

Q1 2022 Ahold Delhaize Results

May 11, 2022

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ȘI FRUCTE** Crute sau gătite, inclusiv
dieta ta zilnică legume



**BRUTA
ȘI PĂTIȘII**



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This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Words and expressions such as accelerate, continu(ed)/(ing), lead, contributing, by, will, next, finalize, fast-growing, start, mitigating, ensure, plan, 2024, commitment, support, outlook, remains, confident, stable, expected, on track, fully, due course, 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's strong global portfolio delivers growth in Q1 net sales and diluted EPS; 2022 outlook increased

- Q1 Group net sales increased **8.3%** at actual rates to **€19.8 billion**. At constant exchange rates, net sales were up **3.6%** as food-at-home consumption continues to prove resilient.
- Q1 comparable sales excluding gas grew **3.3%** (**3.9%** excluding weather and calendar impacts) in the U.S. and declined **3.1%** in Europe (excluding weather and calendar impacts, declined **2.8%**).
- Net consumer online sales declined **1.0%** at constant exchange rates following growth of 103.3% during Q1 in the prior year. Excluding bol.com, net consumer online sales increased **4.6%** at constant rates.
- Driven proactively by Save For Our Customers cost savings initiatives and working hard with suppliers to keep price increases as low as possible, Ahold Delhaize's great local brands are supporting customers to manage their shopping baskets efficiently, ensuring access to affordable and healthy food options in this inflationary environment.
- By providing easy access to affordable and healthy food options, expanding high-quality low-cost own-brand assortments and bulk-item offerings, as well as further deploying highly tailored omnichannel loyalty programs, Ahold Delhaize saw increased market share across its key markets in the quarter.
- Q1 underlying operating margin was **4.2%**, in line with the Company's historical profile, versus last year's COVID-19-supported Q1 underlying operating margin of **4.6%**.
- Q1 IFRS-reported operating income was **€818 million** and Q1 IFRS-reported diluted EPS was **€0.54**.
- Q1 diluted underlying EPS was **€0.55**, an increase of **1.3%** over the prior year at actual rates.
- The Company now expects underlying EPS to be comparable with 2021 levels (previously: down low- to mid-single-digits). Higher than expected Q1 earnings coupled with a more resilient consumer climate in the U.S. as well as a more favorable U.S. dollar are forecast to more than offset the challenging economic backdrop in Europe.
- The Company reiterates the rest of the 2022 full-year outlook including: underlying operating margin to be at least **4%**; free cash flow of approximately **€1.7 billion**; and net capital expenditures of **€2.5 billion**.

Samen hergebruiken en minder verspillen.

Q1 2022

Business Highlights

Frans Muller, President & CEO



We have built a strong portfolio...

Strengthening our positions





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



- **Giant Food and Stop & Shop** named among the **best loyalty programs in the US** by Newsweek
- **The GIANT Company and Giant Food** made **healthier eating more affordable** by doubling points earned on the purchase of all Guiding Stars-rated items
- **Albert Heijn** offers customers suggestions for “**price favorites**” meals at 2 EUR per person. Recipes include seasonal vegetables and vegetarian options, and can be found via the app and online
- **Bol.com** launched **French-language website**, complimenting the already launched French-language app, making online shopping even easier for French-speaking customers in Belgium
- **Alfa Beta** launches TOP HITS promo on a weekly basis, highlighting its **increased support on price to customers** and ensuring they can find everything they need in low prices and with great discounts, both instore and online
- **My Maxi loyalty app launched nationally** in February across Serbia and already has >400k users

Our brands are laser focused on helping customers manage their spending

Expanding the assortment and availability of high-quality own-brand products and bulk offerings



Price Favorites & 2-tier own brand

Create great value offers spearheaded by omnichannel loyalty programs



Loyalty schemes implemented everywhere

Prioritizing healthy food options through Guiding Stars- and Nutri-Score-linked promotions



Double points earned on the purchase of all **Guided Stars**-rated items

Bulk item offerings providing extra value for customers



Personalized offers



Loyalty programs linked to healthy food options



SUPERPLUS VOORDEEL #1
Meer dan 5.000 Nutri-Score A producten van -5% tot -15% goedkoper

Increasing the prominence of own brands on the shopping journey



Gezond koken onder de 2 euro per persoon. Lekker toch.

