

# **Koninklijke Ahold Delhaize N.V.**

## **Q4 2023 Report**

Issued on February 14, 2024

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

- \* Throughout 2023, we have been steadfast in creating value for customers. Our brands expanded their high-quality own brand assortments, optimized loyalty programs and provided a seamless shopping experience both in-store and online. In addition, our teams pulled together to deliver a record of more than €1.25 billion in cost savings to invest back into our customer value proposition.
- \* 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 was 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 range 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; and net capital expenditures of around €2.2 billion.

Zaandam, the Netherlands, February 14, 2024 – Ahold Delhaize, one of the world’s largest food retail groups and a leader in both supermarkets and e-commerce, reports fourth quarter results today.

### Summary of key financial data

	Ahold Delhaize Group			The United States		Europe	
	Q4 2023	% change	% change constant rates	Q4 2023	% change constant rates	Q4 2023	% change constant rates
€ million, except per share data	13 weeks 2023 vs. 13 weeks 2022						
Net sales	23,023	(1.4) %	1.9 %	13,815	(1.5) %	9,208	7.5 %
Comparable sales growth excluding gasoline	1.8 %			(1.0)%		6.5 %	
Online sales	2,475	1.2 %	3.6 %	1,054	(1.9) %	1,420	8.1 %
Net consumer online sales	3,262	0.8 %	2.6 %	1,054	(1.9) %	2,208	4.9 %
Operating income	675	(42.2) %	(39.8) %	437	(46.5) %	294	(9.8) %
Operating margin	2.9 %	(2.1)pp	(2.0)pp	3.2 %	(2.6)pp	3.2 %	(0.6)pp
Underlying operating income	996	(2.9) %	0.7 %	716	7.8 %	336	(0.9) %
Underlying operating margin	4.3 %	(0.1)pp	(0.1)pp	5.2 %	0.4 pp	3.7 %	(0.3)pp
Diluted EPS	0.47	(42.2) %	(40.0) %				
Diluted underlying EPS	0.73	2.5 %	6.1 %				
Free cash flow	1,028	(30.6) %	(28.5) %				

	Ahold Delhaize Group			The United States		Europe	
	2023	% change	% change constant rates	2023	% change constant rates	2023	% change constant rates
€ million, except per share data							
52 weeks 2023 vs. 52 weeks 2022							
Net sales	88,649	1.9 %	3.8 %	54,536	1.8 %	34,113	7.2 %
Comparable sales growth excluding gasoline		3.9 %			2.3 %		6.5 %
Online sales	9,015	4.6 %	6.1 %	4,247	5.1 %	4,768	6.9 %
Net consumer online sales	11,865	4.8 %	5.9 %	4,247	5.1 %	7,618	6.3 %
Operating income	2,846	(24.5) %	(22.9) %	2,044	(19.1) %	870	(26.0) %
Operating margin	3.2 %	(1.1)pp	(1.1)pp	3.7 %	(1.0)pp	2.5 %	(1.1)pp
Underlying operating income	3,604	(3.3) %	(1.2) %	2,553	1.3 %	1,120	(1.2) %
Underlying operating margin	4.1 %	(0.2)pp	(0.2)pp	4.7 %	— pp	3.3 %	(0.3)pp
Diluted EPS	1.94	(23.7) %	(22.2) %				
Diluted underlying EPS	2.54	(0.4) %	1.8 %				
Free cash flow	2,425	10.8 %	13.2 %				

### Comments from Frans Muller, President and CEO of Ahold Delhaize

"I am pleased to report a solid end to the year for Ahold Delhaize. The local brands in our strong international portfolio have been steadfast in creating value for customers by enhancing their highly personalized loyalty programs, increasing access to omnichannel offerings, and expanding their innovative own-brand assortments. In an increasingly complex world, our brands are able to deliver consistency to customers, associates and suppliers, quarter after quarter.

"Disciplined cost management is more important than ever to mitigate cost increases for customers, especially as global conflicts create potential volatility in supply chains. In 2023, we left no stone unturned and significantly exceeded our original Save for Our Customers goals, generating over €1.25 billion in cost savings, which is 29% more than we generated in the prior year.

"Our role as a company goes beyond just the price on the shelf. We believe it is also our responsibility to serve communities, help with broader societal challenges and foster a nurturing environment for associates to thrive. To this end, our brands contributed more than €240 million in charitable cash, product and food donations to local and regional food banks and non-profit organizations throughout the year.

