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EVERYDAY
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PRICE

Q3 2023

Ahold Delhaize Results

November 8, 2023

99¢

Mangoes
Sweet and Juicy

Welcome

JP O'Meara

SVP Investor Relations



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 expect(ed)/(s)/(ation), growth, planned, implied, commitment, continu(es)/(e)/(ing), long-term, ambitions, transforming, transition, to be, commit(ted)/(ment), strategy, will, accelerate initiatives, outlook, uncertainty or other similar words or expressions are typically used to identify forward-looking statements.

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

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



Ahold Delhaize raises free cash flow guidance for 2023, preparing the company for the next phase of growth and value creation

- Q3 comparable sales excluding gas increased by **3.1%** for the Group, **0.9%** in the U.S. and **7.0%** in Europe. Increased market share in key markets reflects strong customer loyalty to our locally tailored customer value propositions.
- Q3 Group net sales were **€21.9 billion**, up **2.9%** at constant exchange rates and down **2.1%** at actual exchange rates.
- Net consumer online sales increased by **6.4%** in Q3 at constant exchange rates.
- Q3 underlying operating margin was **3.8%**, a decrease of **0.6** percentage points. This reflects a decline in the U.S. margin due to higher operating costs, the cycling of a favorable **0.2** percentage point insurance reserve release and a **0.1** percentage point decline in insurance benefits at the Global Support Office.
- Q3 diluted underlying EPS was **€0.58**, a decrease of **17.1%** compared to the prior year at actual rates.
- For 2023, the Company now expects free cash flow in a range of **€2.2 billion to €2.4 billion** (previously: a range from **€2.0 billion to €2.2 billion**), underlying EPS slightly below 2022 levels (previously: around 2022 levels); and net capital expenditures of approximately **€2.4 billion** (previously: **€2.5 billion**). The company reiterates underlying operating margin of **≥4.0%**.
- Ahold Delhaize recently announced the planned addition of local Romanian supermarket chain Profi. The implied fully synergized acquisition multiple is approximately **7x** on June 2023 Last 12 Month EBITDA basis (post IFRS 16). With sales of **€2.5 billion**, the acquisition underscores our commitment to high growth markets and assets with strong accretion potential.
- Ahold Delhaize announces it has entered into an agreement to sell its FreshDirect business to Getir
- Ahold Delhaize announces a **€1 billion** share buyback program to start at the beginning of 2024.
- Ahold Delhaize announces **Strategy Day** to be held in the Netherlands in May 2024.

Q3 2023

Business Highlights

Frans Muller, President & CEO



Our brands continue to be agile through a dynamic and complex market environment

Net Sales
€21.9bn
vs LY constant
rates **+2.9%**

**Diluted
Underlying
EPS €0.58**
vs LY actual
rates **(17.1%)**



Diligently staying the course to deliver short and long-term ambitions

**Agile & flexible
local brands** adapt
quickly to
customers' needs



Transforming
operating models to
drive **efficiency &
profitability**

Advancing the
transition to a
**healthy &
sustainable food
system**



Ahold Delhaize announces expansion of operations in Romania



Highlights

- **Profi** operates **1,654 stores**, complementing the Mega Image footprint
- Enterprise Value (EV) of **€1.3 billion** corresponding to lease-adjusted EV **of €1.8 billion** (post IFRS 16)
- Implied **fully synergized acquisition multiple is 7x** on June 2023 Last 12 Month EBITDA basis (post IFRS 16)
- **Sales growth and EBIT margin accretive** (post synergies & integration) to EU margin in the first year after closing

Delhaize continues to execute their transformation plan



Highlights

- First **12** stores have completed transition to affiliated stores with an **additional 39** announced to be completed in the coming months
- Expanded Little Lions campaign to **1,000 products**, double the original offering
- Announced a **new partnership with RangeMe**, strengthening the commitment to local products



Refocusing online fulfillment capabilities to meet changing customer needs



Highlights

- Orienting our online fulfillment capabilities towards **same-day delivery** models
- Closed Jersey City and consolidated Giant Delivers with increased focus on **pick from stores and third-party partners**
- **Divesting FreshDirect** to focus on omnichannel businesses with strong density and online presence

Ahold Delhaize remains committed to elevating its Health and Sustainability strategy