Prijsfavorieten.
Altijd laag geprijsd

Kiproeibak met sperziebonen en rijst
Vind alle recepten op [ah.nl/prijsfavorieten](#) of in de AH app.

0,75 AH Gebroken sperziebonen fijn Doosjes zak 400 gram	0,86 AH Kerrie gemalen Pakje 40 gram	0,89 AH Selderij Zakje 40 gram
1,43 AH Zilvervliesrijst Pak 1 kilo	1,50 AH Naïvegroente Zak 400 gram	2,75 AH Kipfiletrepjes Schotel 300 gram

1,59 p.p.*
Recept
4 personen

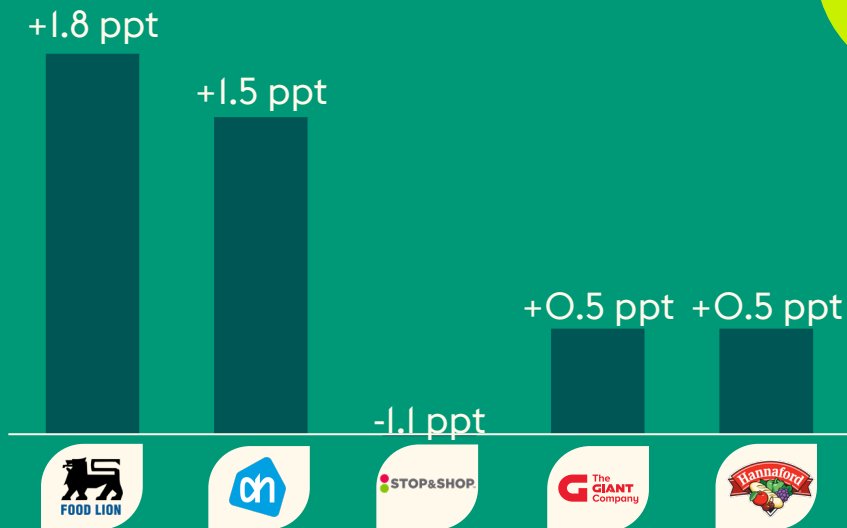
Dat is het *Lekker* van Albert Heijn



Our brands continue to consolidate market share gains

Strengthening our positions

Market Share Growth of Top 5 brands of Ahold Delhaize
(ppt change Q4 2021 vs. Q4 2019)



Net Sales
€19,774 mln
vs LY constant
rates **+3.6%**



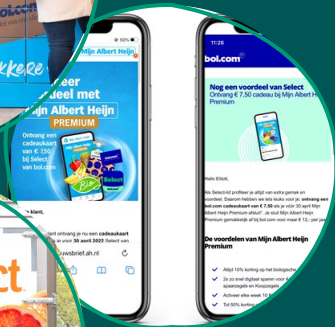
Diluted
Underlying EPS
€0.55
vs LY current rates
1.9%

Highlights & Outlook: Operational Priority



- **Stop & Shop** launched a new **omnichannel program "The Helpful Chef"** delivering convenient and affordable meal solutions for customers
- **Giant Food** expands its **More for You value campaign** introducing bulk items to its offering. The concept will expand to additional locations in Q2 2022
- **Peapod Digital Labs** made investments in fulfillment operations, both in-store and in central fulfillment warehouses, to automate picking and optimize delivery routes to get orders to customers faster, with less manual effort
- **Central and Southern Europe** brands launch joint **algorithm-based store replenishment system** to cover 100% of the assortment
- **Albert Heijn** expanded existing **partnership with Deliveroo & Thuisbezorgd.nl for rapid delivery** in Amsterdam
- **Delhaize** launches first **unmanned 24/7 Shop & Go stores at office locations**, seeing a potential of around 100 shops in the next 2 years

Highlights & Outlook: Portfolio Priority



- **Albert Heijn and bol.com** partner with Budbee to install **joint parcel lockers** across 700 Albert Heijn stores in the coming two years
- **Bol.com and Albert Heijn** experimented with offering customers an **upgrade opportunity to each other's loyalty programs** and will start **offering both subscriptions with a customer incentive on bol.com and ah.nl**. This a first step towards a more integrated loyalty program
- **Albert Heijn and bol.com** set up **pilot programs** to learn about the potential of a combined advertising proposition offering customers more convenience, value and relevance
- **Stop & Shop and FreshDirect** are increasing collaboration to **accelerate growth and market share in NYC**

