



Third Quarter 2017 Results

November 8, 2017

Q3 Highlights

Dick Boer

President and CEO

Highlights – third quarter 2017

- Pro forma net sales up 2.1% at constant exchange rates to €15.1 billion
- Strong sales performance in the U.S., gaining market share across our brands
- Online businesses growing total net consumer sales by more than 20%
- Pro forma underlying operating margin increased to 3.9%, up 40 basis points compared to Q3 2016
- Strong free cash flow of €426 million, up €340 million, with guidance of €1.6 billion for FY 2017 reiterated
- Free cash flow for FY 2018 expected to increase, including capital expenditure to step up to €1.9 billion
- New €2 billion share buy back program for 2018, following completion of the €1 billion program in 2017



Financial Results

Jeff Carr

CFO

Group performance - pro forma

€ in million

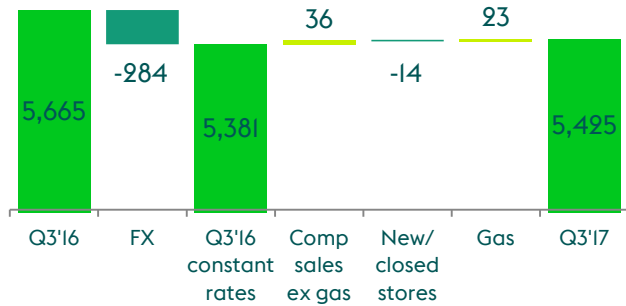
Quarter 3

	2017	2016	Change actual rates	Change constant rates
Net sales	15,121	15,282	(1.1)%	2.1%
Net sales excl gas	14,887	15,059	(1.1)%	1.9%
Underlying EBITDA	1,029	981	4.9%	8.4%
Underlying EBITDA margin	6.8%	6.4%		
Underlying operating income	595	542	9.8%	13.3%
Underlying operating margin	3.9%	3.5%		
Operating Income	540	451	19.7%	23.9%
Income from continuing operations	359	277	29.6%	34.2%

Ahold USA – pro forma results Q3 2017

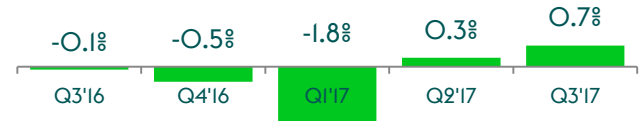
Net sales

€ in million



- Net sales up 0.8% at constant rates
- Comparable sales ex gas up 0.7%
- Retail inflation of 0.9%
- Gaining market share across our brands

Comparable sales growth ¹



¹ Comparable sales growth excl gas

Underlying EBITDA margin



- Underlying operating margin up 0.2 percentage points
- Strong synergy and “save for our customers” delivery
- Continued price investments and increased promo spend

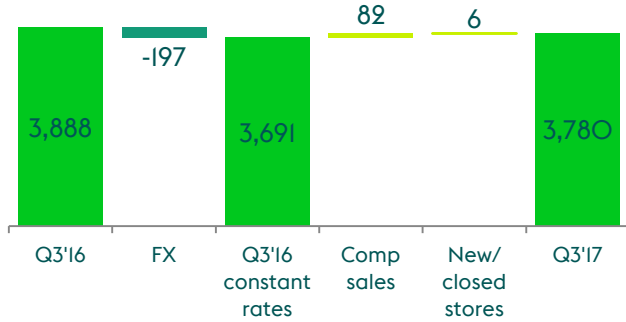
Underlying operating margin



Delhaize America – pro forma results Q3 2017

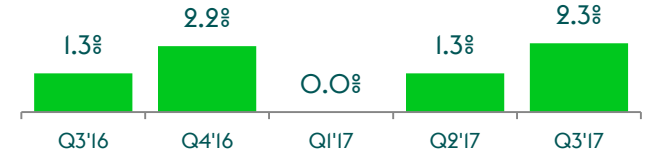
Net sales

€ in million

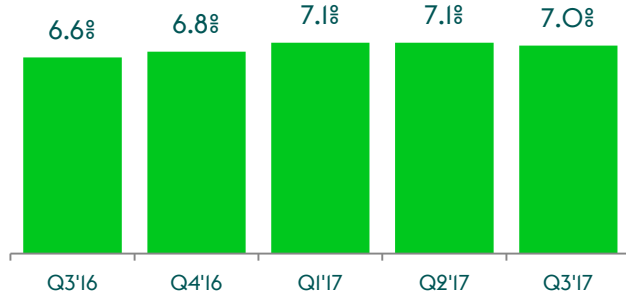


- Net sales up 2.2% at constant rates
- Comparable sales up 2.3%
- 20th consecutive quarter of volume growth at Food Lion
- Retail inflation of 0.5%, Food Lion back to positive inflation

