



Q4 & FY 2023

Ahold Delhaize Results

February 14, 2024



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 outlook, increased, grow(th)/(s), accelerat(ing)/(es), mainly, impact(ed), expectations, accelerate initiatives, guidance, proposes, continu(e)/(ing), industry-leading, advance(d), optimized, to be, through, constant, helps, on track, diligently, short and long-term, elevating, growing high-quality / high-value, simplifying/ication), ambition(s), plan, encouraging, strategy/(ic), remains, focus(ed), aiming, reduc(e)/(tion)/(ing), leader, by, 2027, towards, full year, trends, offer, incentivizing, transition, committed, uncertainty, will, developments, subject to, priorities, momentum, support, leveraging 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.

Welcome

JP O'Meara

SVP Investor Relations





Ahold Delhaize reports Q4 2023 financial results, introduces outlook for 2024

- Q4 Group net sales were **€23.0 billion**, up **1.9%** at constant exchange rates and down **1.4%** at actual exchange rates. Q4 comparable sales excluding gas increased by **1.8%** for the Group, with a decline of **1.0%** in the U.S. and an increase of **6.5%** in Europe.
- Net consumer online sales increased by **2.6%** in Q4 at constant exchange rates. Double-digit growth at Food Lion and Hannaford and accelerating growth at Albert Heijn partially offset by FreshDirect.
- Q4 underlying operating margin was **4.3%**, a decrease of **0.1** percentage points. One-off adjustments in the U.S. partially offset declines in European margin and in insurance benefits at the Global Support Office.
- Q4 IFRS operating income was **€675 million** and IFRS diluted EPS was **€0.47**. IFRS results were mainly impacted by a **€250 million** loss on the divestment of FreshDirect.
- Q4 diluted underlying EPS was **€0.73**, an increase of **2.5%** compared to the prior year at actual rates.
- 2023 Full year Group net sales were **€88.6 billion**; underlying operating margin was **4.1%** and diluted underlying EPS was **€2.54**, in line with initial expectations for the year.
- 2023 full year IFRS operating income was **€2,846 million** and IFRS diluted EPS was **€1.94**, IFRS results were mainly impacted by the costs associated with Accelerate initiatives.
- 2023 free cash flow was **€2.4 billion** which is at the higher end of our most recent guidance of **€2.2–€2.4 billion**.
- Management proposes a cash dividend of **€1.10** for fiscal year 2023, which is a **4.8%** increase compared to 2022 and in line with our dividend payout policy.
- 2024 outlook: underlying operating margin of **≥4.0%**; underlying EPS at **around 2023 levels**; free cash flow of **around €2.3 billion**; net capital expenditures of **around €2.2 billion**.

Q4 & FY 2023 Business Highlights

Frans Muller, President & CEO



Performance Review: Key Highlights

Key Financial Targets	2023 Most Recent Guidance	Results in 2023
● Group underlying operating margin	≥ 4.0%	4.1%
● Diluted underlying EPS growth at actual rates	Slightly below prior year level	(0.4%)
● Capital expenditures, net	Around €2.4 billion	€2.3 billion
● Free cash flow	€2.2 - €2.4 billion	€2.4 billion
● Dividend payout ratio ¹	Absolute increase in dividend per share 40-50% payout ratio	4.8% increase in dividend per share 43% payout ratio
● Share buyback	€1 billion	€1 billion
● Save for Our Customers	≥ €1 billion	€1.25 billion

Industry-leading local omnichannel food retailer



402,000
associates

Total stores
7,716

63M
customers
served
weekly

Dense
networks

Optimized
own-brand
products

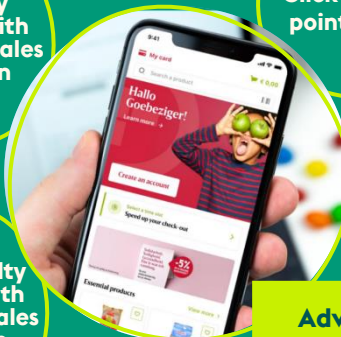


Own-brand
penetration in
the EU of ~50%
and U.S. of ~32%

U.S. loyalty
customers with
~80% loyalty sales
penetration

1,558
Click & Collect
points in U.S.

