

Q2 2022

Ahold Delhaize Results

August 10, 2022

Cautionary notice

This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Words and expressions such as expects, growth, increase, intention, will, revisit, projected, from 2022 to 2025, for the next 4 years, accelerate, transformation, continue to be, lead, transformation, outlook, by the end of 2022, intent, resume, improve, strategic, remains, by 2025, strategy, reach, by 2040, further, in 2023, trends, transform, progress, in the next 3 years, support, recovery, continues, grow, adding, suspends, shifts, plan, continue, projected, period 2022-2025, opportunities, 2026 investment plan, targets or other similar words or expressions are typically used to identify forward-looking statements.

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

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

Welcome

JP O'Meara

SVP Investor Relations





Ahold Delhaize delivers resilient performance in Q2; raises full-year EPS and free cash flow guidance

- Driven by our €850 million Save For Our Customers program, our brands are absorbing cost increases for customers, introducing more entry-price products, expanding high quality own-brand assortments and delivering personalized value through loyalty programs
- Q2 Group net sales increased **6.4%** at constant exchange rates to **€21.4 billion**. At actual exchange rates, net sales grew **15.0%**
- Q2 net sales accelerated in both regions versus Q1, growing **7.7%** in the U.S. and **4.2%** in Europe at constant rates
- Net consumer online sales increased **4.8%** at constant exchange rates following growth of **35.8%** at constant exchange rates during Q2 in the prior year
- Q2 underlying operating margin was **4.1%**, in line with the Company's historical profile, versus last year's COVID-19-supported Q2 underlying operating margin of **4.5%**
- Q2 diluted underlying EPS was **€0.59**, an increase of **11.0%** over the prior year at actual rates
- Q2 IFRS-reported operating income was **€895 million** and Q2 IFRS-reported diluted EPS was **€0.60**
- The Group now expects mid-single-digit growth in underlying EPS compared to 2021 levels (originally expected decline of low- to mid-single digits vs. 2021 levels) and an increase in free cash flow to approximately **€2.0 billion** (originally **€1.7 billion**)
- Cumulative Group free cash flow guidance increased to be around **€7.5 billion** from 2022 to 2025 (originally above €6 billion). Group capital expenditure now projected to average closer to **3%** per annum from 2022 to 2025 (originally **3.5%** per annum)
- Ahold Delhaize has decided to suspend intention to sub-IPO bol.com in H2 2022 and will revisit when equity market conditions are more conducive
- 2022 interim dividend is **€0.46** (2021: **€0.43**), based on the Group's interim dividend policy

Q2 2022

Business Highlights

Frans Muller, President & CEO



Perla
MISTROVSKÉ PRAŽIRNY
— OD ROKU 1895 —

NOVINKA
ORIGINS
SUMATRA



Ongoing Save For Our Customer programs support activities to invest to keep shelf prices as low as possible

Introducing more entry-priced product solutions in stores and online



Expanding our high-quality, healthy and own-brand assortments



Increasingly personalized loyalty programs offer competitive and attractive solutions



Strong portfolio delivers resilient Q2 performance...

Strengthening our positions

Net Sales
€21,445 mln
vs LY constant
rates +6.4%

**Diluted
Underlying
EPS €0.59**
vs LY current
rates +11%



4 priorities for the next 4 years

For customers

Serve customers with deeper (digital) relationships

For operations

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

For our portfolio

Create the ecosystem for smarter customer journeys

For Health & Sustainability

Lead the transformation into a healthy & sustainable food system

Highlights & Outlook: Customer Priority



- Albert Heijn launched their '**Best from the Netherlands**' ('**Lekkerste uit Nederland**') mission to help customers understand - 'Make better food accessible for everyone' and how they can make healthier choices
- Delhaize implemented 'Little Lions' with **price reductions of 5-30%** on a selection of 500 own-brand products
- Alfa Beta improved their **loyalty program** coupon functionality to make it easier for customers to make more savings.
- Delhaize Serbia upgraded the My Maxi loyalty app to provide relevant and **personalized promotions** which resulted in a 40% userbase increase since Q1
- Super Indo began its 'Keep it Cheap' program to increase visibility of the **everyday affordability** on the top 500 popular products
- Food Lion introduced a rotating **daily Meal Deal** that feeds a family of four for **\$12** and a weekly Deli Deal on meat and cheese.
- Hannaford redesigned their **Time Savers program** to increase visibility on the assortment of affordable ready-meals, aligning directly with their 'Fresh & Convenient' strategy

