sustainability considerations into our investment decisions – for example, through the implementation of a carbon pricing model – we continue to enhance how we evaluate the cost, scope and phasing choices of sustainability investments. One concrete example of how we secure the necessary funds for our sustainability plans has been through our sustainable financing, such as the issuance of our Green Bond in March 2023 and our Sustainability-Linked Commercial Paper Program in September 2023.

What will be your key focus areas for 2024?

Optimizing and nurturing Ahold Delhaize's sustainable long-term value creation will be one of my top priorities, and I look forward to sharing more about our plans during our upcoming Strategy Day in May 2024. We are a well-invested company, and we continue to look for opportunities as we leverage our scale; optimize our supply chain; and innovate using new data capabilities, AI and machine learning.

Our brands are strong operators, well positioned to manage the volatility of today's world. The economic and geopolitical backdrop remains dynamic; therefore, another focus area will be to look for opportunities to further strengthen our brands' competitive positions and to operate even more efficiently. Our strong and consistent financial performance gives us a great platform to unlock the necessary funds to reinvest in our CVP, new growth areas and our priorities in technology and sustainability.

While our strategy and financial strength are important for our future success, it is our people who make the real difference, so we will also continue to invest in our great people.

> **Optimizing and nurturing Ahold Delhaize's sustainable long-term value creation will be one of my top priorities.**

TARGETS AND RESULTS

KEY FINANCIAL TARGETS[1]	TARGET 2023	RESULTS IN 2023
Group underlying operating margin	≥ 4.0%	4.1%
Diluted underlying EPS growth[2]	Around 2022 levels	(0.4)%
Net capital expenditures	Around €2.5 billion	€2.3 billion
Free cash flow[3]	Around €2.0 billion	€2.4 billion
Dividend payout ratio[4]	Absolute increase in dividend per share 40-50% payout ratio	€0.05 increase in dividend per share 43% payout ratio
Share buyback[5]	€1 billion	€1 billion

1 Targets 2023 based on original guidance as per Annual Report 2022; For definitions on KPIs, see *Definitions and abbreviations*.
2 At current rates
3 Target excludes M&A.
4 The dividend payout ratio for results in 2023 is calculated as a percentage of underlying income from continuing operations on a 52-week basis.
5 Management remains committed to the share buyback and dividend program, however the program is subject to material macroeconomic changes or changes in corporate activities, such as material M&A activity.

Note: Targets are based on the previous year's full year results unless stated otherwise.

PERFORMANCE REVIEW

TARGETS AND RESULTS

DRIVE OMNICHANNEL GROWTH	TARGET 2023	RESULTS IN 2023
Net consumer online sales growth	High single-digit growth	+5.9%
Loyalty sales growth [1]	Double-digit growth	+2%
Complementary revenue streams growth	≥ 20%	+13%

ELEVATE HEALTHY AND SUSTAINABLE	TARGET 2023	RESULTS IN 2023
Healthy own-brand sales [2]	54.6%	54.8%
Food waste reduction [3]	34%	37%
GHG-emissions reduction scope 1 & 2 [4]	Further reduction	35% (5pp improvement vs. LY)

CULTIVATE BEST TALENT	ASPIRATIONS 2023	RESULTS IN 2023
Associate engagement score	≥ 79%	78%
Inclusive workplace score	≥ 80%	81%
Associate growth [5]	New index, no aspiration set for 2023	75%

STRENGTHEN OPERATIONAL EXCELLENCE	TARGET 2023	RESULTS IN 2023
Save for Our Customers	≥ €1 billion	€1.3 billion
Supply chain initiatives	Two fully automated frozen facilities in the U.S. during 2023	Frozen facility in Mountville, Pennsylvania, in test mode; Plainville, Connecticut, facility planned to go live in H1 2024
Improving online productivity	Opening of the first mechanized HSC in Barendrecht in the Netherlands	Opened the first mechanized HSC in Barendrecht in the Netherlands in Q4 2023

1 Loyalty sales measures the sales generated by active addressable loyalty card holders. See *Definitions and abbreviations* for more information.
2 The 2023 target is restated due to the Guiding Stars algorithm change, which had -0.4pp impact on group level, changing the target from 55.0% per Annual Report 2022 to 54.6%.
3 The reduction is measured against the restated 2016 baseline: 4.99 t/€ million. See *ESG statements* for more information.
4 The reduction is measured against the restated 2018 baseline: 4,095 thousand tonnes CO2-equivalent emissions. See *ESG statements* for more information.
5 The associate growth index is driven by: perception of opportunity for personal development and growth, opportunities for career growth, feeling their job makes good use of their skills and abilities, and support from their manager for skill and career development. See *Definitions and abbreviations* for more information.

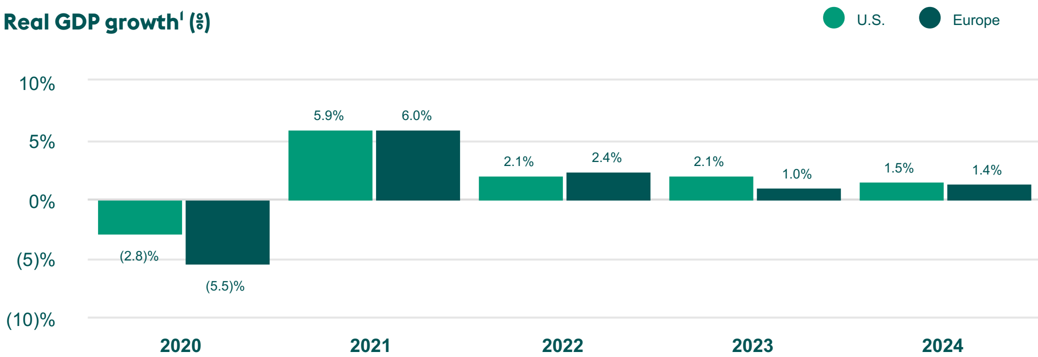
MACROECONOMIC TRENDS

Ahold Delhaize navigating through rising global tensions and economic pressure in 2023

GDP GROWTH STABILIZING IN U.S. AND SLOWING DOWN IN EUROPE

In 2023, the global economy continued to be challenged by persistent inflation and modest growth prospects. Gross domestic product (GDP) growth stabilized in the U.S. and slowed down in Europe versus the prior year, as it was impacted by tighter financial conditions, weaker trade growth and lower business confidence. GDP growth is projected to be mild in 2024, while various risks remain, such as potential disruptions to commodity markets and trade from growing geopolitical tensions, uncertainty around inflation and lower household savings (source: “Economic Outlook,” OECD). GDP reached 3.0% globally in 2023: the U.S. showed growth of 2.1% and the Euro area growth of 1.0% (source: “Data mapper,” International Monetary Fund (IMF)).

Real GDP growth[1] **(%)**

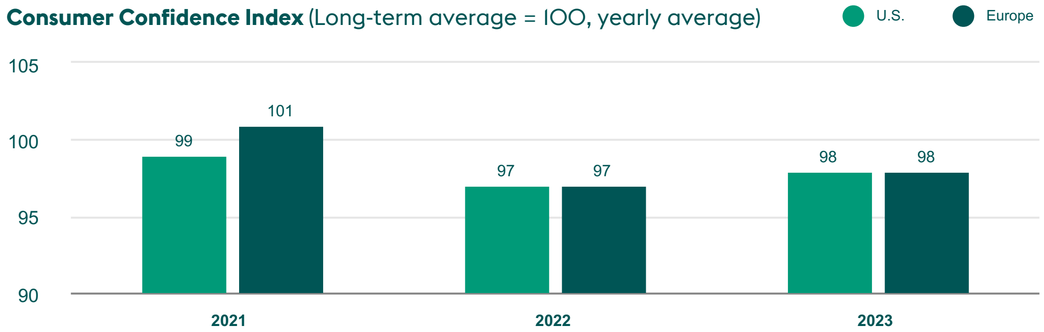


1 GDP (Gross Domestic Product) represents the total value at constant prices of final goods and services produced within a country within a specific time period.
Source: IMF (GDP reports: Annual percentage change, 2023)

CONSUMER CONFIDENCE SLIGHTLY INCREASING

Consumer confidence only slightly increased in 2023, as concerns about inflation diminished somewhat compared to 2022, but remained high. Confidence went up by 1 percentage point to 98% in both segments. Nonetheless, it was pressured, as consumers’ concern about the overall economic outlook grew. In addition to inflation, consumers were faced with higher interest rates and ongoing geopolitical instability. In the United States, the resumption of student loan payments largely negatively influenced consumers’ economic outlook in a largely negative way (source: “Main Economic Indicators,” OECD). In Europe, the desire to save money increased as the abovementioned concerns were further pressured by the conflicts in Ukraine and Israel/Gaza.

Consumer Confidence Index (Long-term average = 100, yearly average)



Source: OECD: Main Economic Indicators: CCI, Amplitude adjusted, Long-term average = 100, yearly average change, 2022

HIGH LEVELS OF INFLATION MODERATING

Consumer Price Index (CPI) inflation in 2023 was still at elevated levels, reaching 8.6% for the OECD countries in Q1, but moderated toward the end of the year, mostly driven by lower energy prices, with OECD CPI rates below 6% in Q4. Food prices grew above historical-average rates in 2023, but at lower rates than in 2022. In order to control elevated inflation rates, central banks increased interest rates up until September 2023 to the highest levels in more than 20 years. After September, central banks maintained constant rates when they saw inflation moderating toward the end of the year (source: Statista and International Monetary Fund (IMF), various reports in December 2023).

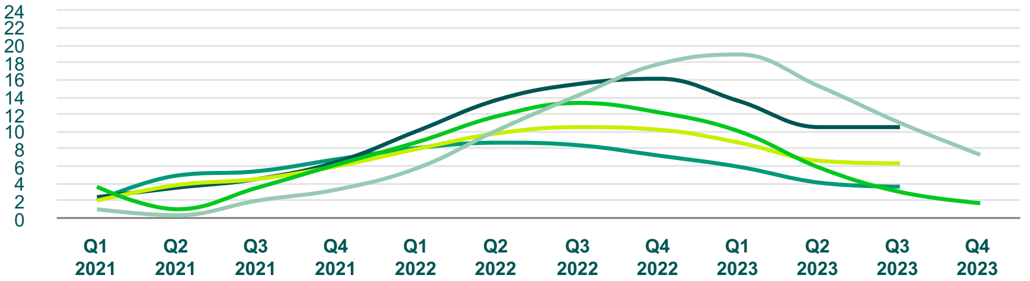
In the U.S., food inflation rates, similar to CPI rates, declined in the second half of 2023. Where food inflation was substantially higher compared to CPI in the beginning of 2023 (9.9% in Q1), this gap narrowed in the last quarter to 1.6%. The annual CPI rate amounted to 4.1% in 2023, a steep decrease versus 2022 (8.0%).

Inflation was especially persistent in Europe, and remained elevated there until Q4. With food inflation rates of 18.8% at the beginning of the year, European consumers continued to change their shopping habits. To alleviate the ongoing pressure on household income, European consumers started to focus on more value for money, including buying cheaper products and delaying purchases (source: “An update on European Consumer Sentiment,” McKinsey). In Q4, European food inflation was down to 7.4%. In 2023, the annual CPI rate for the European Union went down from 9.2% in 2022 to 6.4% in 2023.

TARGETS AND RESULTS

MACROECONOMIC TRENDS

Consumer Price Index (CPI) and CPI for food and beverages



Source: OECD (Consumer Price Indices – Complete Database, 2023); the data for Europe Is not available yet for Q4 2023

GROCERY SPENDING CONTINUES TO GROW

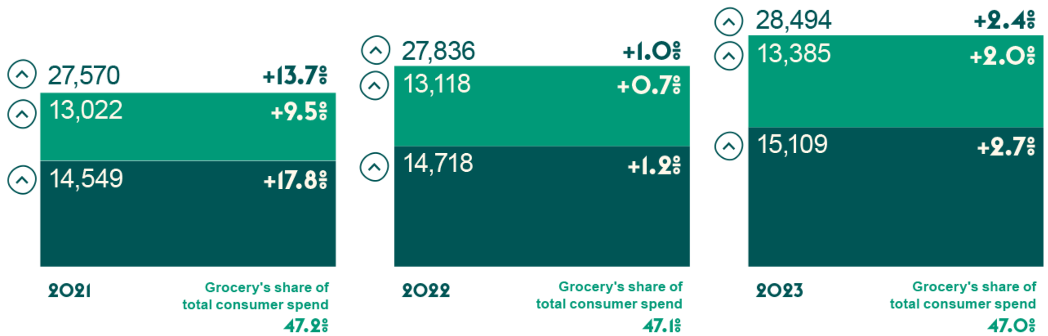
Grocery spending globally recovered to some extent in 2023, growing 2.0%, which was 1.3 pp higher than in 2022. Grocery spending increased by 4.4% in the U.S., while in Europe it rose modestly by 1.8%. Grocery share as a percentage of consumer spending in 2023 remained roughly stable at 34.5% in the U.S. and 42.7% in Europe (source: Flywheel Retail Insights – former Ascential).

CONSUMER SPENDING SPLIT 2023-2021	2023	2022	2021
World			
Growth in grocery spending	**2.0%**	0.7%	9.5%
Grocery as a % of total consumer spending	**47.0%**	47.1%	47.2%
United States			
Growth in grocery spending	**4.4%**	6.5%	7.3%
Grocery as a % of total consumer spending	**34.5%**	34.3%	34.4%
Europe			
Growth in grocery spending	**1.8%**	7.7%	5.8%
Grocery as a % of total consumer spending	**42.7%**	42.8%	42.7%

Source: Flywheel Retail Insights (various reports in 2023; the data for 2021-2023 has been restated by Flywheel; new methodology excludes services and B2B)

Overall consumer spending increased in 2023, although consumer behavior is diverging and somewhat ambiguous. One segment of consumers is looking to cut costs by saving more money on food and other categories. Another segment is shifting to higher-end options in categories such as travel and grocery. A similar trend can be observed in consumer preferences. While some consumers are increasingly focused on buying sustainable products, at the same time, the inflationary environment is leading other consumers to worry that these products will become unaffordable for them in the near future (source: McKinsey). In addition, Deloitte's Financial Well-being Index, published annually to track consumers' financial health and spending intentions, demonstrates a positive trend for retailers this year, compared to last year. The index reached 102.8 in December 2023 compared to 100.2 in 2022 (Source: Deloitte).

Global consumer spending development (grocery and non-grocery)

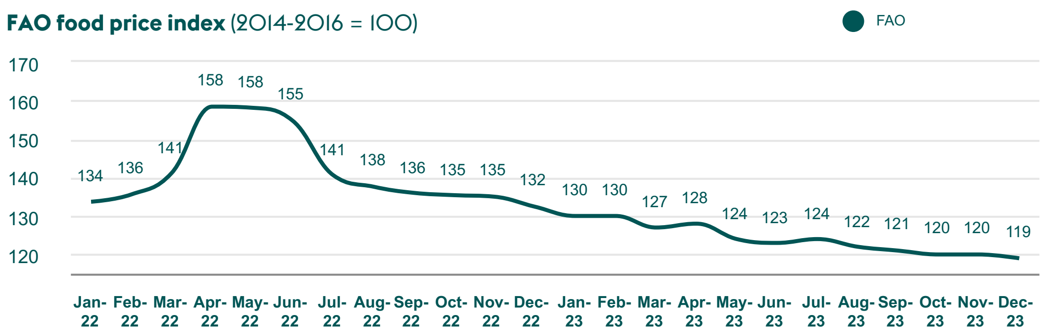


Source: Flywheel Retail Insights (Market – Global Consumer Trends in USD at 2023 exchange rate; the values for 2021-2023 have been restated by Flywheel; new methodology excludes services and B2B)

STABILIZATION OF PRODUCT COSTS; MAIN COMMODITIES DECREASING

Food commodity prices dropped gradually throughout 2023. The Food and Agriculture Organization of the United Nations (FAO) food price index is a good representation of this trend, showing that the prices for five main commodities (sugar, meat, dairy, vegetable oils and cereals) decreased by 12% on average in 2023 versus the prior year, reaching 118.5 in December 2023.

FAO food price index (2014-2016 = 100)



Source: Food and Agriculture Organization of the United Nations (2022-2023); FAO food price index consists of the average of five commodity group price indices: meat, dairy, cereals, vegetable oils and sugar.

MACROECONOMIC TRENDS

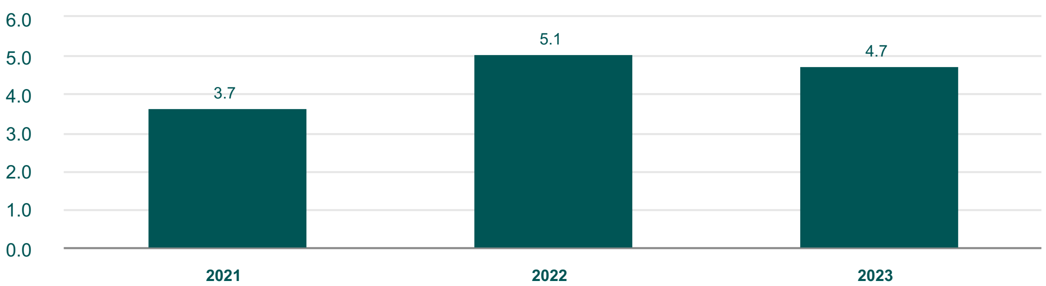
NOMINAL WAGES CONTINUE TO INCREASE SIGNIFICANTLY

Despite the fact that inflation rates moderated towards the second half of the year, nominal wages continued to increase in both segments.

The U.S. experienced a significant rise in wages and salaries, which grew by 4.7% in 2023. This was lower than in 2022 but significantly surpassed levels seen in previous years (source: U.S. Bureau of Labor Statistics, news release on Employment Cost Index, November 2023). Real wages started to increase as inflation declined from its peak in 2022, and workers received robust nominal wage gains. Seasonally adjusted, there was a 0.8% increase in real average hourly earnings from December 2022 to December 2023 (source: U.S. Bureau of Labor Statistics).

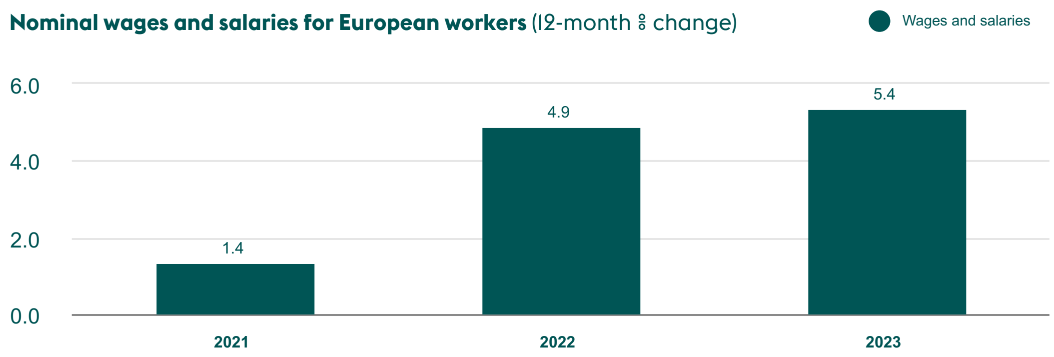
Wages and salaries also rose substantially in Europe, reaching a record high of 5.4% growth in 2023 (source: "Euro indicators," Eurostat). While wage growth has been strong in Europe, it has not been adequate to offset high inflation. Nominal compensation per employee increased by a significantly lower rate than inflation, resulting in a decline in real terms (source: "Labour market and wage developments in Europe 2023," Eurostat – EU commission).