"In Q4, Group net sales increased by 1.9% at constant rates, while comparable sales increased by 1.8%. We delivered an underlying operating margin of 4.3% and diluted underlying EPS growth of 2.5%. One-off adjustments in the U.S. partially offset declines in European margin and in insurance benefits at the Global Support Office. On an IFRS basis, we delivered operating income of €675 million and diluted EPS of €0.47. IFRS results were negatively impacted by the loss on the divestment of FreshDirect.

"In the U.S., net sales decreased by 1.5% at constant rates and comparable sales declined by 1.0%, in line with our expectations, as inflation moderated further and Supplemental Nutrition Assistance Program (SNAP) headwinds remained. With the backdrop of a declining U.S. grocery market, Food Lion achieved a remarkable milestone with 45 consecutive quarters of positive comparable sales growth. Excluding one-offs, the U.S. underlying operating margin was consistent with the prior year, highlighting our strong focus on managing costs to match top-line deflation trends. In addition, the divestment of FreshDirect was finalized in the quarter, which contributed a modest uplift to margin. For the coming quarters, this margin upside will help fund investments into our U.S. brands' store portfolio and customer value propositions.

"In Europe, net sales were up 7.5% at constant rates and comparable store sales were up 6.5% in Q4. This is a strong result, and comes along with the first positive volume trends in over two years. Key to this milestone has been our brands' relentless focus on rolling out local everyday low-price programs. Our brands have expanded their offering in the region to 7,000 own-brand products, meeting customers' needs for high-quality, affordable items. Online grocery sales were up 9.3% with accelerating growth at Albert Heijn. Underlying operating margin was 3.7%, a sequential quarter-over-quarter improvement since we announced Delhaize Belgium's Future Plan and strong cost-control measures to compensate for high inflation in the cost base, particularly impacting labor. At Delhaize, 107 stores have now signed agreements with independent buyers. And we are starting to see encouraging results, with accelerating comparable store sales and stabilizing market share at converted stores.

"Our 2023 diluted underlying EPS of €2.54 decreased by 0.4% at actual rates compared to 2022, in line with the Company's original guidance of around prior year levels. Free cash flow in 2023 was €2.4 billion, reflecting ongoing solid and consistent operating cash flows, inflows related to the collection of a tax receivable in Belgium and outflows related to the delivery of various projects identified as part of the Accelerate operational efficiency initiative.

"Elevating health and sustainability remains a key strategic focus. In 2023, we reduced greenhouse gas (GHG) emissions in our own operations by 35% compared to our 2018 baseline. Our total tons of food waste per food sales was 37% lower than our 2016 baseline, and we are reporting a 10% reduction in virgin own-brand plastic packaging compared to 2021. Our brands continued to increase the percentage of own-brand healthy food sales, reaching 54.8% in 2023, up 0.4 percentage points compared to 2022.

"In December 2023, we published our updated Climate Plan. It provided updates in three key areas, describing how we quantified potential GHG-emissions reduction per decarbonization lever, sharpened the categories for our value chain emissions-reduction target, and addressed challenges in meeting our overall reduction targets. Reducing overall emissions requires effort-based collaboration with our stakeholders across the entire value chain, which is why our brands in Europe have launched climate hubs to help educate their suppliers and support them in taking the first steps towards building their own GHG-emissions reduction plans.

"For 2024, we expect a predominantly consistent performance year-over-year, albeit with some different phasing across the quarters – as, for example, we lap the impacts of inflation rates, SNAP and the various positive and negative impacts of the prior year's transformational initiatives in Europe and the U.S. Our Group underlying margin is expected to be at least 4%. Earnings per share are expected to be around 2023 levels and free cash flow at around €2.3 billion. And, as always, you can expect us to be laser focused on cost control and cash flow delivery.

"We are also looking forward to hosting our Strategy Day in the Netherlands in May, at which we will talk about the many opportunities we see in front of us to kick off a new phase of momentum. Some of the themes we will outline include: maintaining a relentless focus on the customer; leveraging the strength of our great local brands, including a more deliberate and holistic reset of Stop & Shop; simplifying our organization to sustain growth investments; and deploying capital in a more surgical way to support our biggest opportunities."

## **Q4 Financial highlights**

### *Group highlights*

Group net sales were €23.0 billion, an increase of 1.9% at constant exchange rates, and down 1.4% at actual exchange rates. Group net sales were driven by comparable sales growth excluding gasoline of 1.8%, partially offset by lower gasoline sales. Q4 Group comparable sales had a net negative impact of approximately 0.3 percentage points from weather and calendar shifts, primarily related to the timing of New Year's Eve.