Highlights & Outlook: Operational Priority



- ADUSA Supply Chain successfully transitioned the York, PA automation filled distribution center into the **self-managed network**. This brings our total number of network facilities to 22
- ADUSA Supply Chain implements new solution for all direct to store delivery vendors, **providing better visibility into cost, margins and profits** on items received at store
- ADUSA companies successfully **implemented SAP S/4 HANA**, a critical initiative to transform legacy finance and IT systems
- Albert Heijn expanded their delivery area by 100,000 households **increasing its coverage to 90%** of Dutch households. Albert Heijn also **expanded its online capacity by opening a new Home Shop Center** in Utrecht
- Delhaize launched **delivery+**, a subscription service for its online home delivery that **offers unlimited free delivery**

Highlights & Outlook: Healthy & Sustainable



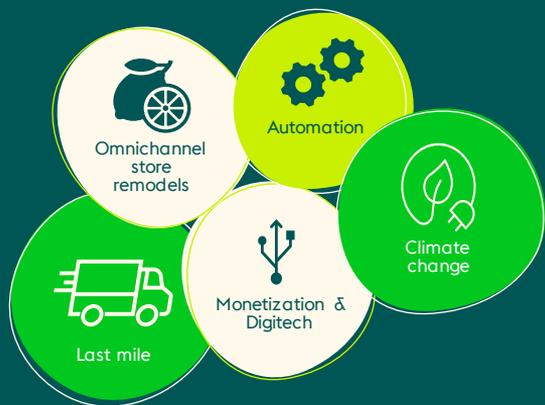
- Ahold Delhaize maintained its **MSCI ESG “AA” rating** with improvements noted in several criteria
- Ahold Delhaize published its **second Human Rights Report**
- The GIANT Company, Giant Food, Albert Heijn, Albert, Alfa Beta and Delhaize Serbia all released reports on their **local healthy and sustainability initiatives**
- For the 21st consecutive year, Food Lion earned the **ENERGY STAR Partner of the Year Award**
- Giant Food launched a Reduced Emissions Program which offsets **up to 30 percent of vehicle emissions** generated from gas sold through investments in carbon reduction projects
- Albert Heijn is accelerating the sustainability of transport to stores and customers and will eliminate all gas for climate control in stores in 2023 and switch **100% of its transportation to electric** or biofuels by 2024.
- Albert **reduced CO2 emissions by 35%** over the past three years, progressing on strategy to reach net-zero emissions by 2040

Ahold Delhaize **suspends intention to sub-IPO bol.com in 2022**, will revisit when market conditions more conducive

- ✓ Committed to **further unlocking value for bol.com** and Ahold Delhaize
- ✓ Value and potential of bol.com, **underpinned by its ongoing strong market share gains**
- ✓ Detailed review of bol.com's medium-term growth and investment plan results in **phased approach providing additional flexibility and agility**
- ✓ **Well positioned to grow faster than the market**, with healthy double-digit sales and EBITDA CAGRs, and above Group average return on capital in the medium term



Ahold Delhaize Increases 2022- 2025 Free Cash Flow Guidance



Capex as % of sales



Investor Day 2021
2022 - 2025

Revised Plan
2022 - 2025

Free Cash Flow € billion



Investor Day 2021
2022 - 2025

Revised Plan
2022 - 2025

Q2 2022

Financial Highlights

Natalie Knight, Chief Financial Officer

NEPORAZITELNÉ
AKCE TÝDNE
NEJNIŽŠÍ
CENY NA TRHU





Second Quarter results 2022

Underlying Performance



Ahold Delhaize – Q2 2022 Results

Net sales
€21,445 mln
vs LY constant rates
6.4%

Comparable
Sales Growth
excl. gas
4.7%
U.S. 6.4% EU 1.8%

Net Consumer
Online Sales^I
€2,669 mln
vs LY constant rates
4.8%

Underlying
operating income
€880 mln
vs LY constant rates
(2.9%)