Ahold Delhaize

Established a **Sustainability-Linked Commercial Paper Program** allowing the company to issue Commercial Paper up to a maximum outstanding balance of 1.5 billion euros

Albert

Donated their **11th refrigerated van** to help with the challenging task of **transporting fresh food from stores to food banks**



Albert Heijn / bol

Albert Heijn and bol are featured in a TV series on how they are **using artificial intelligence to improve sustainability**



Food Lion

Food Lion's received its **7th Superior Goal Achievement & its 1st Exceptional Goal Achievement** from EPA's GreenChill Program for reducing refrigerant emissions across its footprint

The GIANT Company / Hannaford

The GIANT company and Hannaford both **received their 3rd Superior Goal Achievement** in their refrigerant emissions reduction goal from EPA's GreenChill Program

Delhaize

Will install **1,200 EV fast chargers** on its parking lots, which is the largest in the retail sector, to **offer customers a freely accessible charging point** while contributing to transition of sustainable mobility

Q3 2023

Financial Highlights

Jolanda Poots-Bijl, CFO



Third Quarter results 2023

Underlying Results



Net sales
€21.9bn
vs LY constant rates
+2.9%

Comparable
Sales Growth
excl. gas
+3.1%
U.S. **+0.9%** EU **+7.0%**

Underlying
operating income
€839m
vs LY constant rates
(10.4%)

Underlying
operating
margin
3.8%
vs LY constant rates
(0.6) pts

Net Consumer
Online Sales¹
€2.8bn
vs LY constant rates
+6.4%

Underlying income
from continuing op.²
€557m
vs LY constant rates
(14.9%)

Diluted Underlying
EPS
€0.58
vs LY actual rates
(17.1%)

1. Net consumer online sales is defined as online sales including sales of third parties through bol's partners. Net consumer online sales excludes Value Added Tax (VAT).
2. Adjusted for impairments of non-current assets, gains and losses on the sale of assets and leases/subleases, restructuring and related charges and other items considered not to be directly related to the underlying operating performance

Third Quarter results 2023

IFRS-Reported
Results



Net sales
€21.9bn
vs LY actual rates
(2.1%)

Online Sales
€2.1bn
vs LY actual rates
+2.3%

Operating income
€625m
vs LY actual rates
(29.5%)

Operating
margin
2.9%
vs LY actual rates
(1.1) pts

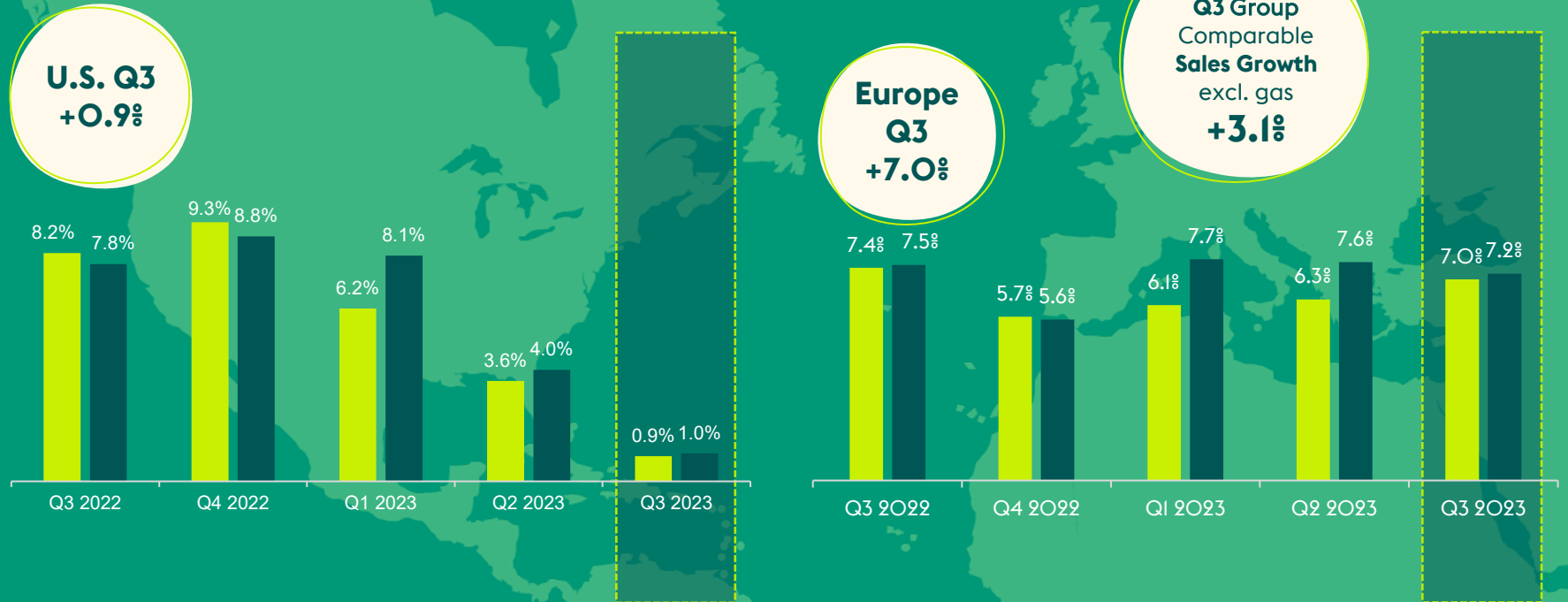
- €153m impairment for Fresh Direct
- €61m restructuring costs for Accelerate initiatives