Nominal wages and salaries for U.S. civilian workers (12-month % change)



Source: U.S. Bureau of Labor Statistics (Charts related to the latest "Employment Cost Index" news release)

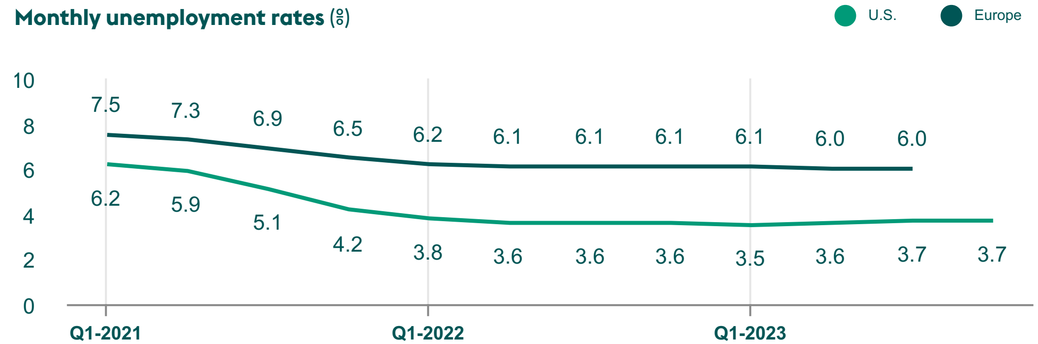
Nominal wages and salaries for European workers (12-month % change)



Source: Eurostat (Labor cost index), data for prior years has been restated by the Eurostat

Unemployment rates remained stable in 2023 in both regions. In the U.S., job gains in 2023 maintained a robust pace, albeit at a slower rate compared to the exceptionally high levels observed in 2021 and 2022 following the recession caused by the pandemic. The unemployment rate slightly increased from 3.6% in Q4 2022 to 3.7% in Q4 2023, resulting in a total of around 6.3 million unemployed people throughout the year (source: "The Employment Situation – December 2023," U.S. Bureau of Labor Statistics). In Europe, the unemployment rate continued to decrease throughout 2023, from, on average, 6.1% in Q4 2022, to 6.0% in November 2023 (source: "Euroindicators November 2023," Eurostat).

Monthly unemployment rates (%)



Source: OECD (Labor market statistics 2021-2023); Europe data is still not available for Q4 2023

MACROECONOMIC TRENDS

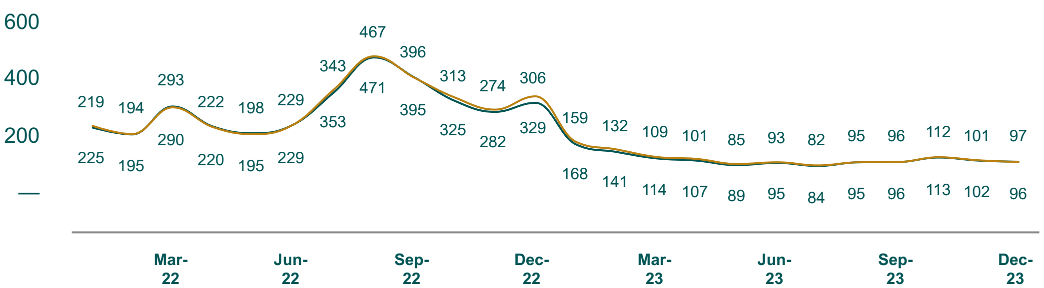
ELECTRICITY PRICES DECREASED SIGNIFICANTLY, YET REMAIN ELEVATED

Global electricity markets improved in 2023 compared to the previous year, as a result of gas demand reductions in Europe and Asia (source: International Energy Agency). In the Netherlands and Belgium, electricity prices decreased from €270/Mwh in 2022 to €98/Mwh in 2023 (see graph: "Futures prices for the Netherlands and Belgium (€/Mwh), ICE ENDEX"). The decrease in wholesale prices was registered in the first half of the year, alleviating the pressure on household electricity retail prices across Europe, and was accompanied by a fall in electricity consumption in the region. In addition, the share of electricity generated by renewables increased versus the share generated by fossil fuels (source: Directorate-General for Energy, European Commission).

In the U.S., electricity prices increased from €159/Mwh in 2022 to €168/Mwh in 2023 (source: U.S. Bureau of Labor Statistics). Energy generation also increased in the U.S., especially from renewable resources; in September, we saw 1.8% total net generation growth over last year (source: "Short-term Energy Outlook," U.S. Energy Information Administration).

Ahold Delhaize continues to work to secure its electricity supply and prices by purchasing electricity in advance where possible; this allows the company to manage the risks arising from the continued volatility in the energy market, locking in longer-term electricity prices to avoid excessive risks. The company also puts a lot of effort into prioritizing the use of green energy above other sources. In 2023, 52% of electricity used came from green sources, which was 12% higher than last year.

Futures prices for the Netherlands and Belgium (€/Mwh)

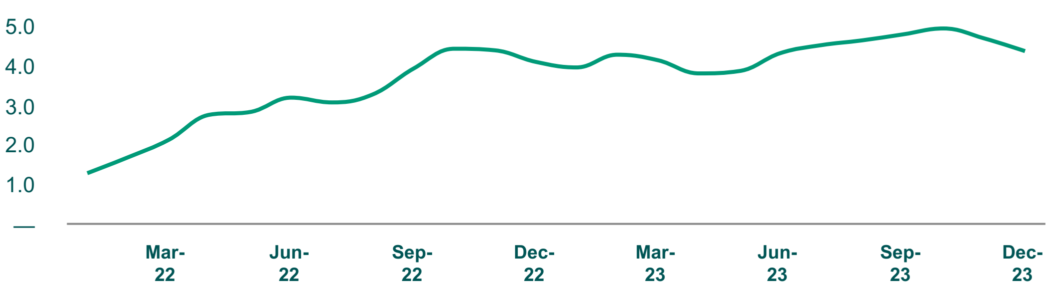


Source: ICE ENDEX (2022 data has been restated in 2023 by the ICE ENDEX

MODEST INCREASE IN INTEREST RATES

Our business is impacted by fluctuating interest rates. The three-year constant maturity market yield on U.S. Treasury securities modestly increased throughout 2023, favorably impacting the present value of our insurance liabilities.

Market yield on U.S. Treasury securities at three-year constant maturity



Source: Board of Governors of the Federal Reserve System (U.S.), Market yield on U.S. Treasury securities at three-year constant maturity, quoted on an investment basis [DGS3], retrieved from FRED, Federal Reserve Bank of St. Louis

FOREIGN EXCHANGE RATE FLUCTUATIONS

The majority of the Ahold Delhaize brands' operations are located in the United States and denominated in U.S. dollars, which is translated into euros for consolidated results. U.S. economic growth was stronger than predicted for 2023, backed by strong consumer spending, jobs and real wages growth (source: CEA, thewhitehouse.org). While economic growth initially resulted in U.S. dollar growth, it slowed down towards the end of 2023, influenced by the growing inflation and market expectations around interest rates decreases (source: Reuters). By the end of 2023, the U.S. dollar depreciated by 2.8% against the euro (source: Bloomberg). A weakening dollar impacted our consolidated financial results unfavorably. For more information, see *Note 2* to the consolidated financial statements.

CURRENCY		2023	2022	CHANGE IN THE AVERAGE ANNUAL VALUE OF THE CURRENCY
U.S. dollar	USD/EUR	0.9248	0.9515	(2.8)%
Czech crown	CZK/EUR	0.0417	0.0407	2.4%
Romanian leu	RON/EUR	0.2022	0.2028	(0.3)%
Serbian dinar	RSD/EUR	0.0085	0.0085	0.2%

Source: Average exchange rates 2022-2023, Bloomberg

TARGETS AND RESULTS

GROUP PERFORMANCE

NET SALES

€88.6bn 3.8%*

1.9% vs. 2022

COMPARABLE SALES GROWTH (EXCLUDING GASOLINE SALES)

3.9%

OPERATING INCOME

€2.8bn (22.9)%*

(24.5)% vs. 2022

UNDERLYING OPERATING INCOME

€3.6bn (1.2)%*

(3.3)% vs. 2022

UNDERLYING OPERATING MARGIN

4.1% (0.2)pp*

(0.2) pp vs. 2022

FREE CASH FLOW

€2.4bn €0.2bn

*At constant rates.

GROUP PERFORMANCE

€ MILLION	2023	2022	CHANGE	% CHANGE	% CHANGE AT CONSTANT RATES
Net sales	**88,649**	86,984	1,665	1.9%	3.8%
Of which: online sales	**9,015**	8,618	397	4.6%	6.1%
Cost of sales	**(64,880)**	(63,689)	(1,191)	1.9%	
Gross profit	**23,769**	23,295	474	2.0%	
Other income	**499**	663	(164)	(24.8)%	
Operating expenses	**(21,422)**	(20,190)	(1,232)	6.1%	
Operating income	**2,846**	3,768	(922)	(24.5)%	(22.9)%
Net financial expense	**(546)**	(552)	7	(1.2)%	
Income before income taxes	**2,300**	3,216	(916)	(28.5)%	
Income taxes	**(456)**	(714)	258	(36.1)%	
Share in income of joint ventures	**30**	44	(14)	(31.6)%	
Income from continuing operations	**1,874**	2,546	(672)	(26.4)%	
Income (loss) from discontinued operations	**—**	—	—	(87.7)%	
Net income	**1,874**	2,546	(672)	(26.4)%	(24.9)%
Operating income	**2,846**	3,768	(922)	(24.5)%	(22.9)%
Adjusted for:					
Impairment losses and reversals – net	**375**	235	140		
(Gains) losses on leases and the sale of assets – net	**180**	(198)	378		
Restructuring and related charges and other items	**202**	(78)	280		
Underlying operating income	**3,604**	3,728	(124)	(3.3)%	(1.2)%
Depreciation and amortization[1]	**3,462**	3,432	30		
Underlying EBITDA	**7,066**	7,161	(95)	(1.3)%	0.6%
Underlying operating income margin	**4.1%**	4.3%	(0.2) pp		
Underlying EBITDA margin	**8.0%**	8.2%	(0.3) pp		

1 The difference between the total amount of depreciation and amortization for 2023 of €3,469 million (2022: €3,433 million) in Note 8 and the €3,462 million (2022: €3,432 million) mentioned in the table relates to items that were excluded from underlying operating income.

TARGETS AND RESULTS

GROUP PERFORMANCE

SHAREHOLDERS

€ UNLESS OTHERWISE INDICATED	2023	2022	% CHANGE
Net income per share attributable to common shareholders (basic)	**1.95**	2.56	(23.9) %
Underlying income per share from continuing operations	**2.55**	2.56	(0.6) %
Dividend payout ratio	**43%**	40%	3.4 pp
Dividend per common share	**1.10**	1.05	4.8%

OTHER INFORMATION

€ MILLION	2023	2022	% CHANGE
Net debt[1]	**14,267**	14,416	(1.0)%
Free cash flow[2]	**2,425**	2,188	10.8%
Capital expenditures included in cash flow statement (excluding acquisitions)	**2,434**	2,490	(2.3)%
Number of employees (in thousands)	402	414	(2.9)%
Credit rating/outlook Standard & Poor's	**BBB+ / stable**	BBB / positive	—
Credit rating/outlook Moody's	**Baa1 / stable**	Baa1 / stable	—

Certain key performance indicators contain alternative performance measures. The definitions of these measures are described in the *Definitions and abbreviations* section of this Annual Report.
1 For reconciliation of net debt, see *Financial position* in this report.
2 For reconciliation of free cash flow, see *Cash flows* in this report.

INFLATION POSITIVELY IMPACTS SALES, BUT IMPACTS PROFITABILITY NEGATIVELY

Ahold Delhaize delivered robust results in 2023, with strong sales growth, while maintaining a strong underlying operating margin. Group net sales were positively impacted by continued comparable sales growth (excluding gasoline) in both regions and, to a lesser extent, Albert Heijn's cooperating agreement with Jan Linders, partially offset by negative growth in gasoline sales and unfavorable foreign exchange translation effects.

The divestment of FreshDirect in Q4 negatively affected net sales to a limited extent.

While inflation was moderating throughout 2023, food inflation remained high, particularly in Europe. The region continued to be affected by disruptions from the war in Ukraine, and high energy costs continued to affect the entire agri-food chain.

In 2023, foreign exchange translations had a negative impact on the financial results, as the majority of our brands' sales originate in the United States and are denominated in U.S. dollars.

Overall net sales increased by 1.9% to €88,649 million driven by higher prices in both the U.S. and Europe. Both regions experienced a decline in volumes due to reduced demand stemming from the strain on consumer spending.

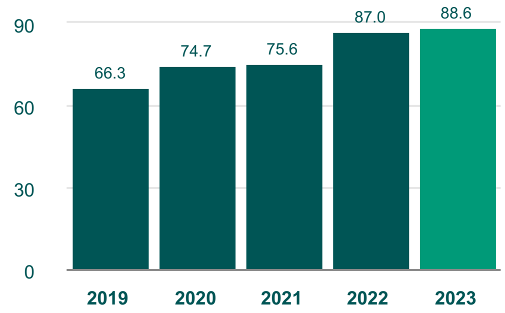
Net online sales grew at similar single-digit rates in both regions. In the U.S., Food Lion increased its online sales at high double-digit rates, while FreshDirect experienced single-digit decline. In Europe, both our non-food and food retail sales increased at single-digit rates, at both our food retail brands and bol.

During 2023, our brands' cost of sales continued to increase slightly, as well as other expenses, causing a continued pressure on the underlying operating margin. Nonetheless, our brands also continued to help customers navigate the inflationary environment through their personalized loyalty programs and our Save for Our Customers cost savings program and by leveraging the scale provided by our global portfolio.

Despite strong cost-saving programs, underlying operating margins ended up at 4.1%, a decrease of 0.2 percentage points compared to last year. Our margin based on (IFRS) reported operating income amounts to 3.2% of net sales, a decrease of 1.1 pp compared to last year. Operating margins were under pressure due to higher operating costs driven by inflationary pressures, predominantly in the U.S., and strikes at Delhaize Belgium after management announced its intention to transform all of its integrated supermarkets in Belgium to independently operated stores. Margin pressure was partly offset by continued efforts by our brands to deliver customers great value through our Save for Our Customers cost-savings program, as tight cost management continues to remain a core objective of our business model. Various one-offs during the year, as well as the cycling of prior year one-offs, balanced out in a slightly positive result.

Free cash flow increased year over year by €283 million at constant rates to €2,425 million. The increase was mostly driven by a positive development in working capital, due to improvements in Europe, and the recovery of an outstanding receivable related to an agreement with the Belgian tax authorities, partially offset by a lower operating cash flow and increased net investment.

Net sales over time (€ billion)



Net sales contribution by segment

The United States	**61.5%**
Europe	**38.5%**

GROUP PERFORMANCE

MODERATE INCREASE IN NET SALES

Net sales for the financial year ending on December 31, 2023, were €88,649 million, an increase of €1,665 million, or 1.9%, compared to net sales of €86,984 million for the financial year ending on January 1, 2023. At constant exchange rates, net sales were up by €3,232 million or 3.8%.

Gasoline sales decreased by 19.9% in 2023 to €1,068 million. At constant exchange rates, gasoline sales decreased by 17.5%, as a result of moderating gasoline prices in 2023 compared to a spike in gasoline prices in 2022 driven by the war in Ukraine.

Net sales excluding gasoline increased in 2023 by €1,931 million, or 2.3%, compared to 2022. At constant exchanges rates, net sales excluding gasoline increased in 2023 by €3,459 million, or 4.1%, compared to 2022. The main driver of sales growth was inflation, due to its effect on shelf prices in our brands' stores, partially offset by unfavorable foreign currency translation effects, and a slight headwind resulting from the transformation of Belgian stores and strikes in Belgium. Moreover, in the U.S., the reduction of Supplemental Nutrition Assistance Program (SNAP) benefits compared to 2022 resulted in a headwind for sales growth.

In addition, comparable sales growth excluding gasoline sales increased by 3.9% in 2023 compared to 2022.

Net sales split by category

€ MILLION	2023	2022	CHANGE VERSUS PRIOR YEAR	% CHANGE	CHANGE VERSUS PRIOR YEAR AT CONSTANT EXCHANGE RATES	% CHANGE AT CONSTANT EXCHANGE RATES
Net sales	**88,649**	86,984	1,665	1.9%	3,232	3.8%
Of which gasoline sales	**1,068**	1,334	(266)	(19.9)%	(227)	(17.5)%
Net sales excluding gasoline	**87,580**	85,650	1,931	2.3%	3,459	4.1%
Of which online sales	**9,015**	8,618	397	4.6%	514	6.1%
Net consumer online sales	**11,865**	11,323	542	4.8%	660	5.9%

Healthy sales

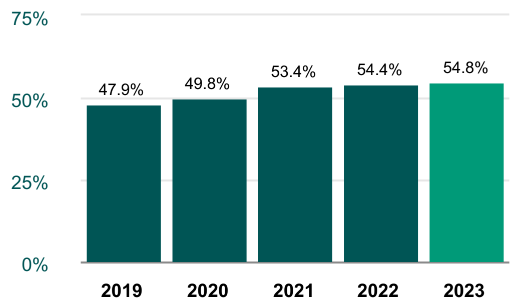
	2023	2022	CHANGE VS PRIOR YEAR
% of healthy own-brand food sales as a proportion of total own-brand food sales	**54.8%**	54.4%	0.4 pp

By 2023, 54.8% of own-brand food sales across our brands consisted of sales from healthy products – higher than our 54.6% ambition and an increase from 54.4% in 2022. Our ambition of 54.6% has been adapted to the Guiding Stars algorithm change in the U.S., following stricter dietary guidelines for Americans. This had a -0.4 percentage-point impact on a Group level, changing the target from 55.0%, as per our Annual Report 2022, to 54.6%.

The increase in our healthy sales percentage was achieved through many initiatives at our local brands. In the U.S., Giant Food offered a five-week "Healthier Together" series of free classes focussed on nutrition and healthy living and Stop & Shop held webinars with tips for grocery shopping and how to cook heart-healthy meals in support of American Heart Month. In Europe, we observed a shift in customer behavior towards more own-brand products; however, this was mostly observed in categories with relatively fewer healthy products, such as sweets and soft drinks. Despite this shift, our healthy sales percentage also increased in Europe, because of initiatives such as Mega Image's relaunch of its Nature's Promise own brand to help customers eat healthily in an affordable way.

See *ESG statements* for more information on how we measure the percentage of healthy own-brand sales.