Highlights & Outlook: Healthy & Sustainable



- **Ahold Delhaize USA** expanded Guiding Stars **nutrition navigation program** across all beverages
- **Hannaford commits to be fully powered by renewable energy by 2024** – a commitment that will make it the first US large-scale supermarket business to do so
- **Bol.com** became the first e-commerce company in the Netherlands and Belgium to be **Climate Neutral Certified** from Climate Neutral Group
- **Bol.com** and **Albert Heijn** are recognized among the **most sustainable brands** in the Netherlands by the 2022 Sustainable Brand Index with bol.com recognized as the most sustainable e-commerce brand
- **Albert Heijn** introduced **package-free grocery shopping**. Customers fill a reusable bag or jar with products and come home with less disposable packaging. Pilot started with one store in Rotterdam, 50 more will follow this year
- **Albert Heijn** added **150 new plant-based products** to their product range and is making plant-based food more accessible by doubling the number of Price Favorites on meat substitutes

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 this inflationary environment.

2022



At least 4%

Underlying
Operating Margin



**Comparable
with 2021 level**

Underlying EPS



≥€850 million

Save for Our
Customers



~€2.5 billion

Capital Expenditures



~€1.7 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.

Q1 2022

Financial Highlights

Natalie Knight, Chief Financial Officer



Our operating model is proving very resilient

**Strong global
footprint and
market leading
positions**

**Consistent track
record of
operational
excellence**

**Deep-rooted
focus on
delivering what
matters for our
customers**

Q1 2022 Underlying Performance



Net sales

€ 19,774

in million

vs LY constant rates **3.6%**



Comparable Sales
Growth excl. gas

0.7%

U.S. **3.3%** E.U. **(3.1%)**



Net Consumer¹
Online Sales

€ 2,715

in million

vs LY constant rates **(1.0%)**



Underlying operating
income

€ 829

in million

vs LY constant rates **(6.6%)**



Underlying
operating margin

4.2%

vs LY constant rates **(0.5) pts**



Underlying Net Income from
continuing operations

€ 555

in million