Benelux loyalty
customers with
~60% loyalty sales
penetration



Advanced
Omnichannel
offerings

Exceeded Save For Our Customers goal with €1,259 million for 2023

Guidance of \geq €4 billion of additional savings from 2022-2025



- Save for Our Customers helps fund growth investments, absorbs cost pressures, and improves our customer value proposition
- On track to achieve \geq €4 billion cumulative savings from 2022 - 2025
- 2024 target of \geq €1 billion

Active participant in our local communities

>€240m

in charitable cash,
product and food
donations¹



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

Elevating the shopping experience
through vibrant, modern stores



Growing high-quality, high-value own brand product assortment

Simplifying go-to-market models
to excel for our customers



Food Lion achieves 45th quarter of consecutive sales growth



FOOD LION



Highlights

- Food Lion to Go expanded to **700 locations** and reached the **\$1 billion online sales** milestone
- Started **roll-out of PRISM** ecommerce technology to first stores
- In 2023, Food Lion Feeds donated **182 million meals** and associates donated the equivalent of **10 million meals**



The GIANT Company accelerates store fleet remodel



Highlights

- During 2023, remodelled more than **15%** of store fleet and nearly **60%** of fleet now has new 'For Today's Table' design
- GIANT Choice Rewards **Ranked in Top 10** of dunnhumby Retailer Preference Index – Personalization Edition
- Donated **13.5 million** pounds of food or the equivalent of over **11 million** meals



**GIANT
CHOICE
REWARDS**



Albert Heijn grows market share for 5th year in a row



Highlights

- Completed conversion of **all 44 Jan Linders stores**
- More than **950,000** subscribers to AH Premium
- **16** Own-Brand Products named 'Best Product of the Year'
- Supporting 'Voedselbanken Nederland' (Foodbank Netherlands) for more than **10 years** & donating over **4 million products** annually



Newly converted Delhaize Belgium stores see encouraging results



Highlights

- 107 stores have now signed agreements with independent buyers and 44 stores have completed transition to affiliated stores
- Launched **Delhaize Delivery Professional** as part of ambition to double sales to companies
- Won a **Golden Effie Award** for the 'Little Lions' advertising campaign



LITTLE LION, LITTLE PRICE!
A RANGE OF QUALITY PRODUCTS, ALWAYS AT LOW PRICE.



Elevating Health and Sustainability strategy remains a strategic focus

Ahold Delhaize

Launched **updated climate plan**, building on last year's plan **focusing on three key areas**: 1) Refining decarbonization levers with **quantified potential GHG emission reduction**, 2) **Sharpening categories** for value chain reduction targets, and 3) **Addressing challenges** in meeting reductions

ADUSA



Ahold Delhaize USA is a founding participant in the **U.S. Food Waste Pact**, a voluntary agreement between ReFED and the World Wildlife Fund, aiming to reduce food waste through pre-competitive collaboration

ADUSA recognized as a leader in **LGBTQ+ inclusion in the workplace** by 2023-2024 Human Rights Campaign Foundation's Corporate Equality Index

Albert Heijn

Partnered with Eneco to **meet half of its power needs by 2027 from the Ecowende offshore wind farm**; and **achieved 100% electric home delivery in four main cities by the end of 2023**, advancing towards an emission-free supply chain



