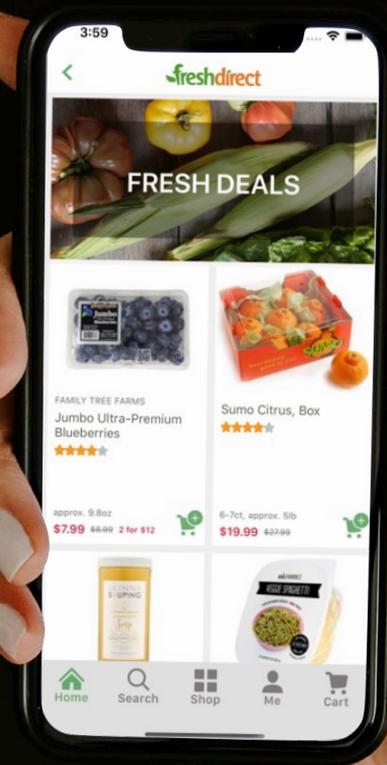


Q1 2021

Ahold Delhaize Results

May 12, 2021



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 strengthening, outlook, by, end of, 2021, 2022, progressing, year-end, 4Q21, continue, to expand, will, to be, expect(ed), targets, 2025, 2050, the next 18 months, uncertainty, on track, 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 corporate responsibility 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.

Farm to table
freshness

Business Highlights

Frans Muller, President & CEO



Q1 two-year comparable sales stack¹ accelerated; raising EPS guidance

- In Q1, the COVID-19 pandemic continued to impact the local communities and brands of Ahold Delhaize, resulting in approximately €150 million spent to support customers, associates, and communities with COVID-19 relief care
- On a two-year comparable sales stack basis¹, comparable sales excluding gas in the U.S. increased 15.5% and in Europe were up 18.1% in Q1 2021, a sequential acceleration versus growth in Q4 2020 of 13.5% and 13.9%, respectively
- Net sales were €18.3 billion, up 5.8% in Q1 at constant exchange rates
- In the U.S. and Europe, comparable sales excluding gas grew 1.7% and 8.3% in Q1, respectively
- Net consumer online sales sequentially accelerated to 103.3% in Q1 at constant exchange rates, including U.S. growth of 188.3% and 78.6% growth in Europe
- Underlying operating margin was 4.6% in Q1; diluted underlying EPS was €0.54
- IFRS-reported operating income of €828 million in Q1; IFRS-reported diluted EPS was €0.53
- Raising 2021 underlying EPS and Group net consumer online sales outlook; expect underlying EPS to grow in the low to mid-teen range versus 2019 and Group net consumer online sales to grow over 40% versus the prior year

¹ Two-year comparable sales stack is comparable sales growth excluding gasoline in the current year period added to the comparable sales growth excluding gasoline in the prior year period. This measure may be helpful to improve the understanding of trends in periods that are affected by variations in prior year growth rates.

Strengthening position as industry-leading local omnichannel retailer in 2021

Raised outlook for Group net consumer online sales growth of 40%+ in 2021, versus 30% previously

Step-up online capacity, supply chain and technological capabilities

- U.S. online capacity increasing by ~30% in 2021; European online capacity increasing by 20% in 2021, incl. 20% at bol.com
- New home delivery fulfillment center at Albert Heijn to open by end of 2021; Opening the first home delivery fulfillment center in the Czech Republic in 2022
- U.S. supply chain transformation is progressing as planned and two out of five facilities have transitioned in 2021 to date; 65% of procured center store volume being self-managed by year end vs. 40% in 2020

Advance omnichannel offerings

- Launch of Ship2Me in the U.S. in 2H21, which is an endless aisle offering 100,000 general merchandise and food items
- Albert Heijn “AH Compact” no-fee home delivery service targeting smaller households currently in 6 markets and will continue to expand to additional markets in 2021
- Offering 2-hour or less delivery in certain cities in Greece and Romania; will continue to expand to other cities

Improving omnichannel productivity is a high priority

- Accelerating U.S. online grocery fulfillment productivity growth through end-to-end improvement of processes, systems, operating practices and innovation
- AI-enabled end-to-end forecasting and replenishment system first implemented at Food Lion and Hannaford in 2020 will be expanding to Giant Food, Giant Company, and Stop & Shop in 2021
- In March, the U.S. announced a partnership with Quotient to launch a promotion amplification tool to automate the timing of retail media campaigns to enhance promotional activity and drive sales lift