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



Diluted underlying EPS

€ 0.55

vs LY current rates **(+1.3%)**

Q1 2022 IFRS-reported results



Net sales

€ 19,774

in million

vs LY constant rates **3.6%**



Online sales

€ 2,059

in million

vs LY constant rates **0.7%**



IFRS reported
operating income

€ 818

in million

vs LY constant rates **(5.4%)**



IFRS reported
operating margin

4.1%

vs LY constant rates **(0.4pts)**



Income from
continuing operations

€ 546

in million

vs LY constant rates **(-4.9%)**



Diluted EPS

€ 0.54

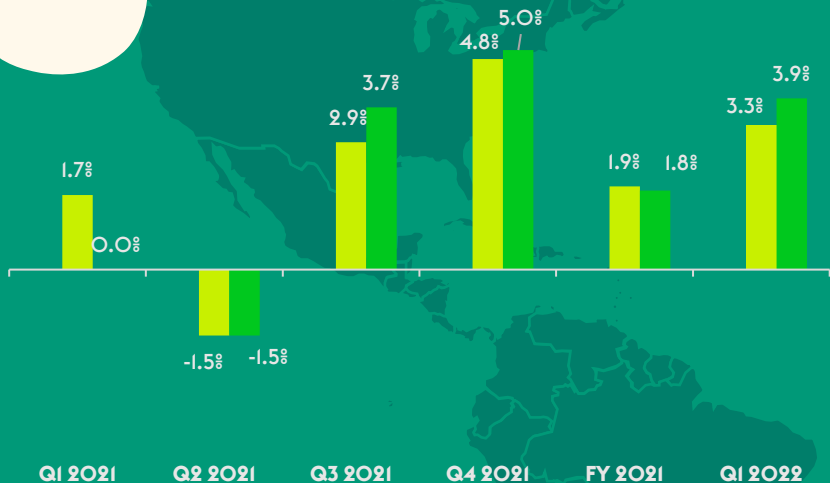
vs LY current rates **(+2.6%)**

Comparable sales growth trends

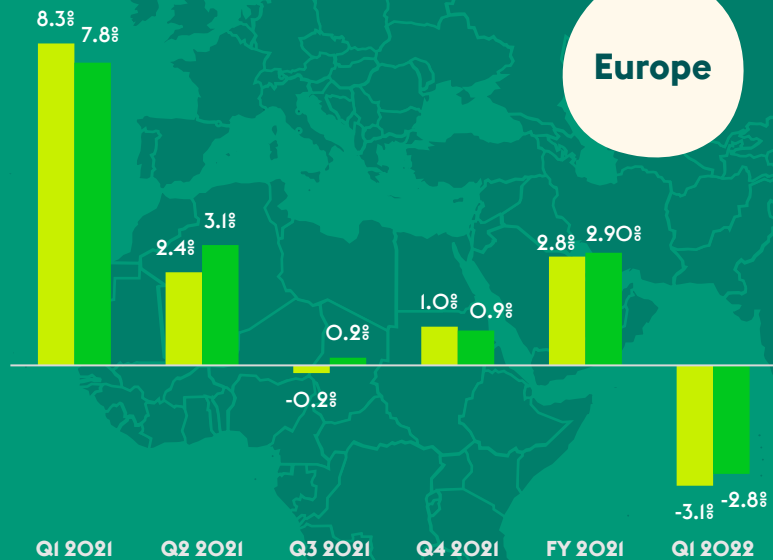
Ex. Gas

Actuals
Ex weather/calendar

U.S.

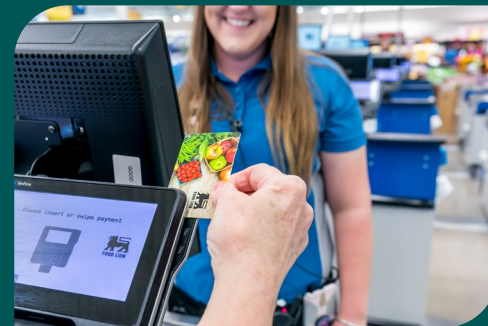


Europe



Highlights: United States

- Net sales grew **5.8%** at constant rates, **13.6%** at actual rates to **€12.2 billion**
- **4.6%** online sales growth in Q1 (constant rates); building on top of the significant **188.3%** growth in the same quarter last year
- Underlying operating margin was **4.4%**, down **0.4** percentage points at constant exchange rates
- **Food Lion** achieved its **38th** consecutive quarter of positive comparable sales growth
- **Stop & Shop** continues its multi-year remodeling initiative, with another **40 stores** expected to be completed in 2022. Remodeled stores continue to meet sales and profit expectations
- **Stop & Shop** 4-year labor contract signed and ratified with unions representing over **60%** of S&S workforce



Highlights: Europe

- Net sales were **€7.6 billion**, an increase of **0.3%** at constant exchange rates and **0.6%** at actual exchange rates
- Q1 Europe comparable sales excluding gasoline declined **3.1%** as societies opened following tight lockdown measures in the year ago quarter
- Underlying operating margin was **3.5%** compared to **4.7%** in the prior year quarter
- **Q1 market share gains in the Benelux**, market share remained stable in CSE
- Q1 Europe **own brand share penetration increased** as consumers found value in our offerings
- Opened a new E-Comm hub in Belgium allowing **Delhaize** to deliver groceries to **97%** of the population