Q4 & FY 2023 Financial Highlights

Jolanda Poots-Bijl, CFO



Fourth Quarter results 2023

Underlying Results



Net sales
€23.0bn
vs LY constant rates
+1.9%

Comparable
Sales Growth
excl. gas
+1.8%
U.S. (1.0%) EU +6.5%

Underlying
operating income
€996m
vs LY constant rates
+0.7%

Underlying
operating
margin
4.3%
vs LY constant rates
(0.1) pts

Net Consumer
Online Sales¹
€3.3bn
vs LY constant rates
+2.6%

Underlying income
from continuing op.²
€700m
vs LY constant rates
+2.4%

Diluted Underlying
EPS
€0.73
vs LY actual rates
+2.5%

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

Full year results 2023

Underlying Results



Net sales
€88.6bn
vs LY constant rates
+3.8%

Comparable
Sales Growth
excl. gas
+3.9%
U.S. **+2.3%** EU **+6.5%**

Net Consumer
Online Sales¹
€11.9bn
vs LY constant rates
+5.9%

**Underlying
operating income**
€3.6bn
vs LY constant rates
(1.2%)

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

**Underlying income
from continuing op.²**
€2.5bn
vs LY constant rates
(1.8%)

**Diluted Underlying
EPS**
€2.54
vs LY actual rates
(0.4%)

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

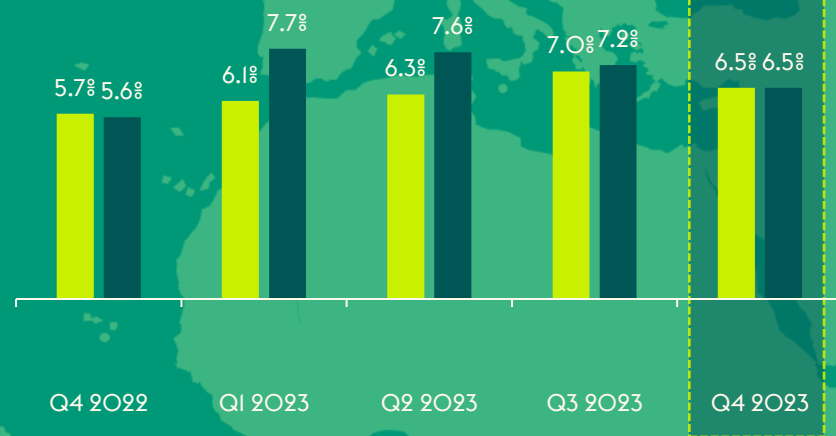
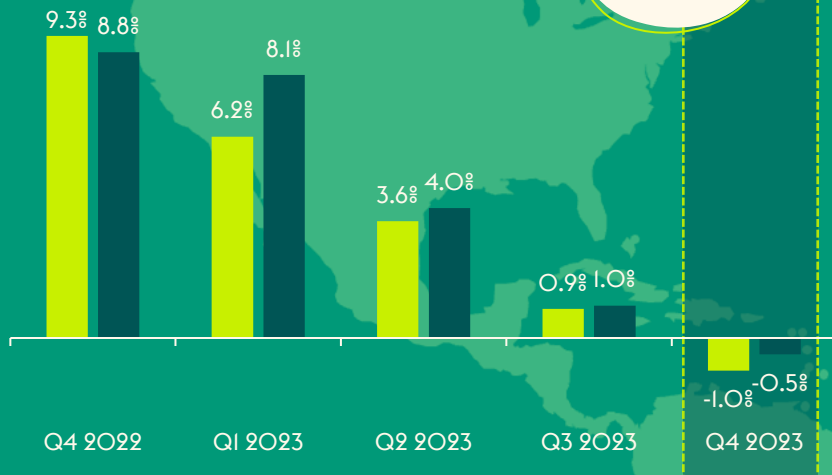
Comparable sales growth trends by region

Ex. Gas

**Q4 Group
Comparable
Sales Growth
excl. gas
+1.8%**

**U.S. Q4
(1.0%)**

**Europe
Q4
+6.5%**



USA: Q4 2023

Net sales
€13.8bn
vs LY constant rates
(+1.5%)

Comparable
sales growth ex gas
(1.0%)
vs LY

Underlying
operating margin
5.2%
vs LY
+0.4 pts

Online
sales growth
(1.9%)
vs LY constant rates

PDL

Leveraging data science, launched **new substitution features** that offer customers increased choice and control of their pickups

Stop & Shop

Partnering in first of its kind **SNAP rewards program pilot** incentivizing the purchase of fruit & vegetables



Make your holiday best for less



Use Flexible Points for top items and ingredients, just in time for your holiday meal.