Income
from continuing
operations
€394m
vs LY actual rates
(33.0%)

Diluted
EPS
€0.41
vs LY actual rates
(30.7%)

Comparable sales growth trends by region

Ex. Gas



USA: Q3 2023

Net sales
€13.6bn
vs LY constant rates
+0.5%

Comparable
sales growth ex gas
0.9%
vs LY
(7.3) pts

Online
sales growth
4.4%
vs LY constant rates

Underlying
operating margin
4.2%
vs LY
(0.8) pts

Food Lion

44 consecutive quarters
of positive comparable
sales growth

Stop & Shop

Piloting a program with
digital kiosks to make
digital coupons more
accessible to customers



Giant Food

Introduced a **pharmacy-based rewards program** that allows customers to earn loyalty points from qualifying pharmacy purchases

The GIANT Company

Increased customer engagement on digital platforms through **successful Click & Clip roll-out** allowing customers to digitally save coupons



GET REWARDED WITH GIANT PHARMACY

Now earn with every eligible pharmacy transaction*

LEARN MORE AT
GIANTFOOD.COM/RXREWARDS

Giant
FLEXIBLE REWARDS



Hannaford

Market share growth in 28 out of last 30 quarters, fueled by private brand & pharmacy growth



Europe: Q3 2023

Net sales

€8.3bn

vs LY constant rates
+7.1%

Comparable
sales growth ex gas

7.0%

vs LY
+0.4 pts

Underlying
operating margin

3.5%

In-line vs LY

Online
sales growth

8.4%

vs LY constant rates

Albert

Launch of **rebranded
ecommerce website**,
leveraging the strong
Albert brand heritage



Maxi Serbia

Joined the **'Better Prices'**
initiative with the Serbian
government to help fight
against inflation



Additional alliance in sourcing

In addition to AMS and
Coopernic buying alliances,
**AD joins European retail
alliance**, Eurelec, to address
price differences between
markets

Alfa Beta

Increased customer
engagement by ~10%
with more **diverse and
frequent loyalty
offerings**

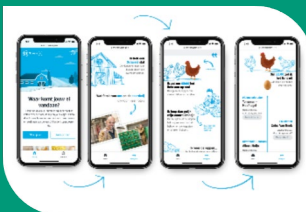


CSE Own Brand

Selected one lab
partner to support a
unified way of working
for product quality
testing for CSE Own
Brands



Albert Heijn's leadership in digital and innovation continues to drive growth



Highlights

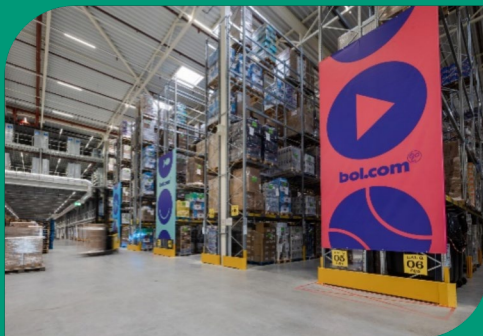
- Completed conversion of **first 15 Jan Linder stores** in the quarter
- Launched the '**AH Terra**' own-brand product line with around **200 plant-based** products
- AH Premium now has **880,000** customers
- Offered customers **extra value** with successful Disney and 'Krasen' campaigns



Bol gains significant market share during the quarter



bol.