In Q4, Group net consumer online sales increased by 2.6% at constant exchange rates. Double-digit growth at Food Lion and Hannaford and accelerating growth at Albert Heijn was partially offset by FreshDirect.

Group underlying operating margin was 4.3%, a decrease of 0.1 percentage points at constant exchange rates. One-off adjustments in the U.S. partially offset declines in European margin and in insurance benefits at the Global Support Office. In Q4, Group IFRS operating income was €675 million, representing an IFRS operating margin of 2.9%, mainly impacted by a €250 million loss on the divestment of FreshDirect and €60 million for restructuring-related costs pertaining to Accelerate initiatives.

Underlying income from continuing operations was €700 million, a decrease of 1.1% in the quarter at actual rates. Ahold Delhaize's IFRS net income in the quarter was €451 million. Diluted EPS was €0.47 and diluted underlying EPS was €0.73, up 2.5% at actual currency rates compared to last year's results. In the quarter, Ahold Delhaize purchased 8.2 million own shares for €225 million, bringing the total year-to-date amount to €1 billion.

### *U.S. highlights*

U.S. net sales were €13.8 billion, a decrease of 1.5% at constant exchange rates and down 6.5% at actual exchange rates. U.S. comparable sales excluding gasoline decreased by 1.0%, and had a net negative impact of approximately 0.5 percentage points from weather and calendar shifts, primarily related to the timing of New Year's Eve. Strong growth in pharmacy was offset by the non-recurrence of emergency SNAP benefits, the moderation of inflation rates and lower gasoline sales. Food Lion and Hannaford continue to lead the U.S. brands' performance with 45 and 10 consecutive quarters of positive sales growth, respectively.

In Q4, online sales in the segment declined 1.9% in constant currency, driven by declining performance of FreshDirect in Q4 and its divestment, as of December 6.

Underlying operating margin in the U.S. was 5.2%, up 0.4 percentage points, primarily due to favorable reserve release and one-off settlements and a modest margin mix benefit from the divestment of FreshDirect. This was partially offset by an increase in shrink. In Q4, U.S. IFRS operating margin was 3.2%, mainly impacted by a €250 million loss on the divestment of FreshDirect.

### *Europe highlights*

European net sales were €9.2 billion, an increase of 7.5% at constant exchange rates and 7.4% at actual exchange rates. The higher net sales were due to an increase in comparable sales of 6.5% and the net opening of new stores, including the conversion of Jan Linders stores.

In Q4, net consumer online sales increased by 4.9%. Online sales in grocery increased by 9.3%.

Underlying operating margin in Europe was 3.7%, down 0.3 percentage points. Higher wages and investments in our customer value proposition were partially offset by a decrease in the non-cash service charge for the Netherlands' employee pension plan. Europe's Q4 IFRS operating margin was 3.2%, mainly impacted by €32 million for restructuring-related costs pertaining to Belgium initiatives.

## **Outlook**

The following are changes in the business that will impact comparable performance for 2024 and have been incorporated into our Outlook:

- The divestment of FreshDirect will reduce the amount of 2024 reported net sales and online sales for the U.S. segment by \$600 million.
- Albert Heijn net sales will be impacted by the cessation of tobacco sales in 2024. Albert Heijn stopped selling tobacco in its own operated supermarkets on January 1, 2024. This will have around a two to three percentage-point impact on reported and comparable store sales in Europe in 2024.

The acquisition of Profi is expected to close in the second half of 2024, and will double the size of operations in Romania. As the timing of the closing is uncertain, our 2024 Outlook excludes any impact from this transaction.

Ahold Delhaize's Group underlying operating margin is expected to be  $\geq 4.0\%$ , in line with the Company's historical profile. Margins will be supported by Save for Our Customers programs of  $\geq \text{€}1$  billion in savings in 2024. This should help to offset pressures related to cost and wage inflation, along with the negative impact on margins from increased online sales penetration.

Underlying EPS is expected to be around 2023 levels at current exchange rates. Our earnings guidance implies further growth and a strong underlying operating performance, which will offset the impact of anticipated moderate declines in interest rates.

Free cash flow is expected to be around €2.3 billion. Net capital expenditures are expected to total around €2.2 billion, lower than the prior year, mainly due to divestments of facilities in the U.S. Overall, we continue to maintain strong levels of investments into our brands' store networks and further rollout of omnichannel capabilities, as well as in advancing our healthy and sustainable initiatives.