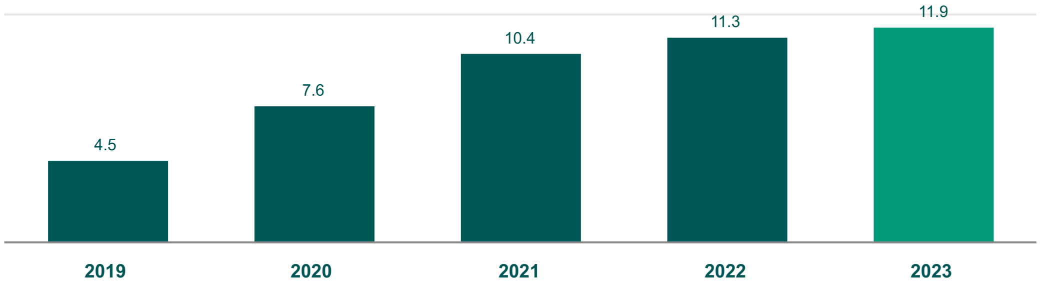
% Healthy own-brand food sales



TARGETS AND RESULTS

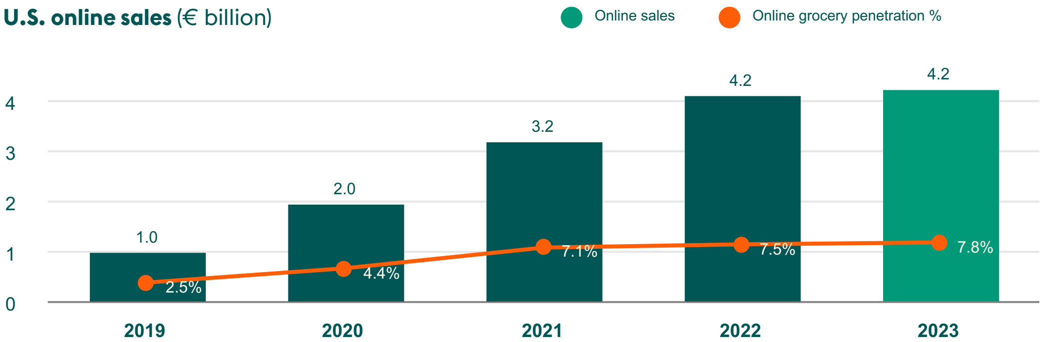
GROUP PERFORMANCE

Net consumer online sales (Group)[1] (€ billion)

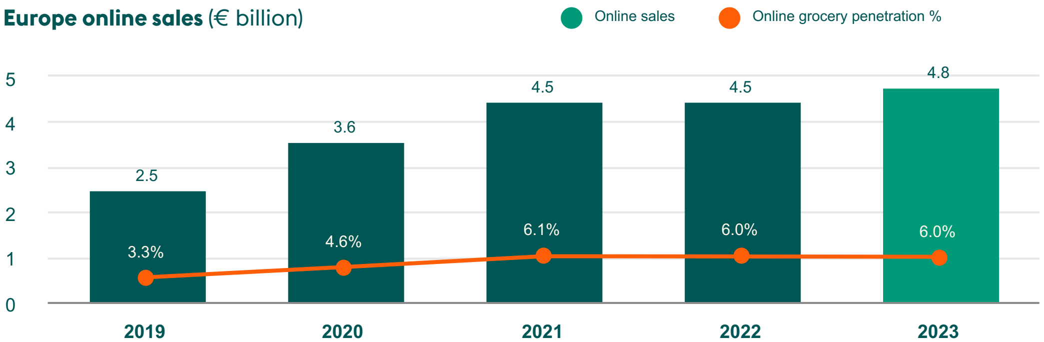


1 See *Alternative financial performance measures*.

U.S. online sales (€ billion)



Europe online sales (€ billion)



ONLINE SALES GROWTH CONTINUES

In 2023, we continued to deliver strong net consumer online sales, which amounted to €11,865 million, an increase of 5.9% at constant exchange rates. This was mostly driven by bol, which increased net consumer online sales by 6.2% over last year. This solid performance was helped by bol's well-performing logistics and advertising services. Online sales contributed €9,015 million to net sales (2022: €8,618 million).

The U.S. segment continued to see momentum in online sales. Net online sales increased by 5.1% in constant currency, also supported by an increased number of click-and-collect points (1,558 vs. 1,547 in 2022). We saw a double-digit increase in sales in this channel compared to last year, while home delivery sales decreased. Platform sales with third parties such as Instacart increased by single digits. Online penetration grew from 7.5% to 7.8%, led by Food Lion. Macroeconomic factors, including a reduction in SNAP benefits and constrained household budgets, led to a slowing in online growth during the latter part of the year. Against this backdrop, the U.S. brands focused on balancing growth, improving margin and investing for long-term success.

The U.S. brands invested in technology and data to offer richer and more seamless experiences for customers, create efficiencies at scale, and deliver greater ROI for our retail media and data partners. Notably, Food Lion began its migration onto PRISM (our proprietary e-commerce platform), with Hannaford to follow in 2024. The brands launched native mobile apps, which increased overall user engagement and performance, as well as an in-house recommendation engine to deliver a more personalized experience. And the brands' expanded retail media capabilities amplified the momentum with advertisers.

In addition, the U.S. brands are orienting fulfillment toward a store network that offers higher immediacy for customers and improves operational flexibility. The brands are well positioned to meet growing consumer preferences for pickup and faster delivery speeds (same-day delivery is now 74% of sales versus 40% in 2022). The U.S. brands continue to strengthen their execution and productivity metrics to improve the customer experience and unit economics.

In Europe, net consumer online sales increased by 6.3%. In addition to bol, all our European brands grew versus last year in the grocery e-commerce channel, with ah.nl as the main driver. Online grocery penetration remained constant at 6.0%, driven by a slight decrease at Albert Heijn that was offset by all of the other brands. Albert Heijn opened its innovative, sustainable and mainly mechanized e-commerce fulfilment center in Barendrecht. Across the Netherlands, the brand now processes 300,000 online orders per week.

The Europe segment also took big steps forward in strengthening its e-commerce foundations and increased execution and productivity by successfully scaling the e-commerce fulfillment model developed by Albert Heijn to Mega Image in Romania – a significant first phase in the European roll-out plan towards improved e-commerce profitability at the brands.

This was further supported by substantial progress in the digital advertising business across Europe, including enhanced self-service options and the scaling of our advertising technology with Adhese from the Netherlands to Alfa Beta in Greece this year – all of these developments driven by our passion to deliver the best customer experience every day. Albert Heijn grew to 3.3 million weekly app users and now has approximately 950,000 "AH Premium" members in its loyalty program. And bol launched a new payout model for sales partners, enabling further growth and improved partner Net Promoter Score (NPS) (see *Definitions and abbreviations*). Across Europe, the brands shared best practices and design foundations to offer the most impactful

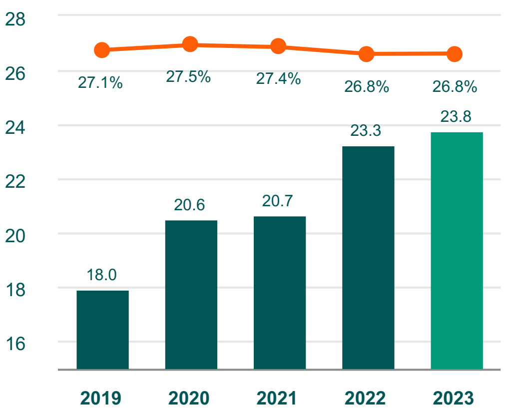
GROUP PERFORMANCE

web and app experience, including new features, such as insights into savings, personal healthy meal ideas and relevant alternative product suggestions. Maxi in Serbia and Delhaize in Belgium launched a dedicated new web-based feature for their growing base of business-to-business customers, ensuring more ease and relevancy in online ordering. It will soon be rolled out to more of our brands in Europe.

GROSS PROFIT

Gross profit was up by €474 million, or 2.0%, compared to 2022. At constant exchange rates, gross profit increased by €908 million, or 4.0%. Gross profit margin (gross profit as a percentage of net sales) for 2023 was 26.8%, remaining equal compared to 2022. Continued margin pressure, driven by ongoing food inflation, has been fully offset, thanks to continued savings initiatives across the business, driven by our successful Save for Our Customers program, in particular, additional "Buy Better" initiatives and sourcing alliances.

Gross profit (€ billion)



Food waste

	2023	2022	CHANGE VS PREVIOUS YEAR
Tonnes of food waste per food sales (t/€ million)	**3.17**	3.29	
% reduction in food waste per food sales (t/€ million)[1]	**37%**	34%	2 pp

1 The reduction is measured against the restated 2016 baseline of 4.99 t/€ million. See *ESG statements* for more information.

Not only is reducing food waste an important ESG KPI, it is also a crucial tool to enhance our profit margins. In 2023, tonnes of food waste per food sales totaled 3.17, a notable 37% reduction compared to the 2016 baseline and a 2 percentage-point improvement compared to the preceding year.

This progress can be attributed to increased food sales as well as a reduction in overall food waste. Food sales increased by 1.5% compared to last year.

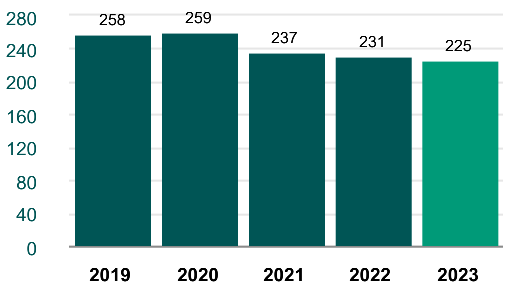
The absolute figure for food waste in 2023 amounted to 225 thousand tonnes, a decrease of 2.3% compared to last year. One way our brands contribute to food waste reduction is through food donations. We directed 25% of unsold food towards feeding those in need, demonstrating an improvement from the reported 22% in 2022.

In addition to more donations, our brands continued to find innovative ways to reduce food waste, such as by providing discounts during late store hours and educating employees on waste-reduction practices. For example, in the U.S., Giant Food works together with Divert to reduce the amount of organic waste going to landfill by marking down, repurposing or donating unsold but still edible food. Stop & Shop conducted training sessions for district leadership, during which they shared best practices on waste diversion and encouraged food donations.

In Europe, Delhaize Serbia strengthened cooperation with food banks on fruit and vegetable donations, and Albert donated multiple vans filled with fresh food to food banks across the Czech Republic. Another noteworthy initiative was undertaken by Alfa Beta, which is sending perishable products close to their expiration dates to a local restaurant that uses them to prepare delicious meals that day.

See *ESG statements* for more information on how we measure our performance on food waste.

Absolute food waste (in thousands of tonnes)[1]



1 Note that 2019 and 2020 figures were not restated to the same ESG reporting scope. See *ESG statements* for more information.

Plastic packaging

	2023	2022	CHANGE VS PRIOR YEAR
% virgin plastic packaging reduction vs. baseline	10.3%	(1.7)%	12.0 pp
% plastic packaging that is reusable, recyclable or compostable	28%	27%	1 pp

1 Reduction is from a restated 2021 baseline of 163 thousand tonnes. See *ESG statements* for more information.

Another important ESG KPI is our plastic packaging. Our brands are constantly working to improve their own-brand packaging by eliminating unnecessary plastic packaging, reducing the consumption of virgin plastic and increasing the use of recycled content.

By 2023, we had reduced our virgin plastic packing by 10.3% compared to our 2021 baseline, an improvement compared to the 1.7% increase vs. baseline last year. Total weight of virgin plastic packaging totaled 146 tonnes, which is 20 tonnes lower than the previous year. This reduction in virgin plastic packaging was mostly realized due to lower volumes of products containing plastic in the U.S., but was also impacted by many initiatives at our local brands, such as the elimination of plastic bags at Stop & Shop. In Europe, Alfa Beta introduced new packaging for organic tomatoes, apples and pears, saving 4,000 kg of plastic annually. At Albert Heijn, plastic bread clips were replaced by paper.

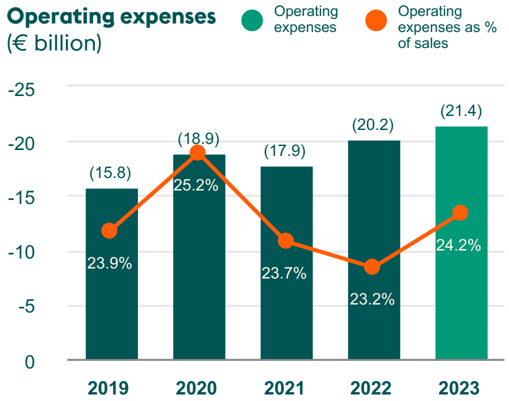
In 2023, 28% of our own-brand primary plastic packaging was reusable, recyclable or compostable, a 1 percentage-point improvement compared to 2022. See *ESG statements* for more information on how we measure our performance on plastic packaging.

OPERATING EXPENSES

In 2023, operating expenses increased by €1,232 million, or 6.1%, to €21,422 million, compared to €20,190 million in 2022. At constant exchange rates, operating expenses increased by €1,603 million, or 8.1%. As a percentage of net sales, operating expenses increased by 1.0 percentage points to 24.2%, compared to 23.2% in 2022. Excluding gasoline sales and at constant exchange rates, operating expenses as a percentage of net sales increased by 0.9 percentage points. Operating expenses as a percentage of sales were considerably higher in 2023 compared to 2022, driven largely by the loss on divestment of FreshDirect and non-recurring restructuring costs related to our Accelerate program, partially offset by strong operational excellence and tight cost control, and moderating energy costs compared to 2022.

Operating expenses include impairments, gains (losses) on leases and the sale of assets, restructuring and related charges, and other items that management believes can distort an understanding of the trend related to the development of our underlying business. Impairment losses and reversals, gains (losses) on leases and the sale of assets – net, and restructuring and related charges are summarized on the next page.

Operating expenses (€ billion)



Greenhouse gas (GHG) emissions (scope 1 and 2)

The primary sources of our scope 1 and 2 CO_2-equivalent emissions are refrigerant leakage, energy consumption, heating and transportation.

Compared to our 2018 baseline, GHG emissions decreased by 35% in 2023. The main driver for the higher reduction percentage compared to last year was our increased use of renewable energy, but emissions from heating and transport also decreased.

GHG emissions from refrigerant leakages are currently our largest source of emissions. In 2023, these emissions totaled 1,323 thousand tonnes, compared to 1,305 thousand tonnes in 2022. CO_2-equivalent refrigerant emissions per square meter were 153 kg, compared to 151 kg last year.

Our brands are working to reduce these emissions by using refrigerants with a lower Global Warming Potential (GWP) and through preventive refrigerant maintenance. The installation of natural refrigerants and low-GWP refrigeration systems during store remodeling caused a decline in average GWP, which reached 2,420 in 2023, compared to 2,475 last year. Our

Greenhouse gas (GHG) emissions (scope 1 and 2)

	2023	2022	CHANGE VS PRIOR YEAR
Absolute CO_2-equivalent emissions from own operations (scope 1 and 2) (thousand tonnes)[1]	**2,679**	2,891	(212)
% reduction in absolute CO_2-equivalent emissions from own operations (scope 1 and 2)[1]	**35%**	29%	5 pp

1 Reduction is from a restated 2018 baseline of 4,095 thousand tonnes CO_2-equivalent emissions. See *ESG statements* for more information.

U.S. brand Food Lion even received two awards from the U.S. Environmental Protection Agency for switching to these lower-GWP refrigerants and reducing emissions. Despite these initiatives, emissions have slightly increased, caused by more leakages in the U.S. brands' stores and at a DC in Mauldin, South Carolina.

Emissions from energy consumption were 1,103 thousand tonnes in 2023, compared to 1,326 thousand tonnes in 2022. This includes emissions from electricity, natural gas and propane. Emissions per square meter of sales area from energy consumption in 2023 were 128 kg compared to 153 kg in 2022.

Our brands continued to work on energy-efficiency measures to lower total electricity consumption – for example, through heat recuperation and by installing LED lights, cabinet doors, new refrigeration systems and improved insulation.

Since electricity consumption remains one of the largest causes of emissions from our own operations, we are sourcing more and more electricity from renewable sources and our brands are generating more of their own electricity by installing solar panels. In 2023, 40% of electricity consumed came from renewable sources, compared to 24% in 2022. Our brands generated 36,857 MWh of electricity by solar panels, compared to 30,484 MWh last year.

Another source of our scope 1 and 2 emissions is transportation. Some of the brands own trucks and delivery vans that deliver goods to stores and customers. The fuel these vehicles use also causes GHG emissions. Included in emissions from transportation is business travel made by our own fleet. Total emissions from transportation declined to 252 thousand tonnes compared to 259 thousand tonnes in 2022.

Two great examples of how our brands are lowering transport emissions are The GIANT Company's introduction of electric vehicles to its fleet to serve the Philadelphia area and Albert Heijn making transport 100% emissions-free in four cities in the Netherlands by the end of 2023.

See *ESG statements* for more information on how we measure GHG emissions for scope 1 and 2.

See the **updated Ahold Delhaize Climate Plan** issued in December 2023.

GROUP PERFORMANCE

IMPAIRMENT LOSSES AND REVERSALS – NET

Ahold Delhaize recorded the following impairments and reversals of impairments of assets – net in 2023 and 2022:

€ MILLION	2023	2022
The United States	**228**	212
Europe	**147**	24
Total	**375**	235

Impairment charges in 2023 were €375 million, up by €140 million compared to 2022. This is mainly attributable to FreshDirect impairment charges for property, plant and equipment and charges related to the transformation of integrated stores into independent affiliated stores in Belgium. To a lesser extent, the impairments related to the closure of fulfillment centers in Jersey City, New Jersey, and Hanover, Maryland, contributed to the Group's impairments.

(GAINS) LOSSES ON LEASES AND THE SALE OF ASSETS – NET

Ahold Delhaize recorded the following (gains) losses on leases and the sale of assets – net in 2023 and 2022:

€ MILLION	2023	2022
The United States	**220**	(181)
Europe	**(40)**	(17)
Global Support Office	**—**	—
Total	**180**	(198)

The losses on leases and the sale of assets in 2023 were €180 million, a €378 million unfavorable change compared to the €198 gain in 2022. This was largely due to the loss on the divestment of FreshDirect and partially offset by the sale of stores to franchisees, mainly related to Jan Linders stores in the Netherlands; gains related to the sale of investment properties and land in the U.S.; and the closure of the Jersey City fulfillment center. In 2022, the gain of €198 million was largely due to the sale of four U.S. warehouses to US Foods.

RESTRUCTURING AND RELATED CHARGES AND OTHER ITEMS

Restructuring and related charges and other items in 2023 and 2022 were as follows:

€ MILLION	2023	2022
The United States	**61**	(33)
Europe	**143**	(49)
Global Support Office	**(2)**	4
Total	**202**	(78)

Restructuring and related charges and other items in 2023 resulted in a €202 million net loss. This net loss is €280 million higher compared to 2022. In 2023, the U.S.-related charges were mostly driven by our Accelerate global restructuring program. In Europe, the net loss was mainly driven by the transformation of integrated stores in Belgium. In 2022, the restructuring and related charges in the U.S. were mainly driven by a net gain related to a further reduction of the defined benefit obligation of the the Food Employers Labor Relations Association and United Food and Commercial Workers Pension Fund ("FELRA") and the Mid-Atlantic UFCW and Participating Employers Pension Fund ("MAP"), related to the American Rescue Plan Act (see *Note 24*). In Europe, the net gain in 2022 was mainly driven by a release of a wage tax provision in Belgium, partially offset by one-off items in the Netherlands.