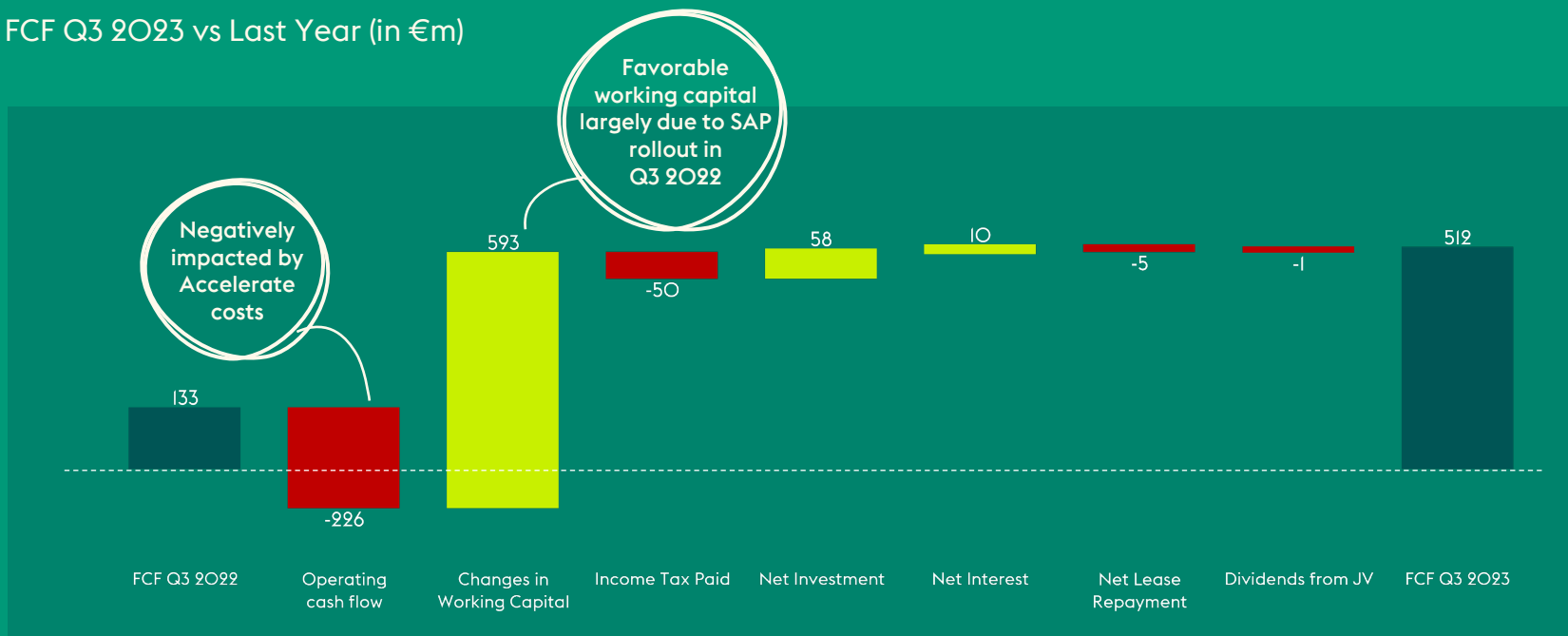
Highlights

- GMV was **€1.3 billion**, up **6.5%** versus the prior year
- Advertising revenues up **48.8%** and logistic services up **22.3%** versus prior year
- Opened **new logistics center** to support largest products in the assortment
- **Rebranded to “bol”** to reflect brand identity beyond website



Q3 2023 free cash flow improvement influenced by last years SAP roll out

FCF Q3 2023 vs Last Year (in €m)