In addition, Ahold Delhaize remains committed to its dividend policy and share buyback program in 2024, as previously stated. We are proposing a full-year dividend for 2023 of €1.10 per share and have previously announced a €1 billion share purchase program for 2024.

A detailed Outlook will be provided in the Annual Report 2023, which will be published on February 28, 2024.

	Full-year outlook	Underlying operating margin	Underlying EPS	Save for Our Customers	Net capital expenditures	Free cash flow <sup>1</sup>	Dividend payout ratio <sup>2,3</sup>	Share buyback <sup>3</sup>
<b>Outlook</b>	<b>2024</b>	<b>≥ 4.0%</b>	<b>Around 2023 levels</b>	<b>≥ €1 billion</b>	<b>Around €2.2 billion</b>	<b>Around €2.3 billion</b>	<b>40-50% payout; YOY growth in dividend per share</b>	<b>€1 billion</b>

1. Excludes M&A.
2. Calculated as a percentage of underlying income from continuing operations.
3. 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.

## Group performance

€ million, except per share data	Q4 2023 (13 weeks)	Q4 2022 (13 weeks)	% change	% change constant rates <sup>2</sup>	2023 (52 weeks)	2022 (52 weeks)	% change	% change constant rates <sup>2</sup>
Net sales	23,023	23,359	(1.4)%	1.9 %	88,649	86,984	1.9 %	3.8 %
Of which: online sales <sup>1</sup>	2,475	2,446	1.2 %	3.6 %	9,015	8,618	4.6 %	6.1 %
Net consumer online sales <sup>1</sup>	3,262	3,237	0.8 %	2.6 %	11,865	11,323	4.8 %	5.9 %
Operating income	675	1,167	(42.2)%	(39.8)%	2,846	3,768	(24.5)%	(22.9)%
Income from continuing operations	451	809	(44.2)%	(42.0)%	1,874	2,546	(26.4)%	(24.9)%
Net income	451	809	(44.2)%	(42.0)%	1,874	2,546	(26.4)%	(24.9)%
Basic income per share from continuing operations (EPS)	0.48	0.82	(42.4)%	(40.1)%	1.95	2.56	(23.9)%	(22.3)%
Diluted income per share from continuing operations (diluted EPS)	0.47	0.82	(42.2)%	(40.0)%	1.94	2.54	(23.7)%	(22.2)%
Underlying EBITDA <sup>1</sup>	1,861	1,911	(2.6)%	0.9 %	7,066	7,161	(1.3)%	0.6 %
Underlying EBITDA margin <sup>1</sup>	8.1 %	8.2 %			8.0 %	8.2 %		
Underlying operating income <sup>1</sup>	996	1,026	(2.9)%	0.7 %	3,604	3,728	(3.3)%	(1.2)%
Underlying operating margin <sup>1</sup>	4.3 %	4.4 %			4.1 %	4.3 %		
Underlying income per share from continuing operations – basic (underlying EPS) <sup>1</sup>	0.74	0.72	2.3 %	5.9 %	2.55	2.56	(0.6)%	1.6 %
Underlying income per share from continuing operations – diluted (diluted underlying EPS) <sup>1</sup>	0.73	0.72	2.5 %	6.1 %	2.54	2.55	(0.4)%	1.8 %
Free cash flow <sup>1</sup>	1,028	1,481	(30.6)%	(28.5)%	2,425	2,188	10.8 %	13.2 %

1. Online sales, net consumer online sales, underlying EBITDA, underlying operating income, basic and diluted underlying income per share from continuing operations and free cash flow are alternative performance measures that are used throughout this report. For a description of alternative performance measures, see [Note 13: Alternative performance measures to the interim financial statements](#).
2. The % changes constant rates constitute alternative performance measures. For a reconciliation between % changes and % changes constant rates, see [Note 13: Alternative performance measures to the interim financial statements](#).