Giant Food

Engaged customers with holiday **Flexible Rewards** promotions – generating 40 million points redeemed worth **\$600,000** to customers

ADUSA

Announced **new partnership with DoorDash** where all U.S. brands will be available on DoorPass



Hannaford

Introduced **free Hannaford to Go** on orders >\$125 and increased time slots by 20%



Europe: Q4 2023

Net sales

€9.2bn

vs LY constant rates
+7.5%

Comparable
sales growth ex gas

6.5%

vs LY

Underlying
operating margin

3.7%

vs LY
(0.3) pts

Online
sales growth

8.1%

vs LY constant rates

Albert

8 consecutive years
of comparable
store sales growth



Maxi Serbia

Launched **upgraded 'Moj MAXI' loyalty app** with more functionality including personalized promotions and simplified rewards



Collect and save!

Alfa Beta

Introduced **flagship store** in Maroussi with new store layout concept



Price Favorites

Ended year with **7,000 price favorites** across the markets & ambition to grow nearly **20%** in 2024

Mega Image

Launched BALDR, a technology and process solution for operating ecommerce; **Q4 online sales grew more than 70%** compared to Q4 2022





bol

Full year results 2023

Net sales
€2.9 bn
vs LY
+7.3%

Underlying
EBITDA
€151m
vs LY
+21.5%

Capital
Expenditure
€127m
vs LY
(25.3%)