OPERATING INCOME

Operating income in 2023 went down by €922 million, or 24.5%, to €2,846 million compared to €3,768 million in 2022. This decrease of €922 million is mainly explained by unusual items, related to impairment, losses and restructuring charges, as described earlier in this section. At constant exchange rates, operating income was €846 million or (22.9)% lower than last year.

NET FINANCIAL EXPENSES

Net financial expenses in 2023 were down by €7 million, or 1.2%, to €546 million, compared to €552 million in 2022. The decrease is primarily due to higher interest rates on cash and short-term deposits, partially offset by higher interest expense on external debt and leases.

INCOME TAXES

In 2023, income tax expense was €456 million, down by €258 million, compared to €714 million in 2022. The main reason for the income tax decrease was lower income before income tax.

The effective tax rate, calculated as a percentage of income before income tax, was 19.8% in 2023 (2022: 22.2%). The details behind the effective tax rate decrease can be found in *Note 10*.

SHARE IN INCOME OF JOINT VENTURES

Ahold Delhaize's share in income of joint ventures was €30 million in 2023, or €14 million lower than last year.

Our share of JMR remained flat compared to last year. Our share of Super Indo's results in 2023 was €2 million higher than in 2022. Our share of individually immaterial joint ventures decreased by €16 million, compared to last year, due to the recycling of our share in the sale of property at one of our joint ventures in the U.S. in 2022. For further information about joint ventures, see *Note 15* to the consolidated financial statements.

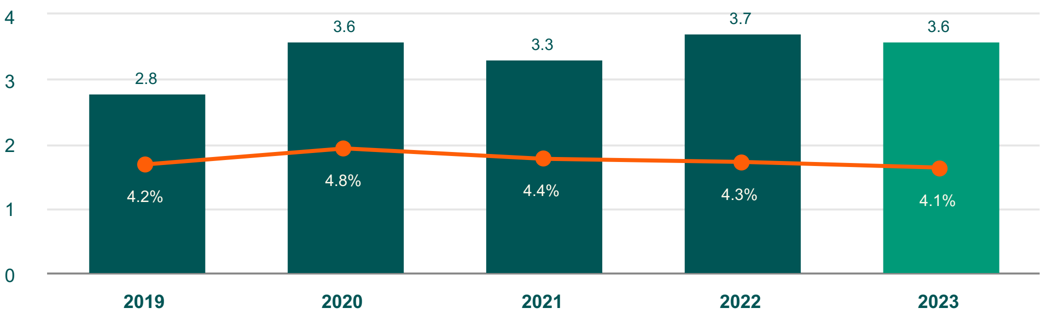
GROUP PERFORMANCE

UNDERLYING OPERATING INCOME AND UNDERLYING OPERATING INCOME MARGIN

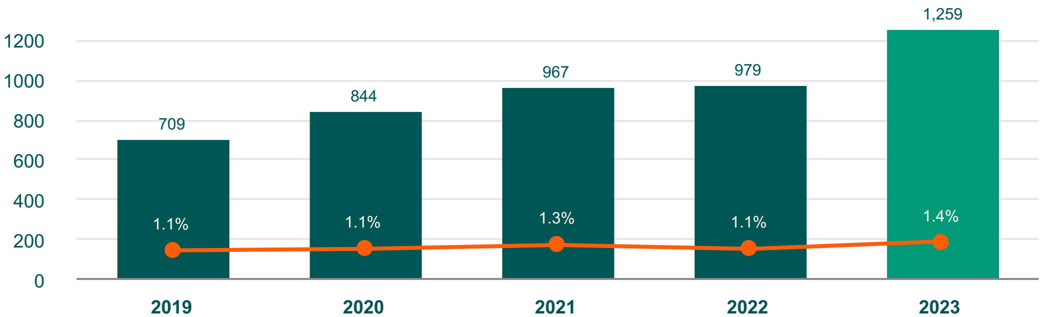
Underlying operating income was €3,604 million in 2023, down €124 million, or 3.3%, versus €3,728 million in 2022. At constant exchange rates, underlying operating income decreased by €45 million, or 1.2%, compared to 2022. The contribution by segment was 70% by the U.S., and 30% by Europe, respectively, which was the same as in 2022. Underlying operating income margin in 2023 was 4.1%, compared to 4.3% in 2022.

Our 2023 underlying operating margins were slightly under pressure versus the prior year, driven mainly by higher operational and administrative expenses that resulted from inflationary pressures, predominantly in the U.S., and strikes at Delhaize Belgium after management announced its intention to transform all of its integrated supermarkets in Belgium to independently operated stores. Margin pressure was partly offset by continued efforts to deliver on our Save for Our Customers cost-savings program. Various one-offs during the year, as well as the cycling of prior year one-offs, balanced out in a slightly positive result.

Underlying operating income (€ billion)



Save for Our Customers (€ million)



Our Save for Our Customers program delivered €1.3 billion in 2023, positively impacting our gross profit and operating expenses and yielding 28.5% more savings than in 2022, despite the challenging market environment. This result is partly due to our Accelerate initiative, launched in Q4 2022. Through Accelerate, we are evaluating additional savings and efficiency levers to streamline organizational structures and processes, optimize go-to-market propositions, increase joint sourcing and consolidate IT – with a clear priority to unlock resources to accelerate our Save for Our Customers program.

This program enables our great local brands to absorb cost increases, invest in better customer propositions and keep shelf prices as low as possible, to best serve customers and local communities, and ensure access to affordable and healthy food options in this inflationary environment.

Underlying operating income contribution by segment[1]

The United States	69.5%
Europe	30.5%

1 Before GSO costs.

FINANCIAL POSITION

FINANCIAL POSITION

€ MILLION	December 31, 2023	% OF TOTAL	January 1, 2023[1]	% OF TOTAL
Property, plant and equipment	**11,647**	**24.4%**	12,482	25.7%
Right-of-use asset	**9,483**	**19.8%**	9,607	19.8%
Intangible assets	**12,998**	**27.2%**	13,174	27.1%
Pension assets	**51**	**0.1%**	54	0.1%
Other non-current assets	**2,180**	**4.6%**	2,419	5.0%
Cash, cash equivalents and short-term deposits and similar instruments, and current portion investment in debt instruments[2]	**3,500**	**7.3%**	3,223	6.6%
Inventories	**4,583**	**9.6%**	4,611	9.5%
Other current assets	**3,380**	**7.1%**	2,984	6.1%
Total assets	**47,821**	**100.0%**	48,555	100.0%
Group equity	**14,755**	**30.9%**	15,405	31.7%
Non-current portion of long-term debt	**14,682**	**30.7%**	15,164	31.2%
Pensions and other post-employment benefits	**792**	**1.7%**	696	1.4%
Other non-current liabilities	**1,983**	**4.1%**	2,209	4.5%
Short-term borrowings and current portion of long-term debt and lease liabilities[2]	**3,085**	**6.5%**	2,476	5.1%
Payables	**8,278**	**17.3%**	8,162	16.8%
Other current liabilities	**4,248**	**8.9%**	4,444	9.2%
Total equity and liabilities	**47,821**	**100.0%**	48,555	100.0%

1 Balance sheet related to January 1, 2023 has been restated.
2 Short-term borrowings and current portion of long-term debt comprise €1,281 million lease liabilities, €250 million short-term borrowings, €767 million bank overdrafts and €787 million current portion loans (for more information, see *Note 26* to the consolidated financial statements).

Ahold Delhaize's consolidated balance sheets as of December 31, 2023, and January 1, 2023, are summarized as follows:

Total assets decreased by €734 million. Property, plant and equipment decreased by €836 million. Regular capital expenditures were offset by depreciation, impairment losses and exchange rate differences. The impairment losses were mostly recognized for FreshDirect and store assets related to Delhaize's transformation. For more information, see *Note 11* to the consolidated financial statements.

Right-of-use assets decreased by €124 million. The main drivers of this decrease were exchange rate differences, investments, reassessments and modifications to leases. For more information, see *Note 12* to the consolidated financial statements.

Intangible assets decreased by €176 million. This decrease was mostly due to lower goodwill, driven by exchange rate differences. For more information, see *Note 14* to the consolidated financial statements.

Other non-current assets decreased by €239 million, mostly driven by a decrease in receivables due to the recovery of a tax-related receivable from the Belgian tax authorities. For more information, see *Note 16* to the consolidated financial statements.

Cash, cash equivalents and short-term deposits and similar instruments, and current portion investment in debt instruments increased by €276 million, mainly driven by our strong free cash flow generation.

Other current assets increased by €396 million, driven by receivables and assets held for sale. For more information, see *Note 18* and *Note 5*.

Our pension and other post-employment benefits increased by €96 million to €792 million. For more information, see *Note 24*.

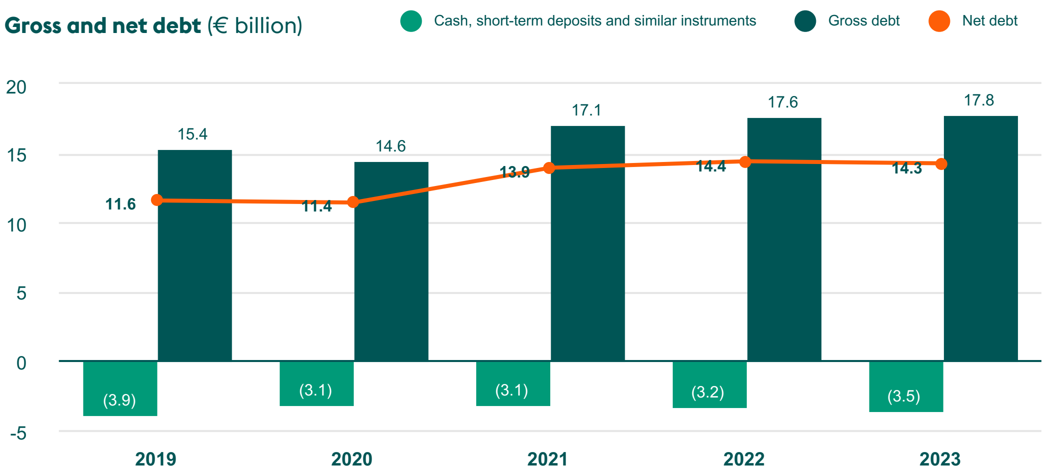
FINANCIAL POSITION

DEBT

€ MILLION	December 31, 2023	January 1, 2023
Loans	**4,137**	4,527
Lease liabilities	**10,545**	10,637
Non-current portion of long-term debt	**14,682**	15,164
Short-term borrowings and current portion of long-term debt[1]	**3,085**	2,476
Gross debt	**17,766**	17,640
Less: cash, cash equivalents, short-term deposits and similar instruments, and short-term portion of investments in debt instruments[2,3,4]	**3,500**	3,223
Net debt	**14,267**	14,416

1 Short-term borrowings and current portion of long-term debt comprise €1,281 million lease liabilities, €250 million short-term borrowings, €767 million bank overdrafts and €787 million current portion loans (for more information see *Note 26* to the consolidated financial statements).
2 Short-term deposits and similar instruments include investments with a maturity of between three and 12 months. The balance of these instruments at December 31, 2023, was €15 million (January 1, 2023: €16 million) and is presented within Other current financial assets in the consolidated balance sheet.
3 Book overdrafts, representing the excess of total issued checks over available cash balances within the Group cash concentration structure, are classified in accounts payable and do not form part of net debt. This balance at December 31, 2023, was €335 million (January 1, 2023: €414 million).
4 Cash and cash equivalents include an amount held under a notional cash pooling arrangement of €767 million (January 1, 2023: €712 million). This cash amount is fully offset by an identical amount included under short-term borrowings and current portion of long-term debt.

Gross and net debt (€ billion)



In 2023, gross debt increased by €126 million to €17,766 million, primarily due to the issuance of a €500 million Green Bond, partially offset by exchange rate movements on the U.S. dollar-denominated liabilities.

Ahold Delhaize's net debt was €14,267 million as of December 31, 2023 – a decrease of €150 million from January 1, 2023. The decrease in net debt was mainly the result of the strong free cash flow generation (€2,425 million), partly offset by the payment of the common stock dividend (€1,044 million), the completion of the €1 billion share buyback program and an increase in lease obligations.

LIQUIDITY

LIQUIDITY POSITION

€ MILLION	December 31, 2023	January 1, 2023
Total cash and cash equivalents (*Note 20*)	**3,484**	3,082
Short-term deposits and similar instruments (*Note 19*)	**15**	16
Investments in debt instruments (FVPL) – current portion (*Note 19*)	**0**	125
Cash, cash equivalents, short-term deposits and similar instruments, and short-term portion of investments in debt instruments	**3,500**	3,223
Less: Notional cash pooling arrangement (short-term borrowings)	**767**	712
Liquidity position	**2,733**	2,511

Ahold Delhaize views available cash balances and funds from operating activities as its primary sources of liquidity, complemented by external sources of funds when deemed to be required. Ahold Delhaize manages short-term liquidity based on projected cash flows. As of December 31, 2023, the Company's liquidity position primarily comprised €2,733 million of cash (including short-term deposits and similar instruments and current portion of investments in debt instruments, adjusted for cash held under a notional cash pooling arrangement), and the undrawn portion of the €1.5 billion revolving credit facility.

Based on the current operating performance and liquidity position, the Company believes that cash provided by operating activities, the available cash balances and the undrawn portion of the revolving credit facility are sufficient to fund working capital needs, capital expenditures, interest payments, dividends, the announced €1 billion share buyback program, and scheduled debt repayments for the next 12 months. The Company entered into a €1.2 billion bridge facility to cover the funding of the announced acquisition of Profi in Romania. Finally, the Company has access to the debt capital markets based on its current credit ratings.

GROUP CREDIT FACILITY

Ahold Delhaize has access to a five-year €1.5 billion committed, unsecured, multi-currency and syndicated revolving credit facility, with two one-year extension options. In 2023, the Company agreed with the lenders to exercise the first option, extending the maturity to December 2028. This facility links the cost of borrowing to the Company's annual performance on sustainability KPIs that are aligned with its Grounded in Goodness strategy.

The credit facility contains customary covenants and a financial covenant that requires Ahold Delhaize, if its corporate rating from Standard & Poor's and Moody's is lower than BBB/Baa2, respectively, not to exceed a maximum leverage ratio of 5.5:1. The maximum leverage ratio was unchanged compared to the prior credit facility, dated 2020.

During 2023 and 2022, the Company complied with these covenants and was not required to test the financial covenant because its credit rating exceeded the thresholds. As of December 31, 2023, there were no outstanding borrowings under the facility.

CREDIT RATINGS

Maintaining investment grade credit ratings is a cornerstone of Ahold Delhaize's financial strategy because such ratings optimize the cost of funding and facilitate access to a variety of lenders and markets. Ahold Delhaize's current credit ratings from the solicited rating agencies are as follows:

- Standard & Poor's: corporate credit rating BBB+, with a stable outlook since March 2023 (2022: BBB with positive outlook).
- Moody's: issuer credit rating Baa1, with a stable outlook since February 2018 (2022: Baa1 with stable outlook).

CASH FLOWS

CONSOLIDATED CASH FLOWS

Ahold Delhaize's consolidated cash flows for 2023 and 2022 are as follows:

€ MILLION	2023	2022
Operating cash flows from continuing operations	**6,466**	6,110
Purchase of non-current assets (cash capital expenditure)	**(2,434)**	(2,490)
Divestment of assets/disposal groups held for sale	**136**	288
Dividends received from joint ventures	**22**	38
Interest received	**160**	56
Lease payments received on lease receivables	**117**	115
Interest paid	**(226)**	(174)
Repayments of lease liabilities	**(1,815)**	(1,755)
Free cash flow	**2,425**	2,188
Proceeds from long-term debt	**500**	—
Repayments of loans	**(291)**	(162)
Changes in short-term loans	**97**	(93)
Changes in short-term deposits and similar instruments	**—**	—
Dividends paid on common shares	**(1,044)**	(979)
Share buyback	**(999)**	(997)
Acquisition/(divestment) of businesses, net of cash	**(164)**	(7)
Other cash flows from derivatives	**—**	—
Other	**(49)**	(41)
Net cash from operating, investing and financing activities	**475**	(92)

Operating cash flows from continuing operations were higher by €356 million. At constant exchange rates, operating cash flows from continuing operations were higher by €463 million, or 7.7%. The purchase of non-current assets was lower by €57 million, or €12 million lower at constant exchange rates.

FREE CASH FLOW

Free cash flow, at €2,425 million, increased by €237 million compared to 2022, mainly driven by favorable operating cash flow from continuing operations of €356 million and favorable net interest of €52 million. This upside was partly offset by higher net investments of €96 million, unfavorable repayment of lease liabilities of €61 million and lower dividends received from joint ventures in 2023 compared to 2022 of €17 million.

The positive changes in operating cash flow resulted mainly from favorable changes in working capital in Europe and lower income taxes paid in 2023 versus 2022 (see *Note 10*). Favorable changes in working capital resulted from improvements in inventories and payables. The favorable difference in cash flows, related to income taxes, pertains to the agreement with the Belgian tax authorities and the recovery of the associated outstanding receivable. In March 2023, Ahold Delhaize signed an agreement with the Belgian tax authorities relating to its tax return over 2018. Based on this agreement, Ahold Delhaize fully recovered its associated outstanding receivable. The payment was received in May 2023.

In 2023, the main uses of free cash flow included:

- Share buyback program, for a total amount of €999 million.
- Common stock final dividend of €0.59 per share for 2022, paid in 2023, and common stock interim dividend of €0.49 per share for 2023, resulting in a total cash outflow of €1,044 million.

TARGETS AND RESULTS

CAPITAL INVESTMENTS AND PROPERTY OVERVIEW

Capital expenditure (CapEx), including acquisitions and additions to right-of-use assets, amounted to €4,099 million in 2023 versus €4,107 million in 2022. Total cash CapEx for the year amounted to €2,434 million in 2023, a decrease of €57 million compared to the previous year. Total regular CapEx was modestly lower than last year; the small decrease is the result of lower store investments in the U.S. in 2023.

Capital investments were primarily allocated to the expansion, remodeling and maintenance of our store network, online channel, supply chain and IT infrastructure, and the development of our digital capabilities.

A portion of our annual investments are focused on reducing our carbon footprint. These include the replacement of refrigeration systems to allow for the use of refrigerants with lower GWP, projects to reduce energy consumption in our facilities, the gradual phase-out of internal combustion vehicles with electric alternatives and other initiatives. In support of these efforts, we require investment proposals to be aligned with the latest company standards regarding energy consumption and the mitigation of potential harmful effects caused by refrigerants.

At the end of 2023, Ahold Delhaize brands operated 7,716 stores, compared to 7,659 in 2022. The Company's total sales area amounted to 9.9 million square meters in 2023, an increase of 0.8% over the prior year.