Comparable sales growth

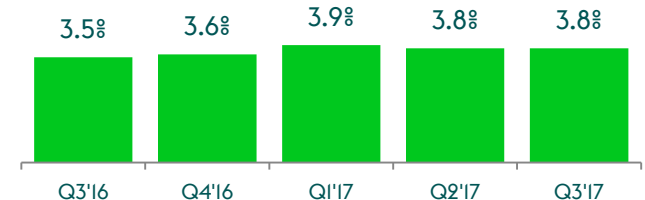


Underlying EBITDA margin



- Underlying operating margin up 0.3 percentage points
- Strong synergy and “save for our customers” delivery
- Partly offset by higher depreciation expenses

Underlying operating margin



The Netherlands – pro forma results Q3 2017

Net sales

€ in million

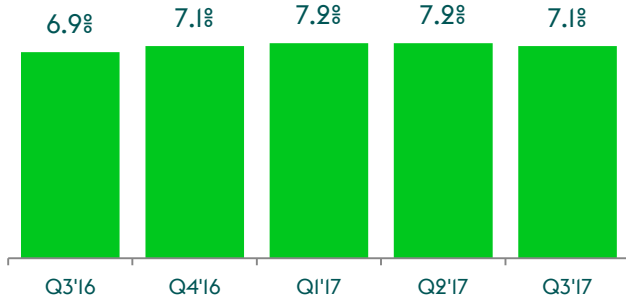


- Net sales up 4.1%
- Comparable sales up 3.6% (up 2.3% ex bol.com)
- Retail inflation of 2.4%
- Continued online sales growth

Comparable sales growth



Underlying EBITDA margin



- Underlying operating margin at 4.9%, up 0.4 percentage points
- Synergies and good cost control partly offset by higher pension charges
- Margin ex bol.com at 5.5%, up 0.4 percentage points

Underlying operating margin



Belgium – pro forma results Q3 2017

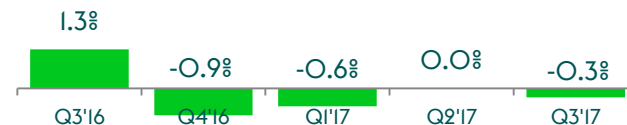
Net sales

€ in million



- Net sales flat
- Comparable sales down 0.3%
- Retail inflation of 0.7%
- Good performance at affiliate stores offset by weaker company-owned stores performance

Comparable sales growth

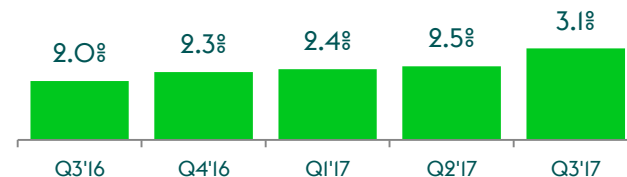


Underlying EBITDA margin



- Underlying operating margin up 1.1 percentage points caused largely by one-offs
- Synergies offset by additional investments in promotions