## Performance by segment

### The United States

	Q4 2023 (13 weeks)	Q4 2022 (13 weeks)	% change	% change constant rates <sup>2</sup>	2023 (52 weeks)	2022 (52 weeks)	% change	% change constant rates <sup>2</sup>
\$ million								
Net sales	14,867	15,100	(1.5)%		58,976	57,959	1.8 %	
Of which: online sales <sup>1</sup>	1,134	1,156	(1.9)%		4,592	4,367	5.1 %	
€ million								
Net sales	13,815	14,782	(6.5)%	(1.5)%	54,536	55,218	(1.2)%	1.8 %
Of which: online sales <sup>1</sup>	1,054	1,132	(6.8)%	(1.9)%	4,247	4,157	2.2 %	5.1 %
Operating income	437	857	(49.0)%	(46.5)%	2,044	2,605	(21.5)%	(19.1)%
Underlying operating income <sup>1</sup>	716	701	2.1 %	7.8 %	2,553	2,603	(1.9)%	1.3 %
Underlying operating margin <sup>1</sup>	5.2 %	4.7 %			4.7 %	4.7 %		
Comparable sales growth <sup>1</sup>	(1.2)%	9.1 %			1.8 %	7.4 %		
Comparable sales growth excluding gasoline <sup>1</sup>	(1.0)%	9.3 %			2.3 %	6.8 %		

1. Online sales, underlying operating income, comparable sales growth and comparable sales growth excluding gasoline are alternative performance measures that are used throughout this report. For a description of alternative performance measures, see [Note 13: Alternative performance measures](#) to the interim financial statements.
2. The % changes constant rates constitute alternative performance measures. For a reconciliation between % changes and % changes constant rates, see [Note 13: Alternative performance measures](#) to the interim financial statements.

### Europe

	Q4 2023 (13 weeks)	Q4 2022 (13 weeks)	% change	% change constant rates <sup>2</sup>	2023 (52 weeks)	2022 (52 weeks)	% change	% change constant rates <sup>2</sup>
€ million								
Net sales	9,208	8,576	7.4 %	7.5 %	34,113	31,767	7.4 %	7.2 %
Of which: online sales <sup>1</sup>	1,420	1,314	8.1 %	8.1 %	4,768	4,461	6.9 %	6.9 %
Net consumer online sales <sup>1</sup>	2,208	2,105	4.9 %	4.9 %	7,618	7,166	6.3 %	6.3 %
Operating income	294	326	(9.9)%	(9.8)%	870	1,173	(25.9)%	(26.0)%
Underlying operating income <sup>1</sup>	336	340	(1.0)%	(0.9)%	1,120	1,131	(1.0)%	(1.2)%
Underlying operating margin <sup>1</sup>	3.7 %	4.0 %			3.3 %	3.6 %		
Comparable sales growth <sup>1</sup>	6.5 %	5.7 %			6.5 %	2.9 %		
Comparable sales growth excluding gasoline <sup>1</sup>	6.5 %	5.7 %			6.5 %	2.9 %		

1. Online sales, net consumer online sales, underlying operating income, comparable sales growth and comparable sales growth excluding gasoline are alternative performance measures that are used throughout this report. For a description of alternative performance measures, see [Note 13: Alternative performance measures](#) to the interim financial statements.
2. The % changes constant rates constitute alternative performance measures. For a reconciliation between % changes and % changes constant rates, see [Note 13: Alternative performance measures](#) to the interim financial statements.

## Financial review

### Q4 2023 (compared to Q4 2022)

Underlying operating income decreased by €30 million to €996 million, and was adjusted for the following items, which impacted reported IFRS operating income:

- Impairments of €23 million (Q4 2022: €22 million)
- (Gains) and losses on leases and the sale of assets of €230 million (Q4 2022: €(177) million)
- Restructuring and related charges and other items of €69 million (Q4 2022: €13 million)

Including these items, IFRS operating income decreased by €492 million to €675 million. The (gains) and losses on leases and the sale of assets is primarily driven by the loss on the divestment of FreshDirect (see [Note 7](#)). Restructuring and related charges and other items mainly relate to Accelerate initiatives.

Income from continuing operations was €451 million, representing a decrease of €358 million compared to last year. This was mainly driven by a €492 million decrease in operating income, partially offset by lower income taxes of €131 million and a higher share in income of joint ventures of €5 million.

Free cash flow was €1,028 million, which represents an decrease of €453 million compared to Q4 2022. This was driven by a negative development in working capital of €243 million, increased net investments of €114 million, a lower operating cash flow of €75 million, higher income taxes paid of €18 million and higher net lease repayments of €16 million, partially offset by lower net interest paid of €13 million.

Net debt decreased by €916 million to €14.3 billion compared to Q3 2023. This was mainly due to the free cash flow of €1,028 million, the foreign exchange impact on net debt of €292 million and the decrease in lease liabilities of €116 million, partially offset by a €283 million impact mainly related to the divestment of FreshDirect and the share buyback of €225 million.