Underlying
operating margin
4.1%
vs LY constant rates
(0.4) pts

Underlying
net income from
continuing
operations
€593 mln
vs LY constant rates
(1.3%)

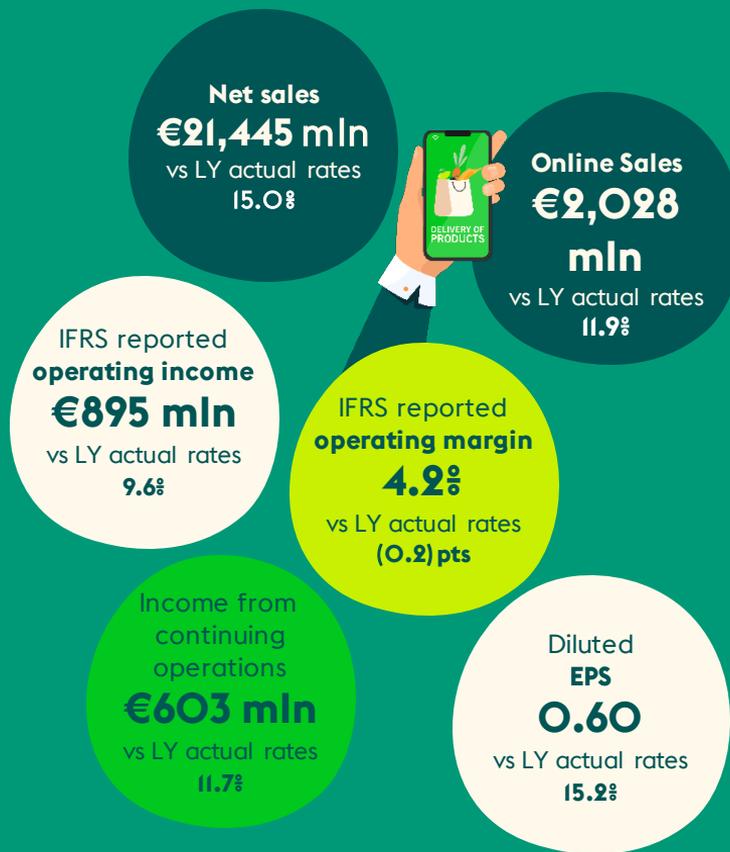
Diluted
underlying EPS
0.59
vs LY actual rates
11.0%

I. Net consumer online sales is defined as online sales including sales of third parties via bol.com's Plaza. Net consumer online sales excludes Value Added Tax (VAT). Ahold Delhaize's management believes that this measure provides more insight into the growth of our online businesses.