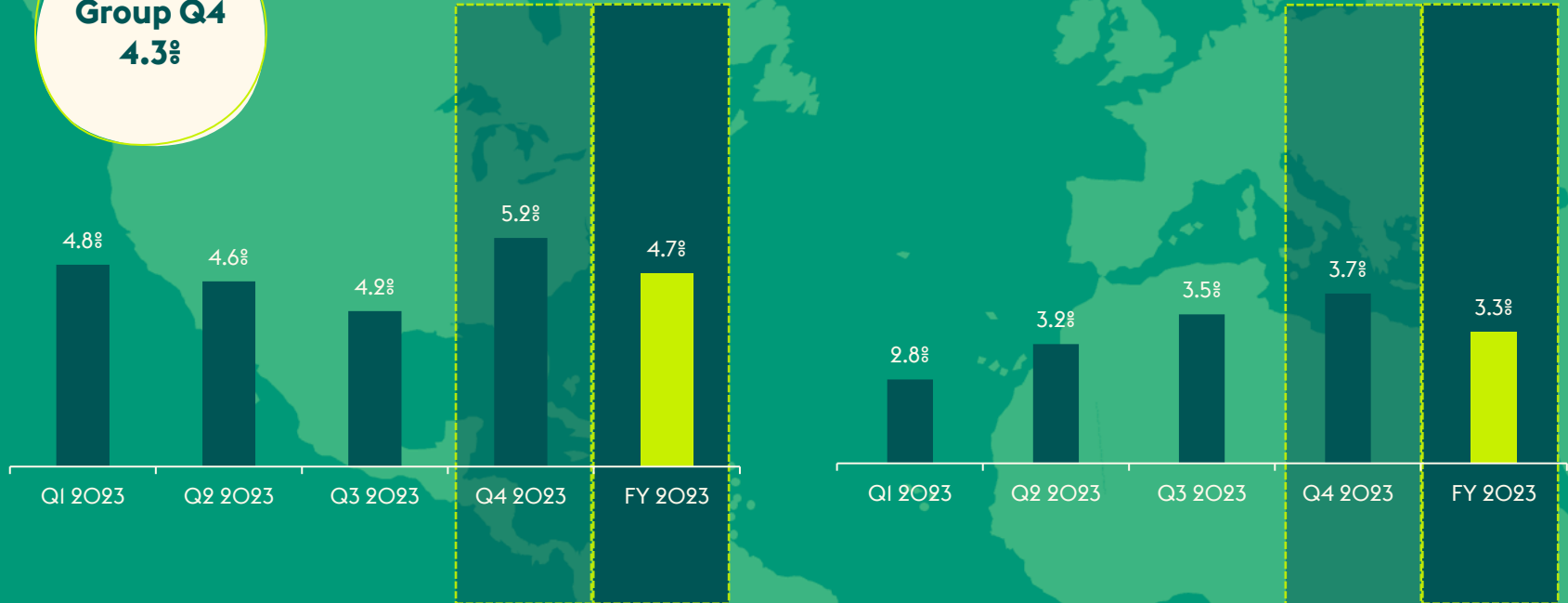
GMV
excluding VAT¹
€5.8 bn
vs LY
+4.9%



1. Gross merchandise value ("GMV") is the total gross value of goods sold through bol's online platform (either Retailer I or Network), exclusive of value added taxes and not taking into account any shipping costs, discounts, returns and cancellations.
2. Net consumer online sales is defined as online sales including sales of third parties via bol's Partner Platform. Net consumer online sales excludes Value Added Tax (VAT).

UOM trends by region

Group Q4
4.3%



Fourth Quarter results 2023

IFRS-Reported
Results



Net sales
€23.0bn
vs LY actual rates
(1.4%)

Online Sales
€2.5bn
vs LY actual rates
+1.2%

Operating income
€675m
vs LY actual rates
(42.2%)

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

- €250m loss on divestment of FreshDirect
- €60m restructuring costs for Accelerate initiatives

Income
from continuing
operations
€451m
vs LY actual rates
(44.2%)

Diluted
EPS
€0.47
vs LY actual rates
(42.2%)

Full year results 2023

IFRS-Reported
Results



Net sales
€88.7bn
vs LY actual rates
+1.9%

Online Sales
€9.0bn
vs LY actual rates
+4.6%

Operating income
€2.8bn
vs LY actual rates
(24.5%)

Operating
margin
3.2%
vs LY actual rates
(1.1) pts

- €266m in impairment charges for Belgium and FreshDirect
- €250m loss on divestment of FreshDirect
- €189m restructuring costs for Accelerate initiatives

Income
from continuing
operations
€1.9bn
vs LY actual rates
(26.4%)

Diluted
EPS
€1.94
vs LY actual rates
(23.7%)

Impact of FreshDirect Divestment on Results

Operating Income

- Impact from divestment recorded as non-recurring items
- YTD impact of **€415 million** includes:
 - €153 million impairment
 - €250 million loss on divestment
 - €12 million restructuring and related charges