### Full year 2023 (compared to full year 2022)

Underlying operating income decreased by €124 million to €3,604 million, and was adjusted for the following items, which impacted reported IFRS operating income:

- Impairments of €375 million (2022: €235 million)
- (Gains) and losses on leases and the sale of assets of €180 million (2022: €(198) million)
- Restructuring and related charges and other items of €202 million (2022: €(78) million – income)

Including these items, IFRS operating income decreased by €922 million to €2,846 million. The impairments mainly relate to FreshDirect and Delhaize Belgium. The (gains) and losses on leases and the sale of assets are primarily driven by the loss on the divestment of FreshDirect (see [Note 7](#)). Restructuring and related charges and other items mainly relate to Accelerate initiatives.

Income from continuing operations was €1,874 million, representing a decrease of €672 million compared to last year. This was driven by a €922 million decrease in operating income and a lower share in income from joint ventures of €14 million, partially offset by lower income taxes of €258 million and lower net financial expenses of €7 million.

Free cash flow was €2,425 million, which represents an increase of €237 million compared to last year. This was driven by a positive development in working capital of €408 million, a favorable difference of €196 million in cash flows related to income taxes and lower net interest paid of €52 million, partially offset by a lower operating cash flow of €248 million, increased net investments of €96 million, higher net lease repayments of €58 million and a decrease in dividends received from joint ventures of €17 million. The favorable difference in cash flows related to income taxes was partly due to the agreement with the Belgian tax authorities and the recovery of the associated outstanding receivable, as disclosed in [Note 6](#).



## Store portfolio

Store portfolio (including franchise and affiliate stores):

	End of Q4 2022	Opened / acquired	Closed / sold	End of Q4 2023
The United States	2,051	2	(5)	2,048
Europe <sup>1</sup>	5,608	204	(144)	5,668
<b>Total</b>	<b>7,659</b>	<b>206</b>	<b>(149)</b>	<b>7,716</b>

1. The number of stores at the end of Q4 2023 includes 1,151 specialty stores (Etos and Gall & Gall); (end of Q4 2022: 1,125).

## Dividend per share

Ahold Delhaize's policy is to target a dividend payout ratio range of 40-50% of its underlying income from continuing operations. The payout ratio is assessed on a 52-week-year basis to permit a sustainable comparable year-on-year dividend per share growth. As part of our dividend policy, we adjust income from continuing operations for impairment losses and reversals – net, gains (losses) on leases and the sale of assets – net, restructuring and related charges, and other unusual items. Underlying income from continuing operations for 52 weeks amounted to €2,451 million in 2023 and €2,551 million in 2022, respectively.

We propose a cash dividend of €1.10 per share for the financial year 2023, an increase of 4.8% compared to 2022, reflecting our ambition to sustainably grow the dividend per share. This represents a payout ratio of 43% of underlying income from continuing operations for 52 weeks (calculated as dividend divided by diluted underlying earnings per share).

If approved by the General Meeting of Shareholders, a final dividend of €0.61 per share will be paid on April 25, 2024. This is in addition to the interim dividend of €0.49 per share, which was paid on August 31, 2023. The total dividend payment for the full year 2023 would, therefore, total €1.10 per share.

The interim dividend per share for 2024 will be announced on August 7, 2024, the date of the release of the second quarter results, and will be equal to 40% of the year-to-date underlying income per share from continuing operations.

## Risks and uncertainties

Ahold Delhaize's enterprise risk management program provides the Company with a periodic and comprehensive understanding of Ahold Delhaize's key business risks and the management practices, policies, and procedures in place to mitigate these risks. Ahold Delhaize recognizes strategic, operational, financial, compliance/regulatory and sustainability risk categories.

The rate of rising inflation became less significant during the second half of 2023 as the impact of increased interest rates started taking effect. However, inflation rates are generally still above target levels and cost-of-living pressures are putting continued upward pressure on costs and simultaneously, in conjunction with competitive pressure, presenting challenges in passing on the costs into prices. The existing geopolitical tensions in Gaza and Ukraine are causing disruption and uncertainty around global economic prospects, and security risks have increased in many regions.