Second Quarter results 2022

IFRS-Reported Results



Comparable sales growth trends by region

Ex. Gas

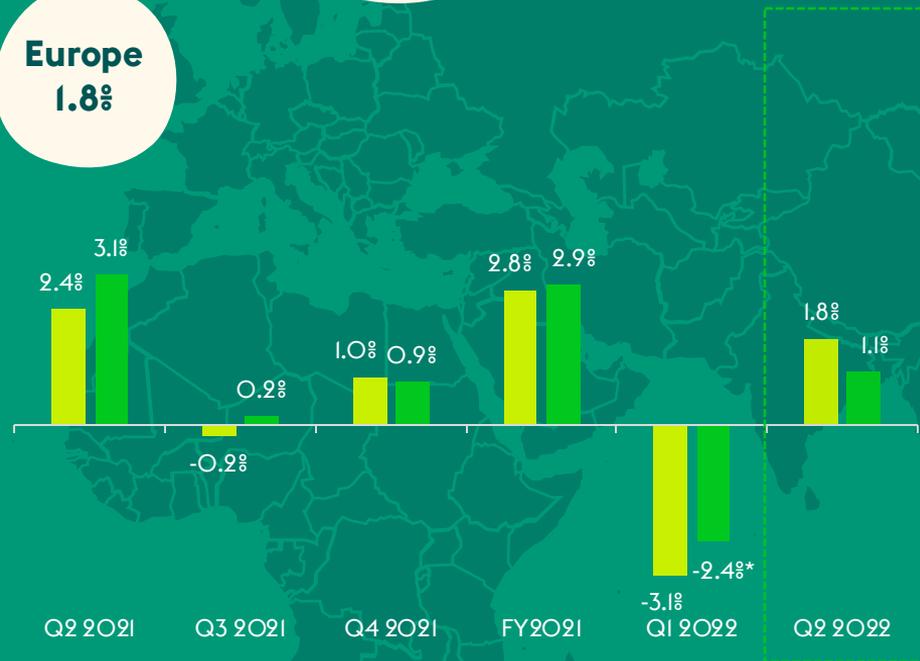
Comparable
Sales Growth
excl. gas
4.7%

Actuals excluding gas
Ex weather/calendar

U.S.
6.4%



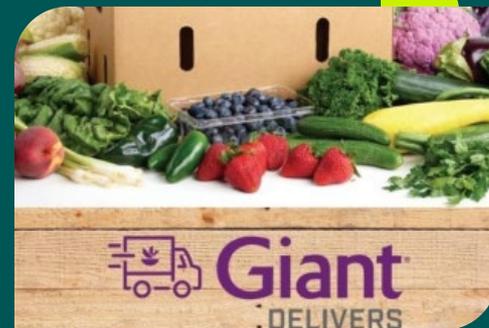
Europe
1.8%



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

Highlights: United States

- Net sales grew **7.7%** at constant rates, **22.1%** at actual rates to **€13.6 billion**
- **16.4%** online sales growth in Q2 (constant rates); building on top of **61.0%** growth in the same quarter last year
- Underlying operating margin was **4.7%**, down **0.3** percentage points versus last year as a result of higher labor, distribution and energy costs, which were partially offset by higher pricing and cost savings initiatives
- **Food Lion** achieved its **39th** consecutive quarter of positive comparable sales growth and is in progress of remodeling **57 stores** that were acquired in 2021
- **Stop & Shop** delivered **positive comps in the quarter** and momentum has continued to improve over the course of the summer
- **FreshDirect** is celebrating **20 years** at the forefront of grocery innovation with “20 Days of Giveaways” for customers and employees



Highlights: Europe

- Net sales were **€7.9 billion**, an increase of **4.2%** at constant exchange rates and **4.5%** at actual exchange rates
- Q2 Europe comparable sales excluding gasoline increased **1.8%**
- Underlying operating margin was **3.4%** compared to **4.2%** in the prior year due to cost inflation, significant price competition in Belgium and Greece, and a lower contribution from bol.com compared to a year ago
- **Q2 market share gains** at Albert Heijn, bol.com and in the CSE region
- Q2 Europe **own brand share penetration increasing** as consumers found value in our offerings
- Albert Heijn launched its **new XL-format** which features all the latest innovations, technologies and convenience solutions.
- Bol.com and Albert Heijn piloted **customer loyalty program collaboration**
- Delhaize Serbia **opened 10 Maxi supermarkets in one day** bringing its total network to 484 stores



Highlights: **bol.com**

- **Bol.com** gross merchandise value was **€1.3 billion** in Q2 2022 down 1.7% compared to the year ago quarter, when growth was over 22%
- Bol.com **platform partner sales increased 2%** in Q2 and reaches milestone of **50,000 platform partners** in August
- Bol.com added an estimated **1.3 points** of market share in Q2 2022
- **Fulfillment center expansion** at Waalwijk completed, **doubling capacity** at the existing facility and representing **one of the most sustainable logistics buildings** in the Netherlands and Belgium by running on 100% green energy
- Bol.com **adds 5 more multi-packing machines**. Bol.com was the first in the world to pack with multiple customized items in one box; a more sustainable process increasing productivity, reducing transportation, and saving packaging material