CAPITAL EXPENDITURES

€ MILLION	2023	2022	CHANGE VERSUS PRIOR YEAR	% OF SALES
The United States	**2,139**	2,283	(144)	3.9%
Europe	**1,889**	1,743	145	5.5%
Global Support Office	**23**	26	(4)	
Total regular capital expenditures	**4,051**	4,053	(2)	4.6%
Acquisition capital expenditures	**49**	54	(6)	0.1%
Total capital expenditures	**4,099**	4,107	(8)	4.6%
Total regular capital expenditures	**4,051**	4,053	(2)	4.6%
Right-of-use assets[1]	**(1,683)**	(1,591)	(92)	(1.9)%
Change in property, plant and equipment payables (and other non-cash adjustments)	**66**	28	38	0.1%
Total cash CapEx (cash capital expenditure)	**2,434**	2,490	(57)	2.7%
Divestment of assets/disposal groups held for sale	**(136)**	(288)	152	(0.2)%
Net capital expenditure	**2,298**	2,202	96	2.6%

1 Right-of-use assets comprises additions (€588 million), reassessments and modifications to leases (€1,080 million) (for more information see *Note 12* to the consolidated financial statements) as well as additions (€5 million) and reassessments and modifications to leases (€11 million) relating to right-of-use assets included within investment properties (for more information see *Note 13* to the consolidated financial statements).

TARGETS AND RESULTS

CAPITAL INVESTMENTS AND PROPERTY OVERVIEW

NUMBER OF STORES

The total number of stores (including stores operated by franchisees) is as follows:

	OPENING BALANCE	OPEN/ ACQUIRED	CLOSED/ SOLD	CLOSING BALANCE
The United States	2,051	2	(5)	**2,048**
Europe	5,608	204	(144)	**5,668**
Total number of stores	7,659	206	(149)	**7,716**

	2023	2022	CHANGE VERSUS PRIOR YEAR
Number of stores operated by Ahold Delhaize	**5,618**	5,619	(1)
Number of stores operated by franchisees	**2,098**	2,040	58
Number of stores operated	**7,716**	7,659	57

Franchisees operated 2,098 stores in the Netherlands, Belgium, Luxembourg and Greece.

The total number of pick-up points is as follows:

	2023	2022	CHANGE VERSUS PRIOR YEAR
The United States	**1,564**	1,549	15
Europe	**269**	263	6
Total	**1,833**	1,812	21

At the end of 2023, Ahold Delhaize operated 1,833 pick-up points, which was 21 more than in 2022. These are either standalone, in-store or office-based and include 1,564 pick-up points in the U.S., of which 1,558 are click-and-collect points.

Ahold Delhaize also operated the following other properties as of December 31, 2023:

Warehouses/DCs/production facilities/offices	**184**
Properties under construction/ development	**97**
Investment properties	**651**
Total	**932**

Investment properties consist of buildings and land not employed in support of our retail operations. The vast majority of these properties were subleased to third parties. Of these, many consisted of shopping centers containing one or more Ahold Delhaize stores and third-party retail units generating rental income.

The total number of retail locations owned or leased by Ahold Delhaize was 6,358 in 2023. This total includes 729 stores subleased to franchisees and 11 pick-up points in stand-alone locations. Ahold Delhaize brands also operate 223 gas stations on the premises of some of their stores. The total number of retail locations owned or leased increased by 65 compared to 2022.

The following table breaks down the ownership structure of our 6,358 retail locations (inclusive of stores subleased to franchisees) and 932 other properties as of December 31, 2023.

	RETAIL LOCATIONS	OTHER PROPERTIES
Company owned % of total	19%	49%
Leased % of total	81%	51%

TAX TRANSPARENCY AND RESPONSIBILITY

TAX TRANSPARENCY AND RESPONSIBILITY

At Ahold Delhaize, we seek to make a positive impact in the communities where our brands operate and be good neighbors. We do this by paying taxes in a way that takes into consideration social and corporate responsibility and the interests of all our stakeholders. Our overall tax approach is in line with Ahold Delhaize's Business Principles, ESG strategy and Code of Conduct.

Our tax policy, which applies to all consolidated group entities, consists of five main tax principles: transparency, accountability and governance, compliance, relationships with authorities and business structure. Our tax principles are aligned with The B Team's Responsible Tax Principles, developed by a group of leading companies, with involvement from civil society, investors and representatives from international institutions. In 2017, The B Team brought together the heads of Tax from nine multinationals to develop the Responsible Tax Principles, which raise the bar on how businesses approach tax and transparency and help forge a new consensus around what responsible tax practice looks like.

Ahold Delhaize complies with the principles included in the VNO-NCW Tax Governance Code. For more information, see *compliance to the code* on the Ahold Delhaize website at *www.aholddelhaize.com*.

Transparency

By paying our share of taxes in the countries where we have operations, we contribute to economic and social development in these countries. Also, with our total tax contribution, we support the UN SDGs.

In 2023, Ahold Delhaize collected and bore many types of taxes: payroll tax, corporate income tax, net-value-added tax (VAT), sales and use (S&U) tax, property tax and real estate tax, dividend tax, excise and customs duties and others (e.g., packaging tax), for a total amount of €5.9 billion. Approximately €1.7 billion of the company's total tax contribution in 2023 was taxes borne.

The total tax contribution and corporate income tax payments that were reported per country are summarized below.

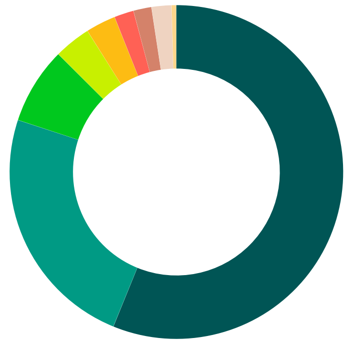
Our effective income tax rate (ETR) over 2023 was 19.8%. This is our worldwide income tax expense for the financial year 2023, amounting to €456 million, shown as a percentage of the consolidated income before income taxes.

For more details on our corporate income tax financial position see **Note 10** to the consolidated financial statements.

Ahold Delhaize 2023 total tax contribution by type €5.9 billion (€ million)

Payroll tax	3,121
VAT and S&U tax	1,594
Corporate income tax	200
Excise and customs duties	399
Property and real estate tax	321
Dividend tax	157
Other	95

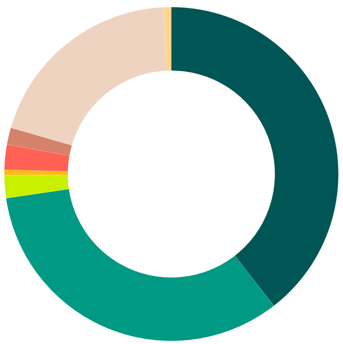
Ahold Delhaize 2023 total tax contribution by country €5.9 billion (€ million)



The United States	3,307
The Netherlands	1,405
Belgium	438
Czech Republic	210
Greece	172
Serbia	111
Romania	103
Switzerland	113
Luxembourg	28

TAX TRANSPARENCY AND RESPONSIBILITY

Ahold Delhaize 2023 corporate tax paid per country €200 million
(€ million)



The United States	224
The Netherlands	188
Belgium	(367)
Czech Republic	13
Greece	3
Serbia	14
Romania	9
Switzerland	112
Luxembourg	4

Tax incentives

We define tax incentives as fiscal measures designed by governments to stimulate investment and encourage growth or a change in behavior by providing more favorable tax treatment to some activities or sectors.

For some of the activities that Ahold Delhaize and the brands undertake as part of our efforts to positively impact communities, there are tax incentives available, as described below.

Ahold Delhaize does make limited use of tax incentives. The main tax incentives applied by Ahold Delhaize in the various jurisdictions where our brands operate are:

Wage tax credits

Certain wage tax credits are available to companies that give opportunities to people who normally face difficulties finding employment, such as individuals with physical disabilities, as local governments seek to stimulate work participation in the labor market for these employees.

Capital investment credits

Local governments sometimes provide capital investment credits to stimulate investment (e.g., in warehouses or stores) in certain areas, to stimulate economic growth in their local communities.

Research and development (R&D) incentives

Local governments sometimes provide R&D incentives to companies undertaking certain activities that increase the level of innovation and economic growth in their communities. We are always striving to innovate as we drive operational excellence, for instance, by optimizing stock in our brands' DCs and stores. We receive R&D incentives for some of these activities.

Accountability and governance

Ahold Delhaize has a well-equipped and professional Tax function. It reports directly to the CFO and has direct access to the Management Board and the Supervisory Board. At least once a year, the function presents a tax update, including the implementation and execution of the tax strategy, to the Audit, Finance and Risk Committee of the Supervisory Board. The global tax policy is approved by the Management Board.

Our tax risk appetite is based on Ahold Delhaize's overall compliance-related risk appetite, which is very low. We recognize the risk that non-compliance with applicable tax laws and regulations could result in damage to Ahold Delhaize's reputation or to the relationship with our host countries. For more information, see *Risk management*.

Tax in control statement:

Being in control in relation to taxes and responsible taxation is an important objective for our Tax department and our Company. We have certain activities in place to support this, including:

- We have a tax control framework to assess and control tax risks for the various taxes and jurisdictions.
- We define, implement and test tax controls resulting from our risk assessment exercises through our various monitoring functions – comprising senior management and the Risk & Controls (second line of defense) and Internal Audit teams – making use of specific Ahold Delhaize tools developed for this purpose.
- Based on the annual internal audit plan, we audit selected taxes and/or jurisdictions. This results in an audit report rating the design and operating effectiveness of our tax controls.
- We have a separate control framework for responsible taxation in place.
- (Local) management signs a letter of representation on a quarterly basis stating, among other things, that they are in compliance with all (tax) controls and policies.
- We hold frequent update meetings with local CFOs and business teams.
- We produce a tax compliance report.
- We organize continuous education for the Tax team and related functions.

Each quarter, our brands sign a letter of representation, which includes an approval and a confirmation on the accuracy and completeness of our tax position. We have a tax strategy in place that is proactively communicated throughout the Company, and we organize training for selected brands and jurisdictions, during which the tax policy and its main principles are explained through tax risk workshops.

On a regular basis, we monitor whether our tax strategy is aligned with the Ahold Delhaize Business Principles, ESG strategy and Code of Conduct. For example, the Tax department's annual objectives are based on the abovementioned principles and strategy and cascaded to individual associates' goals. Department and associate performance compared to these objectives is measured at least once per year.

TAX TRANSPARENCY AND RESPONSIBILITY

Ahold Delhaize associates have access to a whistle-blower line for reporting any ethical or compliance concerns related to company practices, including tax matters.

We are also actively involved in the field of tax technology. We have drafted a global tax technology strategy and roadmap based on five pillars: insights, data driven, automation, risk management and future proof. We set up various initiatives within our direct tax disciplines (such as country-by-country reporting automation, Pillar 2 calculations and a tax reporting engine) and indirect tax disciplines (such as a VAT solution and tax engine), to optimize and upgrade our tax processes. We closely align with broader finance implementations, such as a new core finance system, and our IT function assists us with our tax technology projects.

Compliance

Our tax compliance is based on the following examples of good tax practices:

- We aim to file our taxes in full compliance with local laws and regulations.
- We base our tax compliance on a reasonable and responsible interpretation of tax laws.
- We aim to comply with the letter as well as the spirit of the law.
- We attempt to discuss and clarify uncertainties about the tax treatment upfront with the tax authorities.
- We only seek rulings from tax authorities to confirm the applicable treatment of laws and regulations based on full disclosure of the relevant facts.
- We only make use of tax incentives when they are aligned with our business and operational objectives, follow from the tax law and are generally available to all market participants.

Relationships with tax authorities

Ahold Delhaize engages with tax authorities based on mutual trust, and we seek open and transparent working relationships with them. We provide the tax authorities with any information they require within a reasonable timeframe. This helps both the tax authorities and Ahold Delhaize to foster timely and efficient compliance. In the Netherlands, we have an individual monitoring plan in place with the Dutch tax authorities. In Belgium, we successfully finalized the Co-operative Tax Compliance Program (CTCP) pilot project in 2023.

Stakeholder engagement

As a company close to society, we value constructive dialogue on taxes with the governments in the countries where our brands operate and we respond to government consultations on proposed changes to legislation with the aim to achieve sustainable legislation.

In addition to the tax authorities, our stakeholders also include investors, customers, business partners, non-governmental organizations, employees and the broader communities in which we operate. We are an active member in a number of stakeholder representation groups such as the VNO-NCW and Nederlandse Orde van Belastingadviseurs. We also participate and provide active feedback in the Dutch Association of Investors for Sustainable Development (VBDO) tax transparency initiative. We actively participate in the European Business Tax Forum (EBTF) Total Tax Contribution Study.

Business structure

We have a physical presence in all jurisdictions where we operate and we follow internationally accepted norms and standards (e.g., OECD)/ Action Plan on Base Erosion and Profit Shifting/ EU).

In anticipation of new EU and OECD regulations (e.g., Pillar 2), we ceased operations in Curacao at the end of 2023 and transferred the remaining activities in Curacao to other Ahold Delhaize operations at the first day of the new financial year 2024. We do not expect material changes for any of our other operations with respect to Pillar 2 implementation. See *Note 10* for more information.

Our tax decision-making process is based on the following examples of good tax practices:

- We do not transfer value created to jurisdictions listed on the EU "blacklist" of non-cooperative jurisdictions for tax purposes updated by the Council of the European Union on October 17, 2023, or (low-tax) jurisdictions listed on the Netherlands' blacklist published in the Government Gazette on December 15, 2023.
- We pay tax on profits according to where value is created within the normal course of business.
- We base our transfer pricing policy on the arm's length principle.
- We do not use opaque corporate structures or those situated in low-tax jurisdictions to hide relevant information from the tax authorities.
- We do not operate in countries listed in low-tax jurisdictions.
- We are transparent about the entities we own (see *Note 35* to the consolidated financial statements).
- We will not engage in arrangements with any employee, customer or contractor whose sole purpose is to create a tax benefit in excess of what is reasonably understood to be intended by relevant tax rules.

For more information, see the Ahold Delhaize website at *www.aholddelhaize.com*.

TARGETS AND RESULTS

EARNINGS AND DIVIDEND PER SHARE

Income from continuing operations per common share (basic) was €1.95, a decrease of €0.61, or 23.9%, compared to 2022. The main drivers of this decrease were unfavorable foreign currency translation impacts related to a weaker U.S. dollar in 2023 versus 2022 and higher operating expenses, driven by inflationary pressures, predominantly in the U.S. Costs related to the aforementioned Delhaize Belgium transformation program and the divestment and impairment of FreshDirect also had a significantly unfavorable impact. The decline was partially offset by the decrease in the number of outstanding shares as a result of a €1 billion share buyback program carried out in 2023 (see Note 21 to the consolidated financial statements for more information on the share movements). Underlying income from continuing operations per common share (diluted) was €2.54, a decrease of €0.01, or 0.4%, compared to 2022, also driven by unfavorable foreign currency translation.

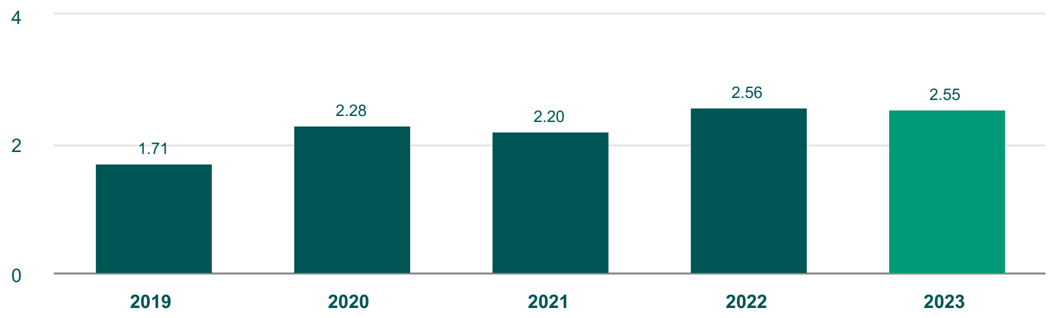
Ahold Delhaize's policy is to target a dividend payout ratio range of 40-50% of its underlying income from continuing operations. Underlying income from continuing operations for 52 weeks amounted to €2,451 million in 2023 and €2,551 million in 2022. As part of our dividend policy, we adjusted income from continuing operations, as shown in the table *Underlying income from continuing operations.*

We propose a cash dividend of €1.10 per share for the financial year 2023, an increase of 4.8% compared to 2022, reflecting our ambition to sustainably grow dividend per share. This represents a payout ratio of 43% of underlying net income from continuing operations for 52 weeks.

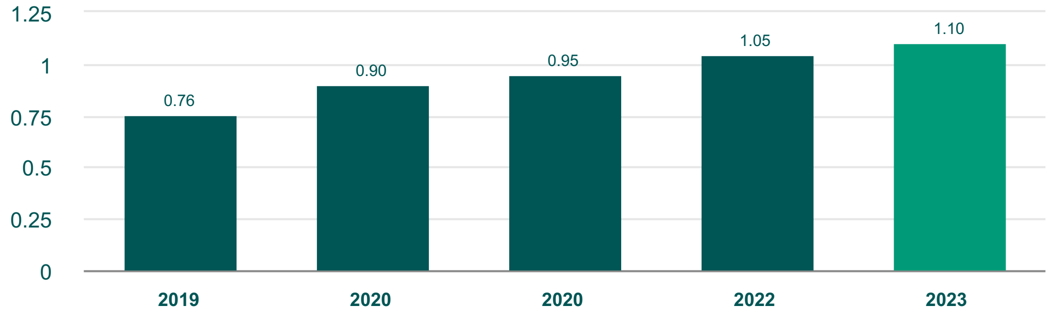
If approved by the General Meeting of Shareholders, a final dividend of €0.61 per share will be paid on April 25, 2024. This is in addition to the interim dividend of €0.49 per share, which was paid on August 31, 2023. In 2023, dividend payments totaled €1,044 million (vs. €979 million in 2022).

UNDERLYING INCOME FROM CONTINUING OPERATIONS € MILLION	2023 (BASED ON 52 WEEKS)	2022 (BASED ON 52 WEEKS)
Income from continuing operations	**1,874**	2,546
Adjusted for:		
Impairment losses and reversals – net	**375**	235
(Gains) losses on leases and the sale of assets – net	**180**	(198)
Restructuring and related charges and other items	**202**	(78)
Unusual items in net financial expense	**—**	—
Tax effect on adjusted and unusual items	**(181)**	44
Underlying income from continuing operations	**2,451**	2,551
Income from continuing operations per share attributable to common shareholders	**1.95**	2.56
Underlying income from continuing operations per share attributable to common shareholders	**2.55**	2.56
Diluted underlying income per share from continuing operations	**2.54**	2.55

Underlying income from continuing operations per common share (basic)



Dividend per common share



See **Information about Ahold Delhaize shares** for further details.