Cash Flow

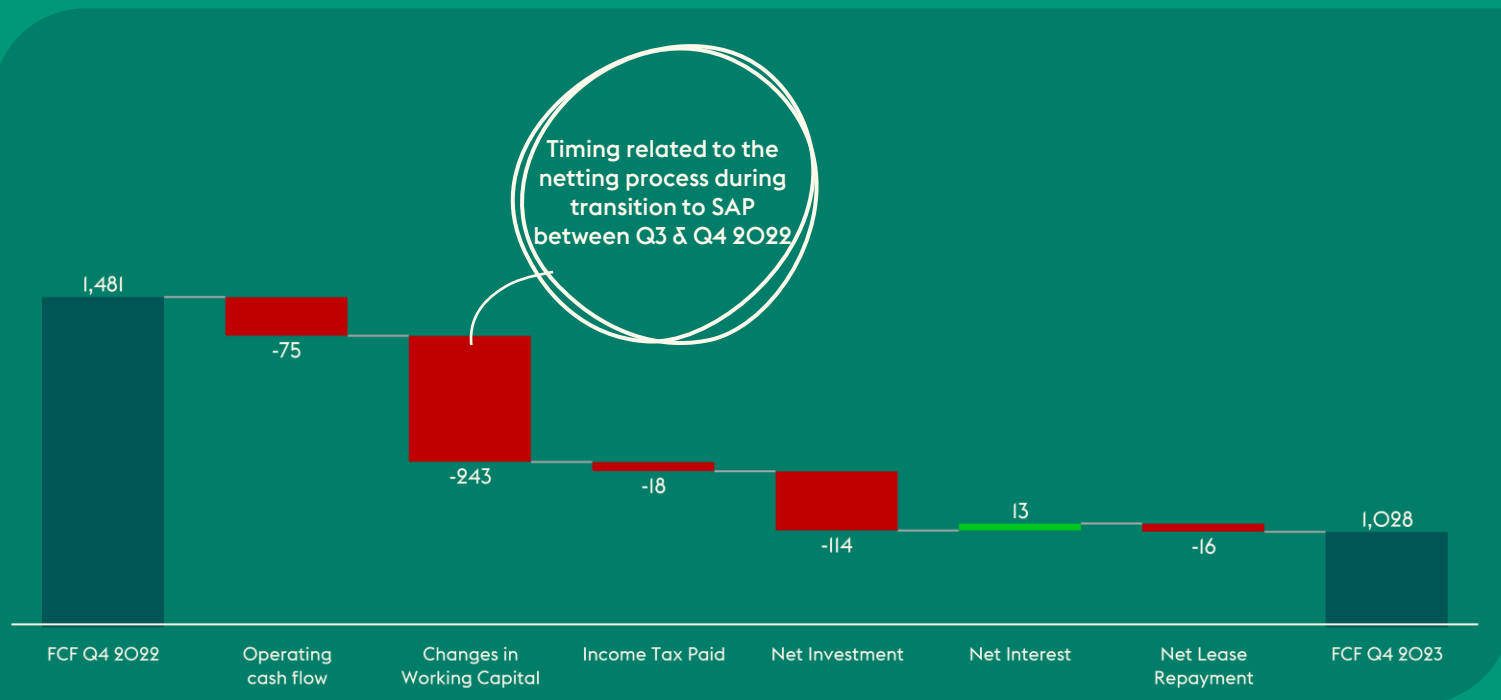
- Loss on divestment is a non-cash adjustment to operating cash flows
- Cash portion of loss on divestment is **€130 million** – part of Investing Activities

Free Cash Flow Impact:

- **€43 million** for restructuring, tax impact, leases and non-current purchases