While the Group does not have any operations in Israel or Gaza, we performed an initial assessment of the overall impact of the conflict on our global risk profile. Currently we don't see any significant increases on the risk profile of the Company as a whole, however, a further escalation of this conflict or the war in Ukraine might impact our risk profile more significantly, including impacts related to downward macro-economic trends and supply chain disruption. We are closely monitoring and assessing the evolution of any potential related impacts on our people and on macro-economic, operational and supply chain aspects in our brands' markets. The integrated comprehensive analysis of the principal risks faced by Ahold Delhaize is included in the *Risks and opportunities* section of Ahold Delhaize's Annual Report 2023, which will be published on February 28, 2024.

## **Auditor's involvement**

The summarized financial information and other reported data in this press release have not been audited or reviewed.

**Consolidated income statement**

€ million, except per share data	Note	Q4 2023	Q4 2022	2023	2022
Net sales	4/5	23,023	23,359	88,649	86,984
Cost of sales		(16,743)	(17,126)	(64,880)	(63,689)
<b>Gross profit</b>		<b>6,279</b>	<b>6,232</b>	<b>23,769</b>	<b>23,295</b>
Other income <sup>1</sup>		19	175	499	663
Selling expenses		(4,383)	(4,473)	(17,320)	(16,989)
General and administrative expenses		(1,241)	(767)	(4,102)	(3,201)
<b>Operating income</b>	4	<b>675</b>	<b>1,167</b>	<b>2,846</b>	<b>3,768</b>
Interest income		55	29	174	69
Interest expense		(86)	(80)	(336)	(248)
Net interest expense on defined benefit pension plans		(4)	(4)	(17)	(17)
Interest accretion to lease liability		(101)	(92)	(382)	(356)
Other financial income		7	20	15	—
Net financial expenses		(128)	(127)	(546)	(552)
<b>Income before income taxes</b>		<b>547</b>	<b>1,040</b>	<b>2,300</b>	<b>3,216</b>
Income taxes	6	(105)	(236)	(456)	(714)
Share in income of joint ventures		9	4	30	44
<b>Income from continuing operations</b>		<b>451</b>	<b>809</b>	<b>1,874</b>	<b>2,546</b>
Income (loss) from discontinued operations		—	—	—	—
<b>Net income</b>		<b>451</b>	<b>809</b>	<b>1,874</b>	<b>2,546</b>
Attributable to:					
Common shareholders		451	809	1,874	2,546
Non-controlling interests		—	—	—	—
<b>Net income</b>		<b>451</b>	<b>809</b>	<b>1,874</b>	<b>2,546</b>
Net income per share attributable to common shareholders:					
Basic		0.48	0.82	1.95	2.56
Diluted		0.47	0.82	1.94	2.54
Income from continuing operations per share attributable to common shareholders:					
Basic		0.48	0.82	1.95	2.56
Diluted		0.47	0.82	1.94	2.54
Weighted average number of common shares outstanding (in millions):					
Basic		949	981	962	995
Diluted		952	986	966	1,001
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.9293	0.9795	0.9248	0.9515

1. In Q4 2023, the Company reclassified on a net basis €125 million to Cost of sales from Other income and Selling expenses. This adjustment relates to 2023 YTD income from suppliers, which should have been reported as a reduction of cost of sales. The comparative numbers have not been restated since the reclass does not have a material impact on the financial statements (2022: €103 million).

**Consolidated statement of comprehensive income**

€ million	Note	Q4 2023	Q4 2022	2023	2022
<b>Net income</b>		<b>451</b>	<b>809</b>	<b>1,874</b>	<b>2,546</b>
Remeasurements of pension plans:					
Remeasurements before taxes – income (loss)		(292)	41	(145)	516
Income taxes		75	(15)	37	(137)
Other comprehensive income (loss) that will not be reclassified to profit or loss		(217)	26	(108)	378
Currency translation differences in foreign interests:					
Continuing operations		(548)	(1,141)	(393)	671
Cumulative translation differences from divestments transferred to net income		(30)	—	(30)	—
Income taxes		—	(1)	1	(1)
Cash flow hedges:					
Fair value result for the period		(11)	—	(11)	—
Transfers to net income		—	—	1	1
Income taxes		3	—	3	—
Non-realized gains (losses) on debt and equity instruments:					
Fair value result for the period		(1)	—	(1)	—
Income taxes		—	—	—	—
Other comprehensive loss of joint ventures – net of income taxes:					
Share of other comprehensive loss from continuing operations		(1)	—	(1)	—
Other comprehensive income (loss) reclassifiable to profit or loss		(588)	(1,142)	(431)	670
<b>Total other comprehensive income (loss)</b>		<b>(805)</b>	<b>(1,116)</b>	<b>(539)</b>	<b>1,049</b>
<b>Total comprehensive income</b>		<b>(354)</b>	<b>(307)</b>	<b>1,335</b>	<b>3,595</b>
Attributable to:					
Common shareholders		(354)	(307)	1,335	3,595
Non-controlling interests		—	—	—	—
<b>Total comprehensive income</b>		<b>(354)</b>	<b>(307)</b>	<b>1,335</b>	<b>3,595</b>
Attributable to:					
Continuing operations		(354)	(308)	1,335	3,595
Discontinued operations		—	—	—	—
<b>Total comprehensive income</b>		<b>(354)</b>	<b>(307)</b>	<b>1,335</b>	<b>3,595</b>