FINANCIAL REVIEW BY SEGMENT

KEY FINANCIAL AND NON-FINANCIAL INFORMATION

The segmental key financial and non-financial information per region for 2023, 2022, 2021 and 2020 is presented below:

	The United States				Europe			
	2023	2022	2021	2020	2023	2022	2021	2020
Net sales (€ millions)	**54,536**	55,218	45,455	45,470	**34,113**	31,767	30,147	29,266
Net sales ($ millions)	**58,976**	57,959	53,699	51,838				
Of which: online sales (€ millions)	**4,247**	4,157	3,228	1,968	**4,768**	4,461	4,477	3,579
Of which: online sales ($ millions)	**4,592**	4,367	3,814	2,259				
Net sales growth in local currency	**1.8%**	7.9%	3.6%	15.6%	**7.2%**	5.0%	2.8%	12.1%
Comparable sales growth[1]	**1.8%**	7.4%	2.6%	13.3%	**6.5%**	2.9%	2.8%	9.5%
Comparable sales growth (excluding gasoline sales)[1]	**2.3%**	6.8%	1.9%	14.4%	**6.5%**	2.9%	2.8%	9.6%
Net consumer online sales (€ millions)	**4,247**	4,157	3,228	1,968	**7,618**	7,166	7,173	5,608
Net consumer online sales ($ millions)	**4,592**	4,367	3,814	2,259				
Operating income (€ millions)	**2,044**	2,605	2,231	1,006	**870**	1,173	1,209	1,380
Operating income ($ millions)	**2,210**	2,733	2,631	1,064				
Underlying operating income (€ millions)	**2,553**	2,603	2,150	2,466	**1,120**	1,131	1,306	1,325
Underlying operating income ($ millions)	**2,761**	2,727	2,543	2,789				
Underlying operating margin	**4.7%**	4.7%	4.7%	5.4%	**3.3%**	3.6%	4.3%	4.5%
Number of employees/headcount (at year-end in thousands)	**229**	239	239	239	**173**	175	174	175
Number of employees/FTEs (at year-end in thousands)[2]	**140**	155	160	158	**91**	94	99	91
Contribution to Ahold Delhaize net sales	**61.5%**	63.5%	60.1%	60.8%	**38.5%**	36.5%	39.9%	39.2%
Contribution to Ahold Delhaize underlying operating income[3]	**69.5%**	69.7%	62.2%	65.0%	**30.5%**	30.3%	37.8%	35.0%

1 For the year 2023, 2022 and 2021, comparable sales growth is presented on a comparable 52-week basis. In the year 2020, comparable sales growth is presented on a 53-week basis.
2 Included in the 91,000 FTEs in Europe in 2023 (2022: 94,000; 2021: 99,000; 2020: 91,000) are 39,000 FTEs in the Netherlands (2022: 40,000; 2021: 40,000; 2020: 32,000).
3 Before GSO costs.

FINANCIAL REVIEW BY SEGMENT

THE UNITED STATES

NET SALES

€54.5bn 1.8%*

2022: €55.2bn (1.2)% vs. 2022

COMPARABLE SALES GROWTH (EXCLUDING GASOLINE SALES)

2.3%

OPERATING INCOME

€2.0bn (19.1)%*

2022: €2.6bn (21.5)% vs. 2022

UNDERLYING OPERATING INCOME

€2.6bn 1.3%*

2022: €2.6bn (1.9)% vs. 2022

UNDERLYING OPERATING MARGIN

4.7% — pp*

2022: 4.7% — pp vs. 2022

NET CONSUMER ONLINE SALES

€4.2bn 5.1%*

2022: €4.2bn 2.2% vs 2022

*At constant rates.

THE UNITED STATES SEGMENT

€ MILLION	2023	2022	CHANGE VERSUS PRIOR YEAR	% CHANGE	% CHANGE AT CONSTANT RATES
Net sales	**54,536**	55,218	(681)	(1.2)%	**1.8%**
Of which online sales	**4,247**	4,157	**90**	2.2%	**5.1%**
Comparable sales growth	**1.8%**	7.4%			
Comparable sales growth excluding gasoline	**2.3%**	6.8%			
Operating income	**2,044**	2,605	(561)	(21.5)%	(19.1)%
Adjusted for:					
Impairment losses and reversals – net	**228**	212	16		
(Gains) losses on leases and the sale of assets – net	**220**	(181)	401		
Restructuring and related charges and other items	**61**	(33)	94		
Underlying operating income	**2,553**	2,603	(50)	(1.9)%	**1.3%**
Underlying operating income margin	**4.7%**	4.7%			

In 2023, net sales were €54,536 million, a decrease of €681 million or 1.2% compared to 2022. At constant exchange rates, net sales showed an increase of 1.8%, mainly driven by inflation. Sales growth was positively impacted by strong pharmacy sales growth, partially offset by lower gasoline sales. The moderation of inflation rates compared to last year and the reduction in federal SNAP benefits had an unfavorable impact on sales growth. Through our strong value propositions and ongoing momentum in online sales, we were able to offset a large portion of these headwinds. The Food Lion and Hannaford brands led performance for the U.S. segment. Food Lion has achieved uninterrupted positive sales growth for 11 consecutive years.

Online sales were €4,247 million, up by 5.1% compared to the prior year at constant exchange rates. The U.S. brands set in motion initiatives that drove higher sales, supported by strong performance and the development of partnerships with third-party delivery services; reduced customer lead and wait times; improved customer value through reduced fees and reduced minimum order values, service and delivery fees; and continued to work on product launches and new releases. This year, the U.S. brands also invested in improving the digital experience and modernizing technology to support peak traffic.

THE UNITED STATES

Own-brand food sales (%)

Own-brand food sales	31.5%
Branded food sales	68.5%

Net sales by category (%)

Fresh	44.6%
Non-perishables	38.2%
Non-food	9.6%
Pharmacy	5.6%
Gas	2.0%

The Ahold Delhaize USA brands continue to strengthen their value propositions by expanding their leading own-brand offerings. In 2023, own-brand food sales accounted for 31.5% of total food sales, down by 0.6 percentage points compared to 2022. This decline was driven by lower fresh product sales and, in particular, meat sales. Nonetheless, the unit penetration of own brands went up in total.

Fresh remained the biggest category in terms of net sales, despite the relative loss of share as a percentage of total sales compared to last year. Non-perishables increased most in terms of relative share, followed by pharmacy. Conversely, the relative share of non-food and gas decreased, with non-food being the category with the highest loss.

Comparable sales excluding gasoline for the segment increased by 2.3%, positively affected by food inflation and a strong sales performance by, most notably, Food Lion and Hannaford. In addition, sales in the U.S. benefited this year from 180 remodels and two new stores.

Operating income decreased by €561 million, or 21.5%, compared to 2022. Underlying operating income was €2,553 million and is adjusted for the following items:

- Impairment losses and reversals – net: In 2023, impairment charges amounted to €228 million, versus €212 million in 2022. In the U.S., these impairments mostly related to property, plant and equipment impairments for FreshDirect and, to a much smaller extent, an impairment on leasehold improvements for the Jersey City, New Jersey, and Hanover, Maryland, fulfillment centers. In 2022, the impairment losses related mostly to the goodwill and other intangible assets of FreshDirect.
- (Gains) losses on leases and the sale of assets – net: In 2023, this total net loss was €220 million, mainly attributable to the loss on the divestment of FreshDirect. In 2022, a €181 gain was recorded that mainly related to the sale of four investment properties to US Foods.
- Restructuring and related charges and other items: In 2023, the net loss amounted to €61 million, mainly driven by the Accelerate restructuring program. As part of this initiative, additional severance provisions and other related costs were included for the closure of the fulfillment centers in Jersey City and Hanover. In 2022, the net gain was mainly related to a reduction of the defined benefit obligation of the FELRA and MAP, related to the American Rescue Plan Act (see *Note 24*).

In 2023, underlying operating income was €2,553 million, down by €50 million or 1.9% compared to last year. At constant exchange rates, underlying operating income increased by 1.3%.

The United States' underlying operating margin in 2023 was 4.7%, flat compared to 2022. The cycling of an insurance reserve release in 2022 and the unfavorable effect of a change in sales mix, as well as higher operating costs and higher shrink, resulted in pressures on the operating margin. A favorable reserve release and one-off settlements in Q4, as well as a modest margin mix benefit from the divestment of FreshDirect, offset the unfavorable effects on margin.

THE UNITED STATES

GROWTH DRIVERS IN ACTION

Drive omni-channel growth

The Ahold Delhaize USA brands have continued to strengthen their market positions through investments into their stores, digital offerings and e-commerce. They continued to invest in remodels, completing over 180 across all brands this year. Food Lion completed 53 remodels, continuing to integrate stores that were acquired from Southeastern Grocers, and also invested into eastern North Carolina with an additional 76 remodels completed in the Wilmington and Greenville markets.

All the U.S. brands have continued to invest in the e-commerce channel, with over 1,558 click-and-collect points across the store footprint and further investments into the supporting infrastructure to improve efficiencies in picking and last mile. Over 11 billion personalized offers were delivered to customers, creating additional value for them and enhancing their overall experience, while strengthening their relationships with the brands.

Elevate healthy and sustainable

In 2023, Ahold Delhaize USA and its brands continued to demonstrate and be recognized for progress on their healthy and sustainable ambitions. They joined ReFED and World Wildlife Fund in launching the U.S. Food Waste Pact to better advance our focus on reducing food waste and eliminating hunger in local communities. This national voluntary agreement helps food businesses advance on their food waste reduction goals. The brands have made great progress; for instance, The GIANT Company reached 110 zero-waste stores, and its partnership with Feeding America has grown across brands.

Reducing plastic packaging is another key focus area. Stop & Shop eliminated front-end carrier bags from all its stores, while Hannaford partnered with a local startup to pilot a fiber-based alternative to certain plastic packaging in the bakery department.

The brands continue to aim to make healthier eating easier. At Giant Food, the Healthy Living Team is testing new technology to better enable Produce Prescriptions and other nutrition incentive programs.

Ahold Delhaize USA's commitment to reducing emissions is evident in Food Lion's 22 years of consecutive Energy Star POTY, Green Chill Superior and Exceptional Goal Achievement awards. The U.S. brands also developed a regenerative agriculture strategy together with The Nature Conservancy.

Cultivate best talent

In 2023, care for associates remained of paramount importance, as workforce, social, and economic environments continued to experience unprecedented demands. This made each U.S. brand's continued commitment to bringing our DE&I aspiration to life even more important, as a way to strengthen associate engagement and each brand's position as an employer of choice.

For example, Giant Food launched a new EVP focused on Grow, Care and Belong, as the brand works to build an organization where associates can develop skill sets, have meaningful rewards and always feel valued and heard. The GIANT Company prioritized expanding the dimensions of diversity and is optimizing employment experiences for neurodiverse team members. Food Lion continued its extensive network of BRGs and actively connected associates to brand business initiatives to provide support, expertise and development opportunities for them.

These are just a few examples of a wide variety of people-centric focus areas across our brands. Each brand brings its own unique people strategy to life and believes that associates are a key differentiator for its business strategy.

Strengthen operational excellence

Ahold Delhaize USA continued to find opportunities to create efficiencies and cost savings and optimize operations. The ADUSA Supply Chain transformation continued with the transition of our self-managed warehouse network – 95% of center store volume is now distributed through one of our facilities.

The Supply Chain teams delivered continued operational improvements to reduce costs, raise service levels to the stores and strengthen partnerships with suppliers. The Save for Our Customer program has continued to deliver savings and efficiencies across the brands, enabling them to improve the overall value proposition to customers and providing opportunities to redeploy savings.

The U.S. teams have also continued to improve their support areas by implementing enterprise-wide systems that create efficiencies in the corporate offices to help support the brands' stores. The further implementations of our SAP finance and HR systems are examples of where the U.S. businesses have been able to provide more standardization and improved processes.

EUROPE

NET SALES

€34.1bn 7.2%*

2022: €31.8bn 7.4% vs. 2022

COMPARABLE SALES GROWTH (EXCLUDING GASOLINE SALES)

6.5%

OPERATING INCOME

€0.9bn (26.0)%*

2022: €1.2bn (25.9)% vs. 2022

UNDERLYING OPERATING INCOME

€1.1bn (1.2)%*

2022: €1.1bn (1.0)% vs. 2022

UNDERLYING OPERATING MARGIN

3.3% (0.3) pp*

2022: 3.6% (0.3) pp vs. 2022

NET CONSUMER ONLINE SALES

€7.6bn 6.3%*

2022: €7.2bn 6.3% vs. 2022

*At constant rates.

EUROPE SEGMENT

€ MILLION	2023	2022	CHANGE VERSUS PRIOR YEAR	% CHANGE	% CHANGE AT CONSTANT RATES
Net sales	**34,113**	31,767	2,346	7.4%	**7.2%**
Of which online sales	**4,768**	4,461	306	6.9%	**6.9%**
Net consumer online sales	**7,618**	7,166	452	6.3%	**6.3%**
Comparable sales growth	**6.5%**	2.9%			
Comparable sales growth excluding gasoline	**6.5%**	2.9%			
Operating income	**870**	1,173	(303)	(25.9)%	**(26.0)%**
Adjusted for:					
Impairment losses and reversals – net	**147**	24	124		
(Gains) losses on leases and the sale of assets – net	**(40)**	(17)	(23)		
Restructuring and related charges and other items	**143**	(49)	191		
Underlying operating income	**1,120**	1,131	(11)	(1.0)%	**(1.2)%**
Underlying operating income margin	**3.3%**	3.6%			

In Europe, inflation remained elevated in 2023, although it decreased versus last year. To help customers manage through these economic times, our great local brands were agile in expanding their assortments with high-quality own-brand products and swiftly reflected price reductions where possible. These efforts continued to build customers' trust in our brands, which was clearly reflected in positive market share growth this year. With our strong portfolio of international brands, we grew our net sales by €2,346 million up to €34,113 million in 2023 or 7.4% compared to 2022. At constant exchange rates, net sales were up by 7.2%. Sales growth was driven by price inflation, continued investment in strong customer value propositions and multiple store openings and remodels throughout the region. This year has been transformational for Ahold Delhaize's brands in Europe. The team at Delhaize Belgium has been busy transitioning to one aligned operating model with all stores operated by local entrepreneurs, which will allow the brand to respond to local market conditions better. By the end of 2023, 89 stores had signed agreements with independent buyers. In the Netherlands, after signing a cooperation agreement with Jan Linders Supermarkets in late 2022, Albert Heijn finalized the conversion of 44 of the Jan Linders stores to its format in 2023. We also announced the planned addition of local Romanian supermarket chain Profi to the Ahold Delhaize family, aiming to strengthen our footprint in the Romanian market. As we continue our journey towards higher value creation by optimizing our value chain, Ahold Delhaize has recently joined the European retail alliance joint venture EURELEC, in addition to our existing AMS and Coopernic buying alliances, to help us address persistent price differences between European markets.

EUROPE

Net consumer online sales were €7,618 million, up by 6.3% compared to last year with strong performance in both food and non-food online retail in the European region. Bol reached 6.2% growth in 2023. The brand's GMV sales from its circa 51,000 third-party sellers grew by 4.9% to €5.8 billion. In addition, bol was able to increase its market share in a declining market, powered by its successful customer proposition, including its popular loyalty program, expansion into new product categories, strong promotional campaigns and new logistics service proposition that enabled the brand to build stronger relationships with suppliers and Partner Platform network partners. The European brands' robust online grocery offering also continued to serve consumers well. Albert Heijn crossed the mark of having approximately 950,000 members in its AH Premium program and continued to see improvements in e-commerce profitability. Our brands continued to leverage the power of their digital capabilities to provide customers with meaningful, highly personalized discounts tailored to their needs and wallets.

Own-brand food sales (%)

Own-brand food sales	49.4%
Branded food sales	50.6%

Net sales by category (%)

Fresh	44.2%
Non-perishables	32.0%
Non-food	23.9%

Part of our focus remains on the continuous growth of our brands' own-brand offerings. During the year, our brands expanded their own-brand assortments even further, from 49.2% of total food sales in 2022 to 49.4% in 2023.

As a percentage of total sales, the relative share of fresh increased from 44.1% in 2022 to 44.2% in 2023, and the relative share of non-food decreased from 24.5% to 23.9%, while the share of non-perishables increased from 31.4% in 2022 to 32.0% in 2023.

Comparable sales excluding gasoline increased by 6.5%, mainly driven by higher prices and partly offset by lower volumes. Strong growth resulted in market share gains in the majority of the European brands this year. Albert Heijn and our brands in Serbia, Romania and the Czech Republic contributed the most to this comparable sales increase.

Operating income decreased by €303 million, or 25.9%, to €870 million, affected by the following items that Ahold Delhaize adjusts to arrive at underlying operating income:

- Impairment losses and reversals – net: In 2023, impairment charges amounted to €147 million, mainly related to the transitioning of own stores into affiliates in Belgium and impairments for underperforming stores in the Netherlands and other European brands. In 2022, impairment charges amounted to €24 million. Belgium, the Netherlands and Serbia account for the majority of impairment charges, most of which were related to underperforming stores.
- Gains (losses) on leases and the sale of assets – net: In 2023, the total net gain was €40 million, arising from the sale of stores to franchisees related to the agreement with Jan Linders and sale of assets in Europe, partly offset by a loss on the sale of stores to affiliates in Belgium. In 2022, the total net gain was €17 million, mainly related to the Netherlands (€10 million) and the Czech Republic (€6 million).
- Restructuring and related charges and other items: In 2023, the charges amounted to a net loss of €143 million, mainly driven by restructuring-related costs pertaining to Belgium. In 2022, the charges amounted to a net gain of €49 million, mainly driven by a release of a wage tax provision in Belgium, partially offset by one-off items in the Netherlands.

In 2023, underlying operating income in Europe was €1,120 million, down by €11 million, or 1.0%, compared to 2022 in actual rates. Underlying operating margin was 3.3% in 2023, down 0.3 percentage points compared to 2022. Margins in Europe were adversely impacted by the impact of the strike in Belgium and other Accelerate initiatives, as well as escalating energy costs, commodity, transport and labor costs. This was offset by a decrease in non-cash service charge for Ahold Delhaize's employee pension plan of €68 million, mainly in the Netherlands, but also in the rest of Europe, due to higher discount rates in the Netherlands, and by increased savings from our brands' Save for Our Customers programs.

The European brands' net sales consist of sales to consumers and to franchise stores. Franchise stores operate under the same format as Ahold Delhaize-operated stores. Franchisees purchase merchandise primarily from Ahold Delhaize, pay a franchise fee and receive support services.

GROWTH DRIVERS IN ACTION

Drive omni-channel growth

In Europe, our brands further expanded their retail ecosystem with increasing options, value and convenience. In 2023, the brands invested in strengthening their store bases, with 286 remodels and 204 new stores, boosted value for customers with the rollout of "Price Favorites" now to nearly 7,000 SKUs, and with innovative promotional campaigns, such as "Little Lions" at Delhaize. The brands deepened their digital relationships with customers by scaling technology and digital solutions, resulting in 6.9% growth in net online sales and a base of loyalty card holders that increased to 12.1 million. Albert Heijn's "Mijn Bonus" was declared the best loyalty program in the Netherlands. Albert also launched an omnichannel website, Mega Image integrated "My Savings" into its app and Delhaize launched meal planning tool "Meal boost." In addition, most brands built out their B2B propositions and improved logistical efficiency, with Maxi and Mega Image opening the first dedicated online DCs. Our brands continued to offer more personalized relevance to customers via digital marketing and started scaling advertising technology with Adhese from the Netherlands to Alfa Beta in Greece. Albert Heijn and bol again substantially moved forward in their digital advertising business with enhanced self-service options, supporting online profitability.

Elevate healthy and sustainable

In 2023, our European brands again made good progress in elevating health and sustainability.