Investing in next phase of EU omnichannel growth

Q3



Boi BFC2XL

Q4



Albert Heijn
Home Shopping
Center

Q4



Mega Image Home
Shopping Center

2024



Delhaize Delivery
Center

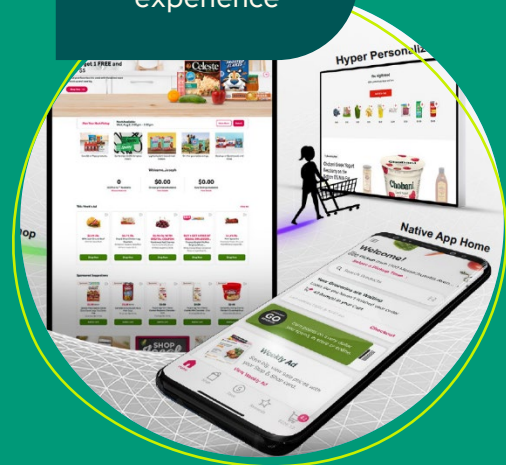
Q3 2023 Outlook

Frans Muller, President & CEO



On track in executing our Leading Together Strategy

Seamless and convenient shopping experience



Delivery options and online offerings that serve customer specific needs

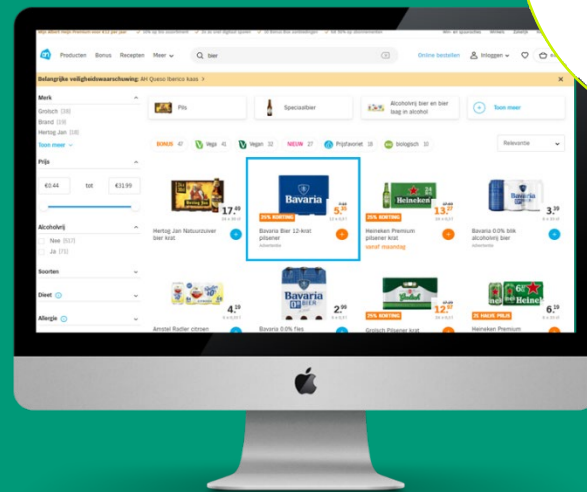
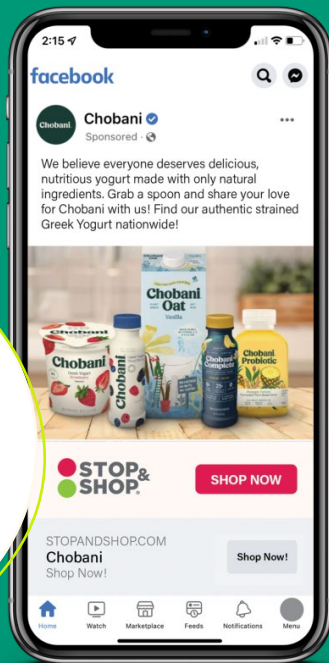
Highly tailored omnichannel loyalty programs



Retail Media organizations progress towards target of €1 billion in revenue

adhesi

AOD
retail media



≥4%
Underlying
Operating Margin

**Slightly
below 2022
levels**
Underlying
diluted EPS

**≥€1
billion**
Save for
Our Customers

**~€2.4
billion**
Capital
Expenditures

**~€2.2 –
€2.4
billion**
Free Cash Flow

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

€1 billion
Share Buyback²

**Dividend
payout ratio**^{1,2}

1. Calculated as a percentage of underlying income from continuing operations.
2. Management remains committed to the share buyback and dividend program, but, given the uncertainty caused by the wider macro-economic consequences of the war in Ukraine, will continue to monitor macro-economic developments. The program is also subject to changes resulting from corporate activities, such as material M&A activity.



1. Management remains committed to the share buyback and dividend program, but, given the uncertainty caused by the wider macro-economic consequences due to increased geopolitical unrest, will continue to monitor macro-economic developments. The program is also subject to changes resulting from corporate activities, such as material M&A activity.

Q&A

FOOD  LION

 STOP & SHOP



 The
GIANT
Company

 Giant

 Albert Heijn



Etos

Gall & Gall
SINCE 1884

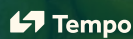
Peapod
DIGITAL LABS

 Retail Business
Services

 albert

bol.

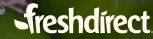
 MAXI

 Tempo

 Βασιλόπουλος
...και του νοστιμού το γάλα!

 ENA FOOD
CASH & CARRY



 freshdirect



 European
BUSINESS
SERVICES

 ADUSA
SUPPLY CHAIN

Thank you

FOOD  LION

 STOP & SHOP



 The
GIANT
Company

 Giant



Albert Heijn



Etos

Gall & Gall
SINDS 1884

Peapod
DIGITAL LABS

 Retail Business
Services

 albert

bol.

 MAXI

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 Βασιλόπουλος
...ταϊ του σουβιού το γαλά

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