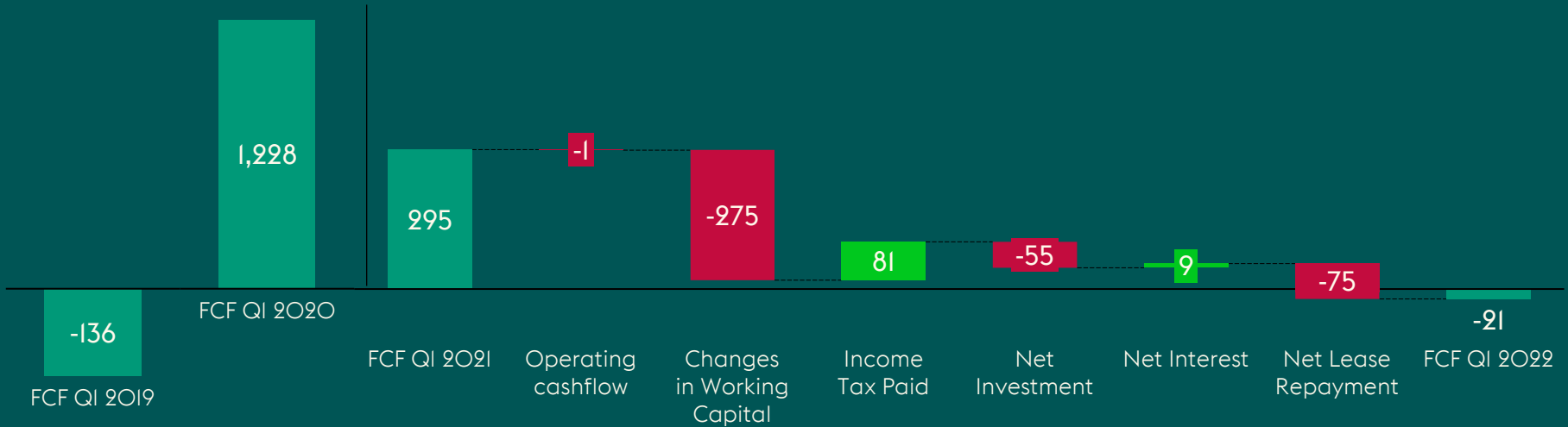
Highlights: **bol.com**

- **Bol.com** gross merchandise value was **€1.3 billion** in Q1 2022 down 7% compared to the year ago quarter, when growth was over 70%
- Bol.com added an estimated **2 points** of market share in Q1 2022
- Expansion of bol.com fulfillment center exceeding initial productivity expectations following soft launch
- Completed acquisition of majority stake in **delivery expert Cycloon** in early May
- Preparations on track to have bol.com ready for potential sub-IPO in the second half of 2022, subject to market conditions and other factors









Q1 Free Cash Flow Returns to Historical Profile

FCF Q1 2022 vs Last Year, 2020 and 2019 (in €m)



Outlook: Key Targets for 2022

Key Financial Targets		Original 2022 guidance	Updated 2022 guidance
	Group underlying operating margin	≥ 4.0%	
	Diluted underlying eps growth¹	Mid-to-low-single-digit % decline vs 2021	Comparable to 2021
	Capital expenditures, net ²	~ €2.5 billion	
	Free cash flow ²	~ €1.7 billion	
	Dividend payout ratio ³	40-50% and yoy increase in dividend per share	
	Share buyback ³	€1 billion	

1. Diluted Underlying EPS growth of 2022 is shown versus 2021

2. Target excludes M&A-activities, show reported scope.

3. Management remains committed to the share buyback and dividend program, but given the uncertainty caused by COVID-19, they will continue to monitor macro-economic developments. The program is also subject to changes in corporate activities, such as material M&A activity. The dividend payout ratio for results in 2021 is calculated as a percentage of underlying income from continuing operations on a 52-week basis.

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



First Quarter results 2022

Ahold
Delhaize's
strong global
portfolio
delivers
growth in Q1
sales and
diluted EPS



Financial Results

Comparable
Sales Growth
excl. gas

0.7%

U.S. +3.3% EU -3.1%

Net sales
€19,774 mln
vs LY constant rates
+3.6%

Net Consumer
Online Sales
€2,715 mln
vs LY constant rates
-1.0%

Underlying
operating income
€829 mln
vs LY constant rates
-6.6%

Underlying
operating margin
4.2%
vs LY constant rates
-0.5 pts

Underlying
Net income
€555 mln
vs LY constant rates
-6.3%

Diluted
Underlying EPS
€0.55
vs LY actual rates
+1.3%

Business Highlights

Giant Food expanded its More for You value campaign introducing bulk items to its offering



The GIANT Company made healthier food more affordable by doubling points earned on Guiding Stars-rated items



Alfa Beta launched TOP HITS to help customers find the lowest prices online and in-store



Delhaize has established the largest home delivery network in Belgium



Hannaford commits to be fully powered by renewable energy by 2024



Bol.com is the first e-commerce company in the Netherlands & Belgium to carry the climate-neutral certification



Albert Heijn added 150 new plant-based products and is doubling the number of Price Favorites on meat substitutes



Ahold Delhaize and its brands donated over €1.5 mln in cash and support, and generated an additional €1.2 mln in customer donations to support displaced Ukrainians



Thank you