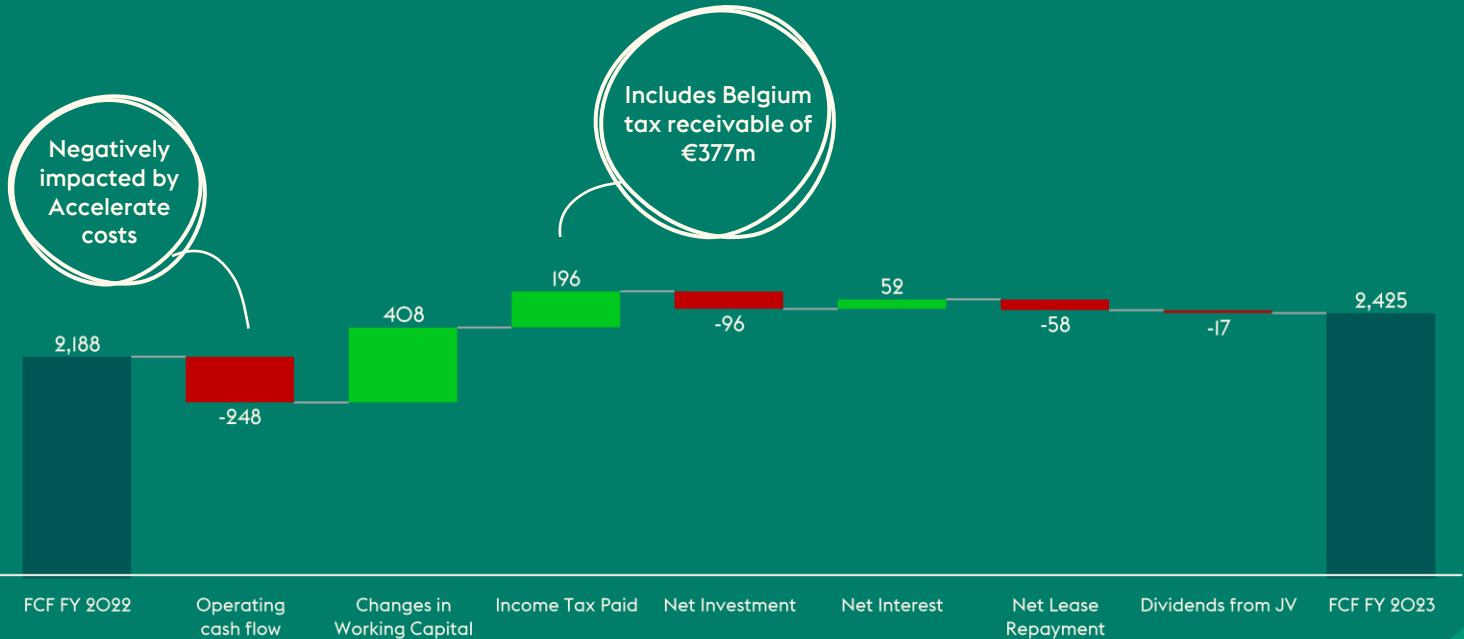
Q4 Free Cash Flow Bridge

FCF Q4 2023 vs Last Year (in €m)



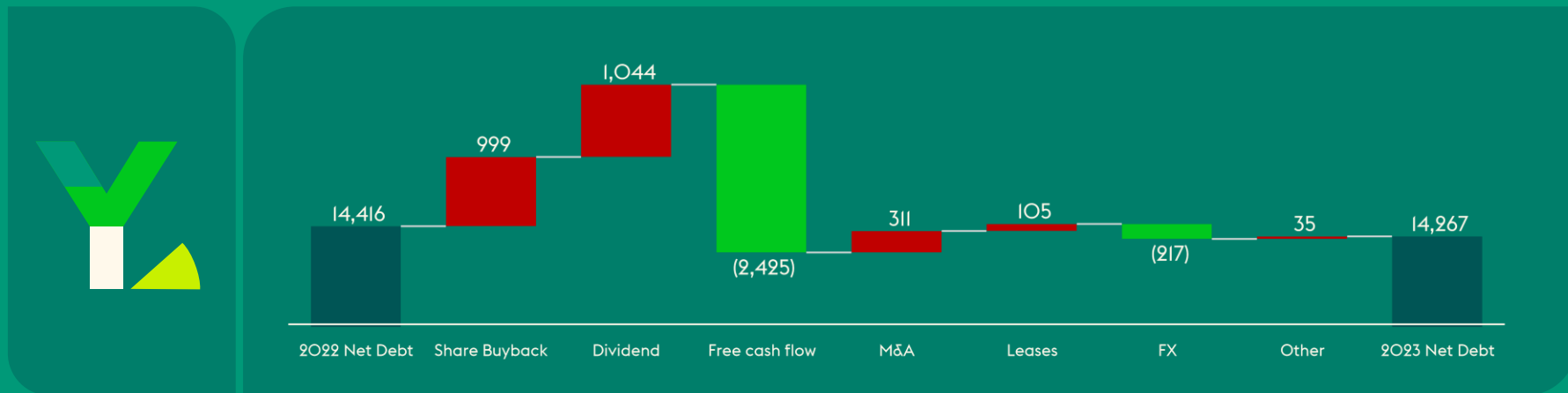
Full Year Free Cash Flow Bridge

FCF FY2023 vs Last Year (in €m)