Initiatives to **boost European performance**

- ✓ **Driving volume, market share and customer loyalty** with dedicated everyday low-price programs
- ✓ New joint Central and Southern European strategy and operating model **leveraging brand proximity with common solutions**
- ✓ In the Benelux, we are increasingly leveraging our regional platform to **drive synergies for Delhaize and our operations in Belgium** (e.g. joint sourcing, own brand assortment, technologies to reduce shrink)
- ✓ **Timing and scope of capital expenditure** to reflect the current dynamic climate (e.g. phased plan at bol.com)
- ✓ We expect to unlock between **€250 and €300 million in additional cost savings** cumulatively in the next 3 years



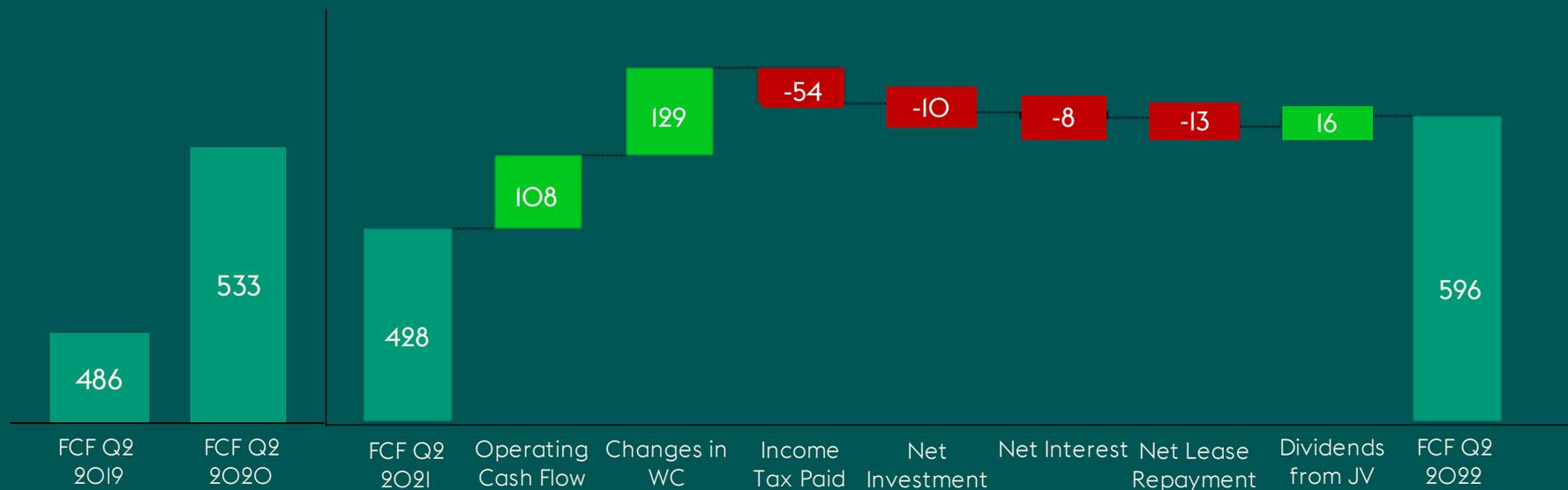
**Doubling
down on
our
strengths**

**Proactive in
preparing
for tougher
times**

**Managing
investments
prudently in
dynamic
climate**

Q2 Free Cash Flow driven by operations and working capital

FCF Q2 2022 vs Last Year, 2020 and 2019 (in €m)



2022 Outlook: management increases guidance

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

2022



At least 4%

Underlying
Operating Margin



**Growth by
mid-
single-digit**

Underlying EPS



≥€850 million

Save for Our
Customers



~€2.5 billion

Capital Expenditures



~€2.0 billion

Free Cash Flow¹



**40-50% payout;
YOY growth in
dividend per share**

Dividend payout ratio ^{2 3}



€1 billion

Share Buyback³

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 COVID-19, will continue to monitor macroeconomic developments. The program is also subject to changes in corporate activities, such as material M&A activity.

Thank you