As a part of reducing its carbon footprint, Albert Heijn achieved 100% electric transportation in the largest cities in the Netherlands, stopped using air transportation for goods transport and signed a long-term deal with energy supplier Eneco, guaranteeing 100% green energy from Dutch windmill farms for years to come. Mega Image offset part of its carbon footprint by planting 12,000 trees in a "Mega Forest" in Romania.

To help customers eat well, save time and live better, Albert introduced convenient and healthy meal boxes and Alfa Beta handed out free fruit to kids.

In a milestone event, bol obtained B Corp certification. Meeting B Lab's standards is a great recognition of bol's efforts toward a more sustainable world.

To further lower food waste, Albert Heijn, Delhaize, Albert, Mega Image and Maxi have adapted and stepped up dynamic pricing for products close to their expiry date. Alfa Beta has entered into agreements with food banks and restaurants to increase donations. Our brands also reduced plastic use with initiatives such as Super Indo and Albert significantly increasing recycled plastic in their bags.

Cultivate best talent

The European brands completed the go-live of their unified HR and payroll SAP SuccessFactors platform across all brands in 2023.

During the year, we put in place a Central and Southeastern Europe region made up of Alfa Beta, Maxi, Mega Image and Albert, to enable successful collaboration intended to unlock scale and synergies.

Our European brands also focused on further progressing towards our DE&I aspirations. All of the brands completed a pay equity multiple regression analysis and invested to reduce any unexplainable pay inequities. Our brands also doubled the number of BRGs in place since 2022 – there are now 22 of these groups, covering topics related to generations, LGBTQ+, disabilities, volunteer work and women in leadership, among others.

The brands also invested further in cross-brand manager- and director-level development programs in line with our "Everybody Grows" people pillar. This year saw the inclusion of both topic-specific masterclasses and a mentorship program, which will be further developed in 2024.

Strengthen operational excellence

In a year with high inflation and significant pressure on consumer purchasing power, the European brands managed to accelerate savings as part of our Save for Our Customers program to almost €0.7 billion, in order to support competitive pricing. Key components of the Save for Our Customers agenda are fact-based negotiations with suppliers of branded goods, continued volume aggregation and harmonization of own-brand portfolios to reduce costs and investments in our stores to increase productivity – for example in electronic shelf labels, self-scan and self-checkout processes. Our brands also continue to roll out fully automated HSCs, and to focus on brand-specific actions to reduce overhead costs across Europe.

As announced in September 2023, Ahold Delhaize joined European retail alliance EURELEC to help us realize fair prices for consumers. Established in 2016, EURELEC combines the negotiation and purchasing of large multinational manufacturers of A-brand products in Europe. We believe this promotes the open and fair price negotiation of the largest fast-moving consumer goods brands across Europe to ultimately benefit the brands' customers.

GLOBAL SUPPORT OFFICE

€ MILLION	2023	2022	CHANGE VERSUS PRIOR YEAR	% CHANGE
Global Support Office costs	**(68)**	(10)	(58)	576.6%

Ahold Delhaize's Global Support Office (GSO) consists of functions that help the Company's brands improve the quality of their services.

This includes functions – such as Finance, Legal, Communications and Health & Sustainability – that set functional strategies, provide subject matter expertise, facilitate best practice sharing, and provide policies and guidelines where they add value.

In 2023, GSO costs amounted to €68 million, up €58 million compared to the previous year. This net increase was primarily driven by lower gains on self-insurance activities of €75 million. Discount rates in 2023 increased by 169 basis points, resulting in an insurance result of €77 million, while, in 2022, discount rates increased by 325 basis points, which led to a result of €152 million.

Excluding self-insurance, underlying GSO costs were €146 million, which is €12 million lower than the previous year. This decrease in costs was mainly driven by Accelerate initiatives and increased cost awareness.

GLOBAL SUPPORT OFFICE

GROWTH DRIVERS IN ACTION

Drive omni-channel growth

We continue to draw on the extensive expertise across our organization to support our Leading Together strategy.

Through our group focus areas (GFAs), we strive to increase cross-brand collaboration and knowledge sharing in key strategic areas, such as mechanization and last mile fulfillment, monetization, and payments. Our dedicated teams are amplifying the ongoing initiatives in each of these areas to increase efficiency while also developing new global opportunities.

In addition to the GFAs, our Accelerate initiative, launched last year, further supports the Save for Our Customers program, to drive additional cost savings and value on a global scale.

Elevate healthy and sustainable

During 2023, we further enhanced our ESG efforts. We published our updated Climate Plan including our existing SBTi-validated scope 1 and 2 targets, and re-submitted our 1.5° C-aligned scope 3 targets to SBTi for validation, in line with their latest guidance on FLAG and E&I sector GHG emissions. We also reviewed and updated our approach on nature and biodiversity, and developed a plan to guide our activities, which was approved by the Executive Committee.

Not only have we remained committed to contributing to a healthier planet, but our brands continued their commitment to healthier people. To maintain a focus on this topic and ensure it remains a driving force behind both global and local business priorities, we organized an internal health summit for our U.S. brands and strategic partners, which was attended by over 100 leaders from across all our brands and support organizations.

In 2023, we co-created and launched an executive leadership program with the Cambridge Institute for Sustainability Leadership. It is aimed at further developing a well-informed and proactive senior leadership team that can lead and inspire the organization in achieving its health and sustainability goals while considering long-term impact and societal responsibilities.

Cultivate best talent

People's well-being is a fundamental aspect of our workplace and crucial for our collective success. This year we formed Wellbeing Friends, a group of associates who organize events throughout the year focused on improving mental and physical health. We also held a mental health awareness month in October where we hosted numerous activities, information sessions and discussions to promote mental health and well-being. These efforts and others had a visible impact, as measured by our 2023 AES, which showed that overall engagement for GSO is at 89% and 79% of associates feel Ahold Delhaize provides them with adequate resources for mental health support.

To build upon our culture of fostering an inclusive and supportive workplace, GSO introduced our Gender Transition Policy. We are committed to creating an environment where every individual feels respected, valued and able to bring their authentic selves to work.

Finally we implemented the Working from Abroad policy, to provide flexibility and support for associates. Its aim is to enhance their individual work experience and continue to empower them to embrace new opportunities while maintaining our high standards of productivity and collaboration.

Strengthen operational excellence

The GSO's Global Technology Sourcing & Vendor Management team continued to work on maximizing the Company's scale in 2023. In line with Ahold Delhaize's global technology strategy, we entered into multiple new technology agreements that can be leveraged across regions and brands. While this delivers further synergies and cost benefits to the organization, it also intensifies our relationships and priority with some of the most important global technology companies in the world, giving us access to the latest innovations.

While the availability of IT products improved in 2023 and supply chains seem to be more stable, the availability of technology skills and knowledge remains scarce. During the year, the Global Technology Sourcing & Vendor Management team continued to support the local brands in gaining and securing access to the capabilities they require through the close relationships they have built within our technology partner ecosystem.

OUTLOOK

SUMMARY

KEY FINANCIAL TARGETS[1]	RESULTS IN 2023	OUTLOOK 2024
Group underlying operating margin	4.1%	≥ 4.0%
Diluted underlying EPS growth	(0.4)%	Around 2023 levels
Net capital expenditures[1]	€2.3 billion	Around €2.2 billion
Free cash flow[1]	€2.4 billion	Around €2.3 billion
Dividend payout ratio[2,3]	€0.05 increase in dividend per share 43% payout ratio	Absolute increase in dividend per share and 40-50% payout ratio
Share buyback	€1 billion	€1 billion
DRIVE OMNICHANNEL GROWTH	**RESULTS IN 2023**	**OUTLOOK 2024**
Net consumer online sales growth	+5.9%	High single-digit growth
Loyalty sales growth[4]	+2%	High single-digit growth
Complementary revenue streams growth	+13%	Double-digit growth
ELEVATE HEALTHY AND SUSTAINABLE	**RESULTS IN 2023**	**OUTLOOK 2024[5]**
Healthy own-brand food sales	54.8%	Further improvement
Food waste reduction	37%	> 38%
GHG-emissions reduction (scope 1 & 2)	35% (5pp improvement vs. 2022)	Further reduction
CULTIVATE BEST TALENT	**RESULTS IN 2023**	**OUTLOOK 2024**
Associate engagement score	78%	≥ 78%
Inclusive workplace score	81%	≥ 81%
Associate growth score	75%	≥ 75%
STRENGTHEN OPERATIONAL EXCELLENCE	**RESULTS IN 2023**	**OUTLOOK 2024**
Save for Our Customers	€1.3 billion	≥ €1 billion
Supply chain initiatives	Frozen facility in Mountville, Pennsylvania, in test mode; Plainville, Connecticut, facility planned to go live in H1 2024	Go-live of all facilities that enable fully self-managed U.S. supply chain
Improving online productivity	Opening of the first mechanized HSC in Barendrecht in the Netherlands in Q4 2023	Opening of second mechanized HSC in Zwolle, the Netherlands

1. Excludes M&A.
2. Calculated as a percentage of underlying income from continuing operations.
3. Management remains committed to the share buyback and dividend program, but given the uncertainty caused by the wider macroeconomic consequences due to increased geopolitical unrest, they will continue to monitor macro-economic developments. The program is also subject to changes in corporate activities, such as material M&A activity.
4. Loyalty sales measures the sales generated by active addressable loyalty card holders.
5. The healthy own-brand food sales target has been adjusted to reflect the impact of Nutri-Score 2.0 in our European brands. The 2024 target of further improvement should be aligned to performance including Nutri-Score 2.0 at Albert Heijn and Delhaize. Other European brands will follow in 2025. Targets for food waste and GHG-emissions reduction have been increased based on 2023 performance. More information on our elevate healthy and sustainable targets is reported in the *materiality assessment* section of this report.

OUTLOOK

NOTEWORTHY CHANGES TO OUR BUSINESS IN 2024

The acquisition of Profi is expected to close in the second half of 2024, and will double the size of operations in Romania. As the timing of the closing is uncertain, our 2024 Outlook on performance measures excludes any impact from this transaction.

The following are changes in the business that will impact comparable performance for 2024 and have been incorporated into our Outlook:

- The divestment of FreshDirect will reduce the amount of 2024 net and online sales for the U.S. region.
- Albert Heijn will stop selling tobacco in 2024.

In addition to updating our stakeholders as part of our regular quarterly reporting procedures, we are also pleased to be holding a Strategy Day in May 2024, during which we will present additional insights on our strategic ambitions.

MARKET CONDITIONS BETWEEN REGIONS CONTINUE TO DIVERGE

On a macro level in the U.S., the Conference Board, which tracks U.S. consumer confidence, expects that the first half of 2024 will remain challenging before confidence normalizes in 2025. The 2024 outlook forecasts weak real GDP growth of +0.9% and +1.7%, and real disposable income growth of +0.6% and +1.6%, in 2024 and 2025, respectively.

Although U.S. consumer spending has remained resilient over the past two years, it is uncertain how long this can last. Personal savings are declining, household debt is growing and real disposable income growth has not kept pace with inflation.

In Europe, the European Central Bank (ECB) expects growth starting in early 2024, as declining inflation, strong wage growth and stable employment drives real disposable income growth and improved consumer confidence. If trends hold, consumer spending should also further improve. The ECB forecasts real GDP growth of +0.8% in 2024 and +1.5% in 2025.

Looking specifically at food inflation, the U.S. Department of Agriculture (USDA) predicts that, as of January 2024, food-at-home prices will decrease by 0.4% in 2024, driven primarily by further declines in egg prices. The ECB projects food inflation to fall to 2.6% by the end of 2024, reflecting easing food and energy commodity prices.

While the USDA predicts a decline in food-at-home prices, food-away-from-home prices are expected to increase by 4.7% in 2024. USDA research indicates that income-induced changes and the relative affordability of food-at-home products is causing demand for food-away-from home to fall. This should foster resilient food-at-home demand in the coming year, as customers seek value and a cheaper alternative to eating out.

CONTINUED SALES GROWTH IN 2024

Keeping prices as low as possible is a cornerstone of our customer value proposition, regardless of the state of the consumer environment. Our brands' own-brand assortments continue to be a central part of our portfolio and help ensure there is a basket that meets the needs of every wallet size. In 2024, our brands will further expand their own-brand assortments with a focus on high-quality, innovative offerings. In Europe, our brands will also increase the number of products that qualify as "Price Favorites" to 8,500 products across the European brands. With this, we expect to grow own-brand sales as a percentage of our overall Group sales.

Consistent demand from the food-at-home market, in conjunction with moderating inflation rates and rising promotion levels, should drive a positive trend in volumes and continued comparable sales growth for our business, albeit at percentages closer to our historical levels.

Our position as a leading omnichannel supermarket should also serve us well as customers search for omnichannel solutions. In the U.S., we will see the impact from the changes made in the e-commerce operating model to orient our brands' online fulfillment capabilities toward same-day delivery models and expansion of pick-from-store locations, particularly at Food Lion. In Europe, we will continue to expand access to our omnichannel offerings with additional service locations and new delivery centers in Vorst, Belgium and Zwolle, the Netherlands, as well as innovative propositions for business customers. Our continued investments should foster over-proportionate sales growth in this channel during 2024.

EVOLVING OUR STORE PORTFOLIO IN 2024

We continue to invest in our brands' brick-and-mortar store locations, which we believe will continue to drive sequential improvement in volume and market share trends at the brands.

The U.S. brands will perform a fresh assessment of the entire store portfolio to determine the best path forward. Food Lion will renovate an additional 167 stores as part of its omnichannel remodel program.

In Europe, Belgium will complete the transformation of all stores to independent buyers, allowing the brand to better serve customers. Following regulatory approvals, we will also start the integration of Profi into our existing Romanian footprint.

MAINTAIN HEALTHY MARGINS IN 2024

Our 2024 margins will encounter additional pressures from higher expenses related to labor and product costs, although we should see some relief from energy prices in Europe.

In 2024, we expect to sustain our industry-leading underlying margins of at least 4%. This outlook reflects a balanced approach, with strong cost savings largely offsetting cost pressures.

Our Save for Our Customers program is expected to yield at least €1 billion in 2024, as we continue along the path towards our target of a cumulative €4.0 billion in cost savings over the four-year period ending in 2025. Our Save for Our Customers program will be aided by other drivers, including automation, machine learning and data and media monetization, among others.

With the completion of two automated frozen facilities, the U.S. supply-chain transformation will be complete in 2024. With its completion, the U.S. can focus on optimizing processes to leverage the full capabilities of the network.

In Europe, we continue to identify opportunities to drive synergies and scale across our businesses. such as beginning to harmonize end-to-end processes across departments within our CSE markets. In the Benelux, we will work with our partners in the European retail alliance joint venture EURELEC to set up a single sourcing platform, through which we will start seeing sourcing benefits from 2025.

OUTLOOK

SUSTAINED STRONG FREE CASH FLOW GENERATION

Our operational outlook for 2024 translates into strong cash flow generation, which is reflected in our 2024 free cash flow forecast of around €2.3 billion[1]. This starts with our expectation of strong 2024 operating cash flows, predicated on stable sales growth and consistent margins.

Overall, we expect our free cash flow generation to remain strong over the upcoming years as well, in line with our medium-term cumulative free cash flow forecast of €7.5 billion over the four-year period from 2022 to 2025.

NET CAPITAL EXPENDITURE OF AROUND 2.2 BILLION[1]

We anticipate 2024 net capital expenditures of around €2.2 billion[1], which includes the divestment of facilities in the U.S. Overall, we will maintain strong levels of reinvestment back into our businesses, with continued investments into our omnichannel capabilities and healthy and sustainable initiatives.

RETURNING CAPITAL TO SHAREHOLDERS CONTINUES

The strong level of free cash flow embedded in our 2024 outlook supports our €1 billion share repurchase authorization announced in November 2023, as well as our dividend policy, which calls for sustainable growth in our annual cash dividend and a 40-50% payout ratio from underlying net income.

We propose a cash dividend of €1.10 for the financial year 2023, an increase of 4.8% compared to 2022. If approved by the General Meeting of Shareholders, a final dividend of €0.61 per share will be paid on April 25, 2024. This is in addition to the interim dividend of €0.49 per share, which was paid on August 31, 2023.

1 Excludes M&A

FOCUS ON OUR PEOPLE

High engagement and inclusion helps drive business, professional and personal growth. In 2024, we will continue to pursue our aspirations across the following metrics: an associate engagement score of 78% or greater and an inclusive workplace score equal to or greater than 81%. Because the growth and development of associates is also at the core of our commitment to cultivate best talent, in 2024, we will add an additional aspiration related to this topic: an associate growth score of 75% or greater.

HEALTH AND SUSTAINABILITY AMBITIONS

Health and sustainability will remain a key focus area of our Leading Together strategy. We will continue to focus on healthier lives and reducing Ahold Delhaize's impact on the climate. We will also start the process of identifying updated targets for our health and sustainability targets that currently reach their completion date in 2025.

Health

Health remains a priority for Ahold Delhaize. In 2024, our brands will continue to promote healthy and affordable products and focus on further increasing the percentage of healthy own-brand food sales as a portion of total own-brand food sales.

In 2023, Nutri-Score updated its algorithm to better align with dietary guidelines in the countries that use the system and released Nutri-Score 2.0. When Albert Heijn and Delhaize implement the new algorithm in 2024, and our CSE brands in 2025, their own-brand healthy sales will be negatively impacted since the new algorithm takes a stricter approach. This development is integrated into the 2024 and 2025 healthy own-brand food sales target.

In 2024, we will continue working on our ambition towards 2030, as our current target on healthy food sales ends in 2025. Our brands in Europe continue to work on their protein baseline, which not only will support healthier lifestyles but is also a driver to reduce our scope 3 GHG emissions.

Climate

At the end of 2023, we published an update of our Climate Plan. During 2024, we will remain focused on implementing the identified actions shared in the plan, with the goal to reduce GHG emissions from our own operations (scope 1 and 2) as well as in our value chain (scope 3).

We continue working to reduce food waste in our own operations as well as throughout our value chain. We remain committed to reducing our use of absolute virgin own-brand plastic packaging and to increasing the percentage of recycled plastic packaging in own-brand products. Our target of 100% recyclable, reusable and/or compostable content will not be achieved by 2025, but this will remain a metric we continue to report our progress on.

In 2023, we identified four focus areas for our nature approach and, in 2024, we plan to conduct an assessment to understand our impact, dependencies and risks in more detail.

ESG REPORTING

We recognize the importance of transparency and accountability in reporting and are in the process of implementing the requirements and guidance set forth by the European Union, such as the CSRD, draft Corporate Sustainability Due Diligence Directive (CSDDD) and EU Deforestation-free Regulation.

In 2024, we will update our overview of material topics, in line with the double materiality requirements from the CSRD, and share the outcomes of our CSDDD project and our final Human Rights Report. As of 2025, the Human Rights Report will be integrated into Ahold Delhaize's CSRD reporting updates.

We have selected four main ESG benchmarks: MSCI, Sustainalytics, ISS and the Carbon Disclosure Project (CDP), and will share our performance on these benchmarks annually through our website and annual report.

Key healthy and sustainable performance indicators

More information on all of the targets related to our material topics is included in the *Materiality assessment* section of this report.

We have split our scope 3 GHG-emissions reduction target into a FLAG target and an Energy and Industrial GHG-emissions target. This target split is based on the SBTi methodology, and in line with a 1.5º C trajectory. For more information, see *Elevate healthy and sustainable*.