Highlights: United States

- 188.3% online sales growth in Q1 (constant rates); Excluding the FreshDirect acquisition, the U.S. online sales growth rate in Q1 2021 sequentially accelerated to 135.2% versus the 128.5% growth Q4 2020
- Expect over 70% growth in U.S. online sales in 2021, versus over 60% growth previously
- 1139 click & collect points at the end of Q1 (up from 1,116 in Q4); expansion to nearly 1,400 Click & Collect locations in the U.S. by the end of the year; current U.S. market household coverage of ~95% with home delivery and click & collect (vs. 84% in 1Q20), and ~94% with same-day options (vs. ~60% in 1Q20)
- Fresh Direct acquisition closed in January and is progressing as planned
- Completed 11 Stop & Shop remodels in Q1; expect ~60 new stores to be completed in 2021; stores continue to provide sales uplift
- Food Lion achieved its 34th consecutive quarter of positive comparable sales growth
- Food Lion has added 71 stores in new markets: 62 Southeastern Grocers stores acquired in Q1 (of which 57 opened in Q1; 5 in April), as well as 9 additional stores (previously closed by Southeastern Grocers) secured and opened in April



Highlights: Europe

- Continued strength in the Benelux ecosystem, with Q1 market share gains in both The Netherlands and Belgium
- 78.6% net consumer online sales growth in Q1, a sequential acceleration versus 73.4% in Q4 2020
- Bol.com grew net consumer online sales by 76.6% in Q1; a sequential acceleration versus the 69.6% growth in Q4 2020. Bol.com added roughly 4,000 merchant partners to the platform, bringing the total ~45,000 merchant partners; sales from third-party sellers grew 101% in Q1
- Expect at least €5.5 billion in net consumer online sales at bol.com in 2021, versus at least €5 billion previously
- Albert Heijn remodeled 29 stores to its new fresh and technology focused format in Q1, and will complete ~60 stores by year end; stores are performing in line with expectations
- Albert Heijn continued to expand its home delivery service in the Flanders region; serving an additional 100,000 households, now totaling 400,000 households
- Delhaize SuperPlus loyalty plan providing rewards and discounts to consumers of healthy and sustainable products ended Q1 with nearly 1.7M members (up from 1.35M in Q4) and is providing sales uplift



ESG Action Items

Recent Initiatives

In March, Ahold Delhaize **successfully priced its inaugural Sustainability-Linked Bond** amounting to €600 million with a term of 9 years linked to two Sustainability Performance Targets (SPT's) by 2025:

- **SPT 1: Reduction of absolute scope 1 and 2 CO₂ equivalent emissions from own operations by 29% from a 2018 baseline** (validated by the Science Based Targets Initiative)
- **SPT 2: Reduction of food waste by 32% from a 2016 baseline** (measured according to the Food Loss and Waste Protocol)

The sustainability-linked feature will result in a coupon adjustment of 25bps if Ahold Delhaize's performance does not achieve one or both of the stated SPT's

In April, Ahold Delhaize announced target to achieve net-zero carbon emissions by 2050

In February, The Giant Company announced **a partnership with the Rodale Institute** to develop solutions for the **regenerative organic agriculture movement**



Albert Heijn was voted by consumers as the **most sustainable supermarket chain** in the Netherlands in the Sustainable Brand Index 2021 ranking for the **fifth consecutive year**

Bol.com was voted as **the most sustainable e-commerce brand** in the Netherlands in the Sustainable Brand Index 2021

In February, Stop & Shop rolled-out an **Inclusive Leadership training program from MindGym** in order to grow associate skills; deployment to other brands over the next 18 months



Financial Highlights

Natalie Knight, Chief Financial Officer

Q1 Underlying Performance

Net sales

€ 18,264

million

vs LY constant rates **5.8%**

Comparable Sales
Growth excl. gas

4.2%

U.S. **1.7%**
E.U. **8.3%**

Net Consumer
Online Sales

€ 2,679

million

vs LY constant rates **103.3%**

Underlying operating
income

€ 849

Million

vs LY constant rates **(6.1)%**

Underlying
operating margin

4.6%

vs LY constant rates **(0.6) pts**

Underlying Income from
continuing operations

€ 566

million

vs LY constant rates **(6.3)%**

Diluted Underlying
EPS

€ 0.54

vs LY constant rates **(2.6)%**

Q1 IFRS-reported results

Net sales

€ 18,264
million

vs LY constant rates **5.8%**

Comparable sales
growth excl. gas

4.2%

U.S. **1.7%**
E.U. **8.3%**

Online sales

€ 1,981
million

vs LY constant rates **103.9%**

IFRS Q1 reported
operating income

€ 828
million

vs LY constant rates **(8.8)%**

IFRS Q1 reported
operating margin

4.5%

vs LY constant rates **(0.8) pts**

Income from
continuing operations

€ 550
million

vs LY constant rates **(9.4)%**

Diluted EPS

€ 0.53

vs LY constant rates **(5.9)%**

High levels of consumer demand continued; two-year comparable sales stack¹ trend remained strong as COVID-19 impacts began to annualize



¹Two-year comparable sales stack is the comparable sales growth excluding gasoline in the current year period added to the comparable sales growth excluding gasoline in the prior year period. This measure may be helpful to improve the understanding of trends in periods that are affected by variations in prior year growth rates.