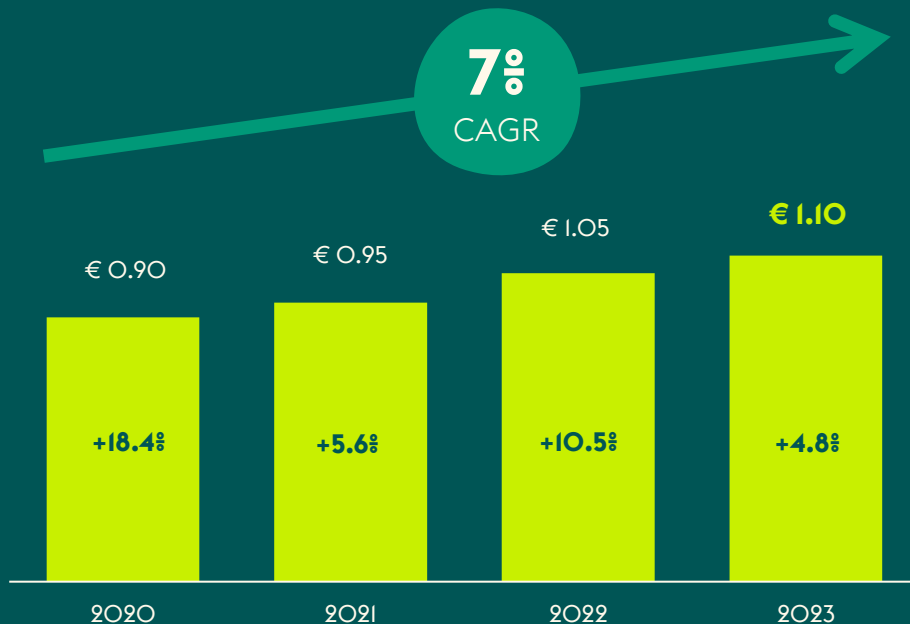
Full Year Debt Bridge

FY2023 vs Last Year (in €m)



Dividend to increase 4.8% to €1.10

Reflecting our ambition
of sustainable dividend
growth



Healthy & Sustainable

Reducing GHG
emissions



35%
Reduction in
absolute GHG
emissions¹
Scope 1 + 2

37%

Reduction in food
waste²

Reducing
Food Waste



Elevating healthy

54.8%
of healthy
own-brand sales

Reducing plastic
product packaging



10%
Reduction virgin
plastic packaging³

≥4.0%
Underlying
Operating Margin

**around
2023
levels**
Underlying
diluted EPS

**around
€2.2
billion**
Net Capital
Expenditures

**around
€2.3
billion**
Free Cash Flow

€1 billion
Share Buyback²

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

40-50%
payout;
YOY growth in
dividend per share
**Dividend
payout ratio**^{1,2}

1. Calculated as a percentage of underlying income from continuing operations.
2. Management remains committed to our share buyback and dividend programs, 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.

2024

Priorities to kick off new phase of momentum

Drive price, value
and assortment
to support our
customers



Organization
simplification to
sustain growth
investments



Leveraging strength
of our great local
brands, including a
holistic reset of S&S



Laser focused
on **cost control**
and **cash**
delivery



Advance own-
brand strategies,
increasing
penetration &
category depth



Q&A

FOOD LION

STOP & SHOP



The GIANT
Company

Giant

cn Albert Heijn



Etos

Gall & Gall
SINCE 1884

Peapod
DIGITAL LABS

Retail Business
Services

albert

bol.

MAXI

Βασιλόπουλος
...και του πορτοφού το καλάι



ENA FOOD
CASH & CARRY



European
BUSINESS
SERVICES

ADUSA
SUPPLY CHAIN

Corporate Calendar 2024

Q1 2024

Jan - March

February 14
Q4 & FY 2023 Results

February 28
Annual Report 2023

Q2 2024

April - June

April 10
Annual Shareholder Meeting

April 25
**Final dividend 2023
payment date**

May 8
Q1 2024 Results

May 22-23
Strategy Day

Q3 2024

July - Sept

August 7
Q2 2024 Results

End of August
**Interim dividend 2024
payment date**

Q4 2024

Oct - Dec

November 6
Q3 2024 results

Thank you

FOOD  LION

 STOP & SHOP™



 The
GIANT
Company

 Giant

 Albert Heijn



Etos

Gall & Gall
SINCE 1884

Peapod
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