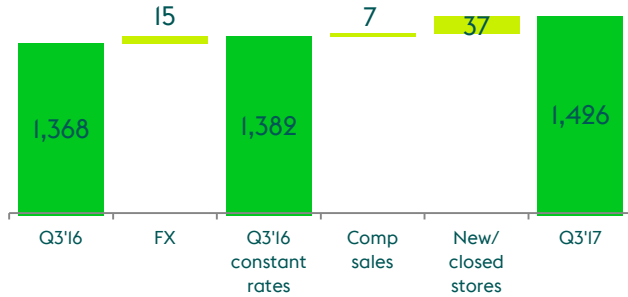
Underlying operating margin



CSE – pro forma results Q3 2017

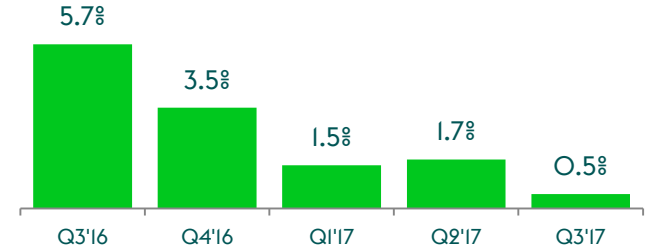
Net sales

€ in million



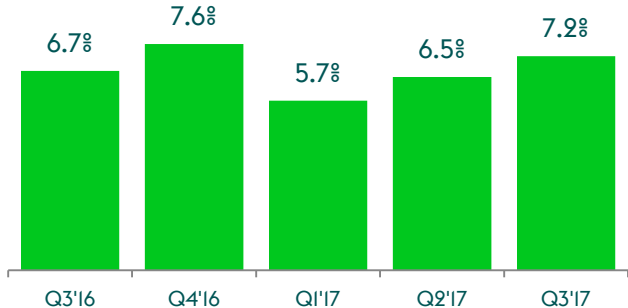
- Net sales up 3.1% at constant rates
- Comparable sales ex gas up 0.5%. Strong performance in Romania, Serbia, and Czech Republic
- Sales in Greece impacted by normalizing competitive environment versus LY

Comparable sales growth¹



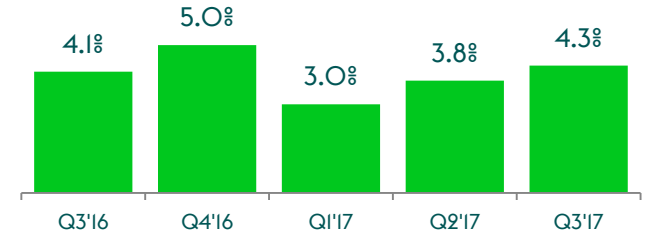
¹ Comparable sales growth excl gas

Underlying EBITDA margin



- Underlying operating margin up 0.2 percentage points
- Significant margin increase in Romania, Serbia and Czech Republic partly offset by lower margins in Greece

Underlying operating margin



Free cash flow generation*

€ in million	2017		2016	
	Q3	YTD	Q3	YTD
Operating cash flow	951	3,006	798	2,727
Change in working capital	(52)	(391)	(176)	(575)
Income tax paid – net	(111)	(328)	(100)	(319)
Cash from cont. operations	788	2,287	522	1,833
Investments	(397)	(1,213)	(449)	(1,161)
Divestments	65	128	56	73
Net interest paid	(32)	(195)	(46)	(241)
Dividends from joint ventures	2	16	3	17
Free cash flow (post-tax)	426	1,023	86	521

* This represents the combined free cash flow of Ahold and Delhaize excluding pro forma adjustments.

Synergies and One-time Costs update

€ in million	2017			
	Q3	YTD	Program to date	Expected full costs
United States	36			
Europe	22			
Global Support Office	10			
Ahold Delhaize Group Synergies	68			
	Q3	YTD	Program to date	Expected full costs
Integration costs	16	94	262	380
Brand centric restructuring costs	26	30	30	70

- Increased net synergy target for 2017: from €220 million to €250 million
- Q3 YTD incremental net synergies in P&L: €182 million (Q3'16 YTD €3 million)
- FY incremental net synergy target in P&L: €228 million (FY'16 €22 million)
- Integration and brand centric restructuring on track

New share buyback announced for 2018

For 2018 we expect:

- Increase in Free cash flow
- Including step-up of capex to €1.9 billion
 - Online capital investments from €100 million in 2017 to €150 million in 2018
 - Accelerating investments to drive digital transformation
 - Ongoing investments to keep store base up to date

New share buyback program of €2 billion starting in January 2018 for 12 months, following completion of the €1 billion program in 2017

Business Highlights

Dick Boer

President and CEO

Innovation drives loyalty and growth

Continued innovation provides a seamless online / in-store experience and makes shopping easier, hassle free, and more entertaining

- Accelerating investments in our online businesses, on track to almost €3 billion online consumer sales this year and close to €5 billion by 2020
- Optimizing our own-brand portfolios and leveraging expertise from both sides of the Atlantic, providing healthy and convenient choices for our customers
- Innovating the shopping experience, to provide customers with new concepts and using data analytics to develop digital loyalty programs and to provide personalized offers and promotions

With the **DIGITAL AGE** bringing more opportunity for the grocery industry to connect with shoppers both in-store and online, Ahold USA brands are winning by offering our innovative ways to **PERSONALIZE THE SHOPPING EXPERIENCE** and **MAKE IT EVEN EASIER FOR CUSTOMERS**.