PERFORMANCE INDICATOR DESCRIPTION	2024 TARGET	2025 TARGET[1]	2030 TARGET	2040 TARGET	2050 TARGET[3]
% of healthy own-brand food sales as a proportion of total own-brand food sales	Further improvement[2]	52.3%			
% reduction in tonnes of food waste per food sales (t/€ million) against 2016 baseline	>38%	>40%	50%		
% reduction of absolute CO_2-equivalent emissions from own operations (scope 1 and 2) (thousand tonnes) against 2018 baseline	Further reduction	>38%	50%	Net zero (90% reduction, 10% removals)	
FLAG emissions: % reduction of scope 3 FLAG GHG emissions from a 2020 baseline (SBTi methodology).			30.3%		72%
Energy and Industrial emissions: % reduction of scope 3 Energy and Industrial GHG emissions from a 2020 baseline (SBTi methodology).			42.0%		90%

1 We decreased the 2025 target for healthy own-brand food sales to 52.3% from 55.6% last year to account for the expected impact of the amended Nutri-Score algorithm, to be implemented in 2024. The 2025 target for food waste was increased to more than 40% from more than 38% last year to align future ambitions with 2023. The 2025 target for scope 1 and 2 CO_2-equivalent emissions was increased to more than 38% from 34% to align future ambitions with 2023 performance.
2 The 2024 target of further improvement should be aligned to performance including the impact of the amended Nutri-Score algorithm at Albert Heijn and Delhaize.
3 We commit to reach net-zero GHG emissions across our own operations and the value chain by 2050, see *Scope 3 setting targets for SBTi*. See *Definitions and abbreviations* for the definition of net zero. We plan to utilize removals to the extent permitted by SBTi.

INFORMATION ABOUT AHOLD DELHAIZE SHARES

SHARES AND LISTINGS

Koninklijke Ahold Delhaize N.V. is a public limited liability company registered in the Netherlands with a listing of shares on Euronext's Amsterdam Stock Exchange (AEX) and Euronext Brussels (Ticker: AD, Bloomberg code: AD NA, ISIN code: NL0011794037, CUSIP: N0074E105, Reuters code: AD.AS).

Ahold Delhaize's shares trade in the United States on the over-the-counter (OTC) market (www.otcmarkets.com) in the form of American Depositary Receipts (ADRs) (ticker: ADRNY, Bloomberg code: ADRNY US, ISIN code: US5004675014, CUSIP: 500467501).

The ratio between Ahold Delhaize ADRs and the ordinary Netherlands (euro-denominated) shares is 1:1 – i.e., one ADR represents one Ahold Delhaize ordinary share.

Structure: Sponsored Level I ADR

J.P. Morgan (the Depositary) acts as the depositary bank for Ahold Delhaize's ADR program. Please also see *Contact information* for details on how to contact J.P. Morgan regarding the ADR program.

SHARE PERFORMANCE IN 2023

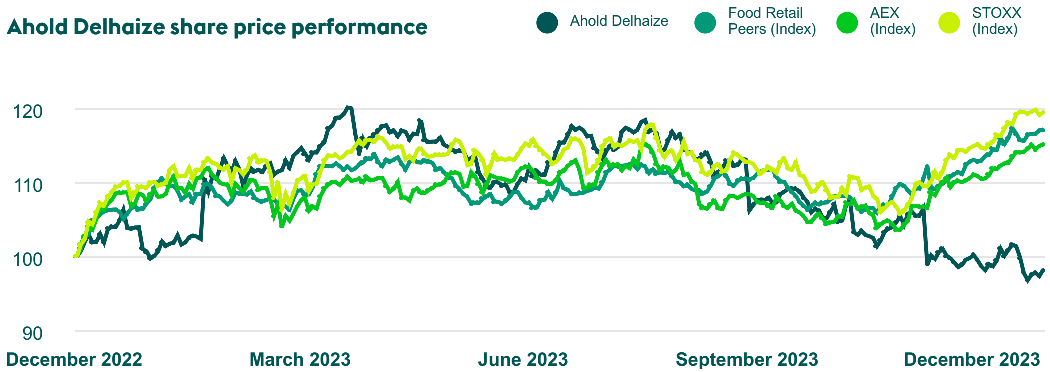
On December 29, 2023, the closing price of an Ahold Delhaize ordinary share on Euronext Amsterdam was €26.02, a 3.1% decrease compared to €26.84 on December 30, 2022. During the same period, the Euro STOXX 50 index increased by 19.2% and the AEX index increased by 14.2%.

During 2023, Ahold Delhaize shares traded on Euronext Amsterdam at an average closing price of €29.27 and an average daily trading volume of 2.1 million shares. Ahold Delhaize's market capitalization was €24.6 billion at year-end 2023. The highest closing price for Ahold Delhaize's shares on Euronext Amsterdam was €32.27 on April 11, 2023, and the lowest was €25.98 on December 14, 2023.

The complete list of the select peer group includes: Walmart Inc., Kroger Co., Tesco Plc., Costco Wholesale Corporation, Carrefour SA, J Sainsbury Plc., Target Corporation and Albertsons Companies, Inc. The chart represents the performance of Ahold Delhaize shares, along with the AEX, Euro Stoxx 50 and our peer group, on an equal weighted basis. The price performance of our shares shown in the graph above is not necessarily indicative of future stock performance.

On December 29, 2023, the closing price of Ahold Delhaize's ADR was 0.3% higher than the closing price on December 30, 2022 ($28.65). In the same period, the Dow Jones Index increased by 13.7% and the S&P 500 increased by 24.2%. In 2023, the average daily trading volume of Ahold Delhaize ADRs was 76,056.

Ahold Delhaize share price performance



Ahold Delhaize share price (€)

PERFORMANCE REVIEW

INFORMATION ABOUT AHOLD DELHAIZE SHARES

Performance of Ahold Delhaize's common shares on Euronext Amsterdam

	2023	2022
Closing common share price at calendar year-end (in €)	**26.02**	26.84
Average closing common share price (in €)	**29.27**	27.53
Highest closing common share price (in €)	**32.27**	31.09
Lowest closing common share price (in €)	**25.98**	24.21
Average daily trading volume	**2,074,697**	2,902,713
Market capitalization (€ million)	**24,615**	26,232

Source: FactSet

EARNINGS PER SHARE

During 2023, Ahold Delhaize realized basic income from continuing operations per share of €1.95 and diluted income from continuing operations per share of €1.94. Basic underlying income from continuing operations was €2.55 per share, and diluted underlying income from continuing operations was €2.54 per share. This difference between our reported and underlying income from continuing operations is related to a net €576 million of one-time charges, largely driven by costs related to the aforementioned Delhaize Belgium transformation program to affiliates and the divestment and impairment of FreshDirect.

SHARE CAPITAL

During 2023, Ahold Delhaize's issued and outstanding share capital decreased by approximately 31 million common shares to 946 million common shares. This decrease resulted mainly from the share buyback of €1 billion as announced on November 9, 2022, marginally offset by the issuance of shares for the Company's share-based compensation program.

The common shares issued decreased by 41 million to 952 million at the end of 2023. The difference between the common shares outstanding and common shares issued are the treasury shares.

As of December 31, 2023, there were 6,352 thousand shares held in treasury, the majority held by Ahold Delhaize to cover the equity-based long-term incentive plan.

Ahold Delhaize's authorized share capital as of December 31, 2023, comprised the following:

- 1,923,515,827 common shares at €0.01 par value each
- 326,484,173 cumulative preferred financing shares at €0.01 par value each
- 2,250,000,000 cumulative preferred shares at €0.01 par value each

For additional information about Ahold Delhaize's share capital, see *Note 21* to the consolidated financial statements.

Distribution of shares

Shareholders by region[1]

%	JANUARY 2024	JANUARY 2023
U.K./Ireland	**17.6**	19.1
North America	**32.4**	30.3
Rest of Europe	**11.7**	10.9
France	**8.0**	8.6
The Netherlands[2]	**5.2**	5.3
Rest of the world	**2.5**	2.5
Germany	**5.2**	5.5
Undisclosed[2]	**17.4**	17.8

1 Source: CMi2i.
2 The Netherlands excludes the percentage of shareholdings of all retail holdings and treasury shares, which are included in Undisclosed.

INFORMATION ABOUT AHOLD DELHAIZE SHARES

Significant ownership of voting shares

According to the Dutch Financial Markets Supervision Act, any person or legal entity who, directly or indirectly, acquires or disposes of an interest in Ahold Delhaize's capital or voting rights must immediately give written notice to the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten or AFM) if the acquisition or disposal causes the percentage of outstanding capital interest or voting rights held by that person or legal entity to reach, exceed or fall below any of the following thresholds:

3%	5%	10%	15%	20%
25%	30%	40%	50%	60%
75%	95%			

The obligation to notify the AFM also applies when the percentage of capital interest or voting rights referred to above changes as a result of a change in Ahold Delhaize's total outstanding capital or voting rights. In addition, local rules may apply to investors.

The following table lists the shareholders on record in the AFM register on February 21, 2024, that hold an interest of 3% or more in the share capital of the Company.[1]

- BlackRock, Inc. – 5.63% shareholding (6.91% voting rights) disclosed on August 11, 2023
- Goldman Sachs Group Inc. – 3.42% shareholding (3.42% voting rights) disclosed on December 15, 2023
- Amundi Asset Management – 3.04% shareholding (3.04% voting rights) disclosed on August 25, 2023

1 In accordance with the filing requirements, the percentages shown include both direct and indirect capital interests and voting rights and both real and potential capital interests and voting rights. Further details can be found at www.afm.nl.

For further details on the number of outstanding shares, and the percentages of the issued share capital they represent, see Note 21 to the consolidated financial statements.

Shareholder returns

On April 12, 2023, the General Meeting of Shareholders approved the dividend over 2022 of €1.05 per common share. The interim dividend of €0.46 per common share was paid on September 1, 2022. The final dividend of €0.59 per common share was paid on April 27, 2023.

We propose a cash dividend of €1.10 for the financial year 2023, an increase of 4.8% compared to 2022, reflecting our ambition of sustainable growth of the dividend per share. This represents a payout ratio of 43%, based on the expected dividend payment on 52 weeks of underlying income from continuing operations.

If approved by the General Meeting of Shareholders, a final dividend of €0.61 per share will be paid on April 25, 2024. This is in addition to the interim dividend of €0.49 per share, which was paid on August 31, 2023.

Share buyback

On November 9, 2022, Ahold Delhaize announced it would return €1 billion to shareholders by means of a share buyback program, which was completed on November 24, 2023. An additional €1 billion share buyback program was announced on November 8, 2023, which is expected to be completed before the end of 2024. Maintaining a balanced approach between funding growth in key channels and returning excess liquidity to shareholders is part of Ahold Delhaize's financial framework to support our Leading Together strategy. The purpose of the program is to reduce Ahold Delhaize's capital, by canceling all or part of the common shares acquired through the program.

Shareholders key performance indicators 2019-2023

	2023	2022	2021	2020	2019
Dividend per common share[1]	**1.10**	1.05	0.95	0.90	0.76
Final dividend	**0.61**	0.59	0.52	0.40	0.46
Interim dividend	**0.49**	0.46	0.43	0.50	0.30
Dividend yield	**4.2%**	3.9%	3.2%	3.9%	3.3%
Payout ratio	**43%**	40%	42%	40%	44%

1 2023 dividend subject to the approval of the AGM.

MULTIPLE-YEAR OVERVIEW

The multiple-year overview is provided for 10 years, except for ESG information. However, the figures prior to 2018 are not comparable because they have not been restated for the impact of IFRS 16. In addition, it should be noted that years prior to 2016 only relate to the former Ahold business. The former Delhaize business is included as of July 24, 2016.

RESULTS, CASH FLOW AND OTHER INFORMATION

€ MILLION EXCEPT PER SHARE DATA, EXCHANGE RATES AND PERCENTAGES	2023	2022	2021	2020	2019	2018 restated[1]	2017[1]	2016[1,2]	2015[1]	2014[1]
Net sales	**88,649**	86,984	75,601	74,736	66,260	62,791	62,890	49,695	38,203	32,774
Of which online sales	**9,015**	8,618	7,704	5,547	3,493	2,817	2,393	1,991	1,646	1,267
Net sales growth at constant exchange rates[3]	**3.8%**	6.9%	5.0%	12.3%	2.3%	2.5%	28.9%	32.3%	2.3%	0.8%
Operating income	**2,846**	3,768	3,320	2,191	2,662	2,623	2,225	1,584	1,318	1,250
Underlying operating income margin	**4.1%**	4.3%	4.4%	4.8%	4.2%	4.4%	3.9%	3.8%	3.8%	3.9%
Net financial expense	**(546)**	(552)	(517)	(485)	(528)	(487)	(297)	(541)	(265)	(235)
Income from continuing operations	**1,874**	2,546	2,246	1,397	1,767	1,797	1,817	830	849	791
Income (loss) from discontinued operations	**—**	—	—	—	(1)	(17)	—	—	2	(197)
Net income	**1,874**	2,546	2,246	1,397	1,766	1,780	1,817	830	851	594
Earnings and dividend per share										
Net income per common share (basic)	**1.95**	2.56	2.18	1.31	1.60	1.51	1.45	0.81	1.04	0.68
Net income per common share (diluted)	**1.94**	2.54	2.17	1.30	1.59	1.49	1.43	0.81	1.02	0.67
Income from continuing operations per common share (basic)	**1.95**	2.56	2.18	1.31	1.60	1.53	1.45	0.81	1.04	0.90
Income from continuing operations per common share (diluted)	**1.94**	2.54	2.17	1.30	1.59	1.51	1.43	0.81	1.02	0.88
Dividend per common share	**1.10**	1.05	0.95	0.90	0.76	0.70	0.63	0.57	0.52	0.48
Cash flow										
Free cash flow	**2,425**	2,188	1,618	2,199	1,843	2,165	1,926	1,441	1,184	1,055
Net cash from operating, investing and financing activities	**475**	(92)	(218)	(383)	535	(1,587)	827	2,114	73	(1,005)
Capital expenditures (including acquisitions)[4]	**4,099**	4,107	5,776	4,456	3,604	2,838	1,822	16,775	1,172	1,006
Capital expenditures as % of net sales	**4.6%**	4.7%	7.6%	6.0%	5.4%	4.5%	2.9%	33.8%	3.1%	3.1%
Regular capital expenditures[5]	**4,051**	4,053	4,187	4,448	3,512	2,772	1,723	1,377	811	740
Regular capital expenditures as % of net sales	**4.6%**	4.7%	5.5%	6.0%	5.3%	4.4%	2.7%	2.8%	2.1%	2.3%
Average exchange rate (€ per $)	**0.9248**	0.9515	0.8461	0.8770	0.8934	0.8476	0.8868	0.9038	0.9001	0.7529

1 2018 figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to 2018 has not been restated for the impact of the implementation of IFRS 16 Leases.
2 Included former Delhaize business as of July 24, 2016.
3 Net sales growth in 2021, 2020, 2016 and 2015 is adjusted for the impact of week 53 in 2020 and 2015. Net sales growth in 2021 and 2016 is calculated based on a 52-week comparison to 2020 and 2015 respectively. Net sales growth in 2020 and 2015 is calculated based on a 53-week comparison to 2019 and 2014, respectively.
4 The amounts represent additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets. The amounts exclude discontinued operations.
5 The amounts represent additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets, excluding the impact from acquisitions. The amounts exclude discontinued operations.

PERFORMANCE REVIEW

MULTIPLE-YEAR OVERVIEW

BALANCE SHEET AND OTHER INFORMATION

€ MILLION, EXCEPT FOR NUMBER OF STORES AND OTHERWISE INDICATED	December 31, 2023	January 1, 2023	January 2, 2022	January 3, 2021	December 29, 2019	December 30, 2018, restated[1]	December 31, 2017[1]	January 1, 2017[1]	January 3, 2016[1]	December 28, 2014[1]
Group equity	**14,755**	15,405	13,721	12,432	14,083	14,205	15,170	16,276	5,621	4,844
Share buyback[2]	**(999)**	(998)	(995)	(1,001)	(1,002)	(1,997)	(998)	—	(161)	(1,232)
Gross debt	**17,766**	17,640	17,089	14,554	15,445	14,485	7,250	7,561	3,502	3,197
Cash, cash equivalents, and short-term deposits and similar instruments and investments in debt instruments – current portion	**3,500**	3,223	3,143	3,119	3,863	3,507	4,747	4,317	2,354	1,886
Net debt	**14,267**	14,416	13,946	11,434	11,581	10,978	2,503	3,244	1,148	1,311
Total assets	**47,821**	48,555	45,712	40,692	41,490	39,830	33,871	36,275	15,880	14,138
Number of stores	**7,716**	7,659	7,452	7,137	6,967	6,769	6,637	6,556	3,253	3,206
Number of employees (in thousand FTEs)	**232**	250	259	249	232	225	224	225	129	126
Number of employees (in thousands headcount)	**402**	414	413	414	380	372	369	370	236	227
Common shares outstanding (in millions)[2]	**946**	977	1,011	1,047	1,088	1,130	1,228	1,272	818	823
Share price at Euronext (€)	**26.02**	26.84	30.14	23.11	22.75	22.07	18.34	20.03	19.48	14.66
Market capitalization[2]	**24,615**	26,232	30,482	24,197	24,751	24,938	22,508	25,484	15,944	12,059
Year-end exchange rate (€ per $)	**0.9059**	0.9341	0.8795	0.8187	0.8947	0.8738	0.8330	0.9506	0.9208	0.8213

1 December 30, 2018, figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to December 30, 2018, has not been restated for the impact of the implementation of IFRS 16 Leases.
2 In the financial years ended January 1, 2017, and December 28, 2014, an additional €1,001 million and €1,007 million, respectively, were returned to shareholders through a capital repayment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE INFORMATION

	2023	2022 restated	2021 restated	2020	2019
Healthy own-brand food sales (€ million)[1]	**14,854**	14,475	12,293	11,516	9,982
% of healthy own-brand food sales of total own-brand food sales[1]	**54.8%**	54.4%	53.4%	49.8%	47.9%
% reduction in tonnes of food waste per food sales (t/€ million)[2]	**37%**	34%	21%	17%	9%
% reduction in absolute CO_2-equivalent emissions from own operations (scope 1 and 2)[3]	**35%**	29%	31%	23%	8%

1 2022 and 2021 figures are restated. Note that the 2020 and 2019 figures were not restated to the same ESG reporting scope.
2 The reduction is measured against the restated 2016 baseline: 4.99 t/€ million. Note that the 2020, 2019 figures were not restated to the same ESG reporting scope and are still reported against the baseline used in 2021, which was 5.48 t/€ million.
3 The reduction is measured against the restated 2018 baseline: 4,095 thousand tonnes CO_2-equivalent emissions. See *ESG statements* for more information. Note that the 2021, 2020 and 2019 figures were not restated to the same ESG reporting scope and are still reported against the baseline used in 2022 (for 2021 reporting year, as restated in 2022), which was 4,164 thousand tonnes, and, respectively, the baseline used in 2021 (for 2020 and 2019 reporting years), which was 4,073 thousand tonnes.