Adjusted for weather and calendar effects, Q1 2021 two-year comparable sales stack¹ accelerated in both the U.S. and Europe

Value above the bar is 2-year comparable sales ex-gas stack; within the bar is the 1-year comparable sales ex-gas for each quarter



Adjustments exclude U.S. calendar shift and weather impacts in Q4 2019, Q1 2020, and Q1 2021 periods; also excludes Europe calendar shift impacts in Q4 2019, Q1 2021, and Q1 2020

¹Two-year comparable sales stack is the comparable sales growth excluding gasoline in the current year period added to the comparable sales growth excluding gasoline in the prior year period. This measure may be helpful to improve the understanding of trends in periods that are affected by variations in prior year growth rates.

Strong sales and margins in Europe; U.S. margin returns to more historical pre-COVID-19 levels

	Ahold Delhaize Group		The United States		Europe	
	Q1 2021	% change constant rates	Q1 2021	% change constant rates	Q1 2021	% change constant rates
€ million, except per share data						
Net sales	18,264	5.8 %	10,738	3.6 %	7,526	9.4 %
Comparable sales growth excl. gas	4.2 %		1.7 %		8.3 %	
Online sales	1,981	103.9 %	855	188.3 %	1,126	66.9 %
Net consumer online sales	2,679	103.3 %	855	188.3 %	1,824	78.6 %
Operating income	828	(8.8)%	489	(28.0) %	363	22.3 %
Operating margin	4.5 %	(0.8)pts	4.6 %	(2.0) pts	4.8 %	0.5 pts
Underlying operating income	849	(6.1)%	517	(25.0) %	355	25.4 %
Underlying operating margin	4.6 %	(0.6)pts	4.8 %	(1.8) pts	4.7 %	0.6 pts
Diluted EPS	0.53	(5.9)%				
Diluted underlying EPS	0.54	(2.6)%				
Free Cash Flow	295	(74.5)%				

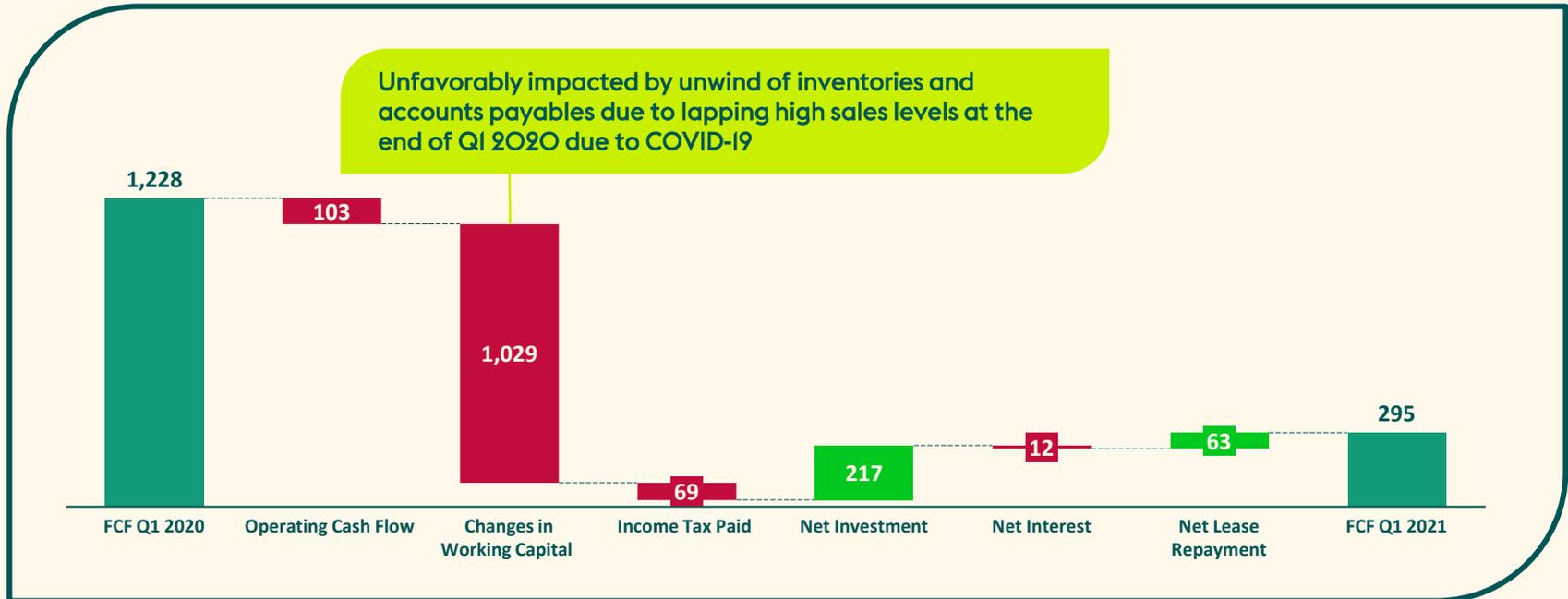
Net consumer online sales grew nearly 190% in the U.S. and nearly 80% in Europe