DIGITAL GROWTH HIGHLIGHTS

- ONE MILLION NEW DIGITAL USERS
- DIGITAL COUPON ACTIVATIONS UP 15%
- 80% GROWTH IN WEB TRAFFIC YOY
- WEB APPS WILL BE DOWN, PRICE COMPARED ACROSS PLATFORMS

NOT YOUR MOTHER'S COUPON BOOK

- DIGITAL COUPONS AND LOYALTY CARDS OFFERS TO CUSTOMERS
- QUARTER END DIGITAL BONUS WEEK EVENTS \$500 OF SAVINGS FOR CUSTOMERS
- THE WEB APP HAS A 70% INCREASE IN MONTHLY USAGE AND TRIPS OF MOBILE APP DOWNLOADS

MEAL PLANNING MADE EASY

PROBLEM: Need to find Fast, Fresh and Easy recipes online and instantly add all the ingredients to a digital grocery cart?

ANSWER: More than 3,700 delicious recipes are now available at the click of a button with the Savory recipe center.

TRANSPARENCY MATTERS

- TUNE INTO Ahold USAS "FRESH STORES" SERIES ON YOUTUBE
- MORE THAN 30 ENGAGING + EMOTIONAL VIDEOS ABOUT FRESH PRODUCT SUPPLIERS
- OVER 16 MILLION VIEWS TO DATE







Business highlights – Ahold USA

Further optimizing our own-brands:

- Total AUSA more than 20,000 own-brand SKU's, representing 38% of total sales
- Introducing Nature's Promise across other brands, increasing to 1400 SKU's and building a \$1.5 billion brand by 2020
- Giant Landover introduced a new line of own-brand pork products called "No Antibiotics Ever", from 100% vegetarian-fed stock

Strengthening our digital capabilities:

- Gaining one million new digital users over last year
- Driving 20% brand web traffic growth on our new responsive websites and apps
- Personalized digital coupons with record activation and redemption

Developing Peapod's leading position at the U.S. East Coast:

- "Podpass" membership growth showing high renewal rates and increased total spend
- Voice-controlled ordering tools introduced
- Improved efficiencies by implementing ah.nl technology and way-of-working



Business highlights – Delhaize America

Food Lion shows volume growth for the 20th consecutive quarter:

- Well positioned in current competitive environment
- Successfully facing new competition in the Carolina's

Easy, Fresh & Affordable program roll-out continues:

- Strong growth in Charlotte & Greensboro markets
- Plans for additional 160 store remodels in 2018

Digital loyalty programs developed and rolled out:

- Mobile App Launch at Food Lion: making grocery shopping, and saving, easier for customers across its 10-state footprint
- “Shop & Earn” personalized savings scheme surged in customer engagement at Food Lion
- 100% digital “My Hannaford Rewards” program introduced, full launch early 2018

Omni channel offer expanding:

- Improving pick up points at Hannaford To Go
- Food Lion To Go tested and expansion of additional zip codes for eCommerce



Business highlights – The Netherlands

Albert Heijn ranked first externally on promotions; most bargains & highest discounts

Optimizing customer experience using data analytics at Albert Heijn:

- 14 million weekly personalized offers to more than 2 million customers
- Introducing “Predict my list” with learnings from Peapod and voice-controlled ordering

Continued improvements in own brands:

- Albert Heijn “Best Buy” awards for quality improvements of own-brand products
- Foodwatch recognized 5 Rockfrog desserts for kids as only ‘kids desserts’ products in the Netherlands that are in line with the sugar policy of the WHO
- Delicata and Perla heritage brands relaunched, new designs and new products

Ongoing investments in omni-channel:

- New ah.nl Home Shop Center and new bol.com fulfillment center operational
- Roll out of subscription model at ah.nl with free delivery at a flat fee
- Piloting online service called “Rappie”, delivery within 2 hours
- Bol.com pilot to offer more service for customers via new dedicated desks at Albert Heijn



Business highlights – Belgium & CSE

Belgium

- Network expansion:
 - 18 new Delhaize stores in our network in 2017
 - Renovation of 120 stores in 2017 on track
- Loyalty campaign for fruits and vegetables; over 1 million “hug fruits and vegetables” distributed
- Successful wine fair connected with 150 years of Delhaize’s wine experience and reputation



Central and Southeastern Europe

- Piloting digital personalized communication with our AB Plus loyalty scheme in Greece
- Continued strong sales performance in Romania and Serbia
- Nature’s Promise introduced in the Czech Republic and Etos products introduced in the Czech Republic and Romania



Wrap up & Outlook 2017

- Strong financial performance; increased sales growth and strong synergy delivery, resulting in margin expansion
- Continued development of our online businesses; growth > 20% in the quarter, nearly €3 billion online consumer sales in 2017, close to €5 billion by 2020
- Optimizing our own-brand portfolios; providing healthy and convenient choices, leveraging expertise from both sides of the Atlantic
- Investing in a unique experience; using data analytics for digital loyalty programs, personalized offers and promotions
- Cumulative net synergies FY'17 expected to increase from €220 million to €250 million, including €22 million FY'16
- Reiterate to expect €750 million gross synergies for FY'19; €250 million to be reinvested in our customer proposition, in addition to the save for our customers savings
- Reiterate earlier guidance for FY'17: expected underlying operating margin around 3.9%, free cash flow at €1.6 billion
- Free cash flow for FY'18 expected to increase, including capital expenditure to step up to €1.9 billion
- New €2 billion share buy back program announced for 2018, following completion of the €1 billion program in 2017

Cautionary notice

This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements.

Words such as guidance, expected, step up, announced, continued, incremental, on track, in 2018, accelerating, ongoing, innovation, drives, loyalty, growth, by 2020, optimizing, innovating, to provide, new, to develop, further, strengthening, implementing, well positioned, roll-out, expanding, improvements, promising, to offer, more, to be 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 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 competition and pressure on profit margins in the food retail industry; the impact of the Company's outstanding financial debt; future changes in accounting standards; the Company's ability to generate positive cash flows; general economic conditions; the Company's international operations; the impact of economic conditions on consumer spending; turbulences in the global credit markets and the economy; the significance of the Company's U.S. operations and the concentration of its U.S. operations on the east coast of the U.S.; increases in interest rates and the impact of downgrades in the Company's credit ratings; competitive labor markets, changes in labor conditions and labor disruptions; environmental liabilities associated with the properties that the Company owns or leases; the Company's inability to locate appropriate real estate or enter into real estate leases on commercially acceptable terms; exchange rate fluctuations; additional expenses or capital expenditures associated with compliance with federal, regional, state and local laws and regulations in the U.S., the Netherlands, Belgium and other countries; product liability claims and adverse publicity; risks related to corporate responsibility and sustainable retailing; the Company's inability to successfully implement its strategy, manage the growth of its business or realize the anticipated benefits of acquisitions; its inability to successfully complete divestitures and the effect of contingent liabilities arising from completed divestitures; unexpected outcomes with respect to tax audits; disruption of operations and other factors negatively affecting the Company's suppliers; the unsuccessful operation of the Company's franchised and affiliated stores; natural disasters and geopolitical events; inherent limitations in the Company's control systems; the failure or breach of security of IT systems; changes in supplier terms; antitrust and similar legislation; unexpected outcome in the Company's legal proceedings; adverse results arising from the Company's claims against its self-insurance programs; increase in costs associated with the Company's defined benefit pension plans; 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.

Thank you

FOOD  LION

 Stop&Shop

 Hannaford

GIANT

MARTIN'S

 Giant

Peapod

bfresh

 Albert Heijn

 DELHAIZE

 Etos

 Gall & Gall

bol.com

 albert

 MAXI

 Tempo

 Βασιλόπουλος
...και του πουλιού το γάλα!

 ENA FOOD
CASH & CARRY

 MEGA MACE

 pingo doce

 SUPER INDO