U.S. underlying operating margin impacted by tough comparisons; prior year margins benefitted from higher sales that preceded the timing of significant costs related to COVID-19 (Group COVID-19 costs were ~€150M in '21 vs. ~€70M in '20)

Europe underlying operating margin expansion driven by operating leverage from strong sales growth

Q1 Cash Flow Bridge

FCF Q1 2021 vs Last Year (in €m)



2021 Underlying EPS Outlook Raised

- COVID-19 continues to create significant uncertainty in 2021 and created difficult prior year comparisons. The strong Q1 results provide management the confidence to raise the underlying EPS growth outlook for the year
- Underlying operating margin outlook of at least 4% is unchanged; reflects a balanced approach with cost savings largely offsetting cost pressures. COVID-19 costs are expected to continue at a lower level than 2020
- Underlying EPS guidance raised: now expected to grow in the low to mid-teen range relative to 2019 versus mid-to high-single digit growth previously
- Free cash flow of ~€1.6 billion is unchanged and capital expenditure of ~€2.2 billion; reflects higher investments in digital/omnichannel capabilities and for improvements due to recent M&A

	Full-year outlook	Underlying operating margin ¹	Underlying EPS	Save for Our Customers	Capital expenditures	Free cash flow ²	Dividend payout ratio ^{3 4}	Share buyback ⁴
Updated outlook	2021	At least 4%	Low to mid-teen growth vs. 2019	> €750 million	~ €2.2 billion	~ €1.6 billion	40-50% year-over-year increase in dividend per share	€1 billion
Previous outlook	2021	At least 4%	Mid- to high-single-digit growth vs. 2019	> €750 million	~ €2.2 billion	~ €1.6 billion	40-50% year-over-year increase in dividend per share	€1 billion

1. No significant impact to underlying operating margin from returning to a 52-week calendar versus a 53-week calendar in 2020, though the return to a 52-week calendar will negatively impact net sales for the full year by 1.5-2.0%. Comparable sales growth will be presented on a comparable 52-week basis.

2. Excludes M&A.

3. Calculated as a percentage of underlying income from continuing operations.

4. Management remains committed to the share buyback and dividend program, but given the uncertainty caused by COVID-19, they will continue to monitor macroeconomic developments. The program is also subject to changes in corporate activities, such as material M&A activity.

Wrap-up

- **Strong start in 2021 with sequential acceleration in two-year Q1 comparable sales stack**
- **Acceleration in net consumer online sales growth to 103.3% in Q1, comprised of ~190% in the U.S. and ~80% in Europe**
- **Solid U.S. underlying operating margin in Q1, with margin expansion in Europe**
- **Successfully closed acquisitions of Fresh Direct and stores from Southeastern Grocers and progressing as planned; acquisition of Deen stores still on track to close in 2H 2021**
- **Raising Group net consumer online sales outlook to over 40% in 2021 (vs. 30% previously), including over 70% growth in the U.S. (vs. 60% previously) and at least €5.5 billion in net consumer online sales at bol.com (vs. €5 billion previously)**
- **Raising underlying EPS growth to low to mid-teen range relative to 2019 due to strong Q1 results**
- **Priced inaugural Sustainability-Linked Bond amounting to €600 million in March with a term of 9 years linked to achieving targets in reducing food waste and scope 1 & 2 carbon emission by 2025, and in April, announced target to achieve net-zero carbon emissions by 2050**

Thank you

 **FOOD LION**

 **STOP & SHOP**



 **The GIANT Company**

 **Giant**



 **Etos**

 **Gall & Gall**
SINCE 1884

 **albert**



 **bol.com**
de winkel van ons allemaal



 **Tempo**



 **ENA FOOD**
CASH & CARRY

 **freshdirect**



 **Peapod**
DIGITAL LABS

 **Retail Business Services**