**Consolidated balance sheet**

€ million	Note	December 31, 2023	January 1, 2023, restated
<b>Assets</b>			
Property, plant and equipment		11,647	12,482
Right-of-use asset		9,483	9,607
Investment property		591	661
Intangible assets		12,998	13,174
Investments in joint ventures and associates		268	262
Other non-current financial assets		949	1,193
Deferred tax assets		196	242
Other non-current assets		228	116
<b>Total non-current assets</b>		<b>36,358</b>	<b>37,737</b>
Assets held for sale	7	205	26
Inventories		4,583	4,611
Receivables		2,488	2,340
Other current financial assets		302	424
Income taxes receivable		68	35
Prepaid expenses and other current assets		332	301
Cash and cash equivalents	9	3,484	3,082
<b>Total current assets</b>		<b>11,463</b>	<b>10,818</b>
<b>Total assets</b>		<b>47,821</b>	<b>48,555</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to common shareholders</b>	8	<b>14,755</b>	<b>15,405</b>
Loans		4,137	4,527
Other non-current financial liabilities		10,801	11,055
Pensions and other post-employment benefits		792	696
Deferred tax liabilities		925	1,005
Provisions		764	742
Other non-current liabilities		37	44
<b>Total non-current liabilities</b>		<b>17,456</b>	<b>18,068</b>
Accounts payable		8,278	8,162
Other current financial liabilities		3,275	2,718
Income taxes payable		114	230
Provisions		492	377
Other current liabilities		3,451	3,595
<b>Total current liabilities</b>		<b>15,610</b>	<b>15,082</b>
<b>Total equity and liabilities</b>		<b>47,821</b>	<b>48,555</b>
Year-end U.S. dollar exchange rate (euro per U.S. dollar)		0.9059	0.9341

See [Note 2](#) for details about the restatement of the 2022 figures due to the implementation of IFRS 17.

**Consolidated statement of changes in equity**

€ million	Note	Share capital	Additional paid-in capital	Currency translation reserve	Cash flow hedging reserve	Other reserves including retained earnings <sup>1</sup>	Equity attributable to common shareholders
<b>Balance as of January 2, 2022</b>		<b>10</b>	<b>10,988</b>	<b>(75)</b>	<b>(2)</b>	<b>2,799</b>	<b>13,721</b>
Net income attributable to common shareholders		—	—	—	—	2,546	<b>2,546</b>
Other comprehensive income attributable to common shareholders		—	—	670	1	378	<b>1,049</b>
<b>Total comprehensive income attributable to common shareholders</b>		<b>—</b>	<b>—</b>	<b>670</b>	<b>1</b>	<b>2,925</b>	<b>3,595</b>
Dividends		—	—	—	—	(979)	<b>(979)</b>
Share buyback		—	—	—	—	(998)	<b>(998)</b>
Cancellation of treasury shares		(1)	(1,385)	—	—	1,386	—
Share-based payments		—	—	—	—	66	<b>66</b>
<b>Balance as of January 1, 2023</b>		<b>10</b>	<b>9,603</b>	<b>595</b>	<b>(1)</b>	<b>5,198</b>	<b>15,405</b>
Net income attributable to common shareholders		—	—	—	—	1,874	<b>1,874</b>
Other comprehensive income attributable to common shareholders		—	—	(422)	(8)	(109)	<b>(539)</b>
<b>Total comprehensive income attributable to common shareholders</b>		<b>—</b>	<b>—</b>	<b>(422)</b>	<b>(8)</b>	<b>1,765</b>	<b>1,335</b>
Dividends	8	—	—	—	—	(1,044)	<b>(1,044)</b>
Share buyback	8	—	—	—	—	(999)	<b>(999)</b>
Cancellation of treasury shares		—	(1,189)	—	—	1,190	—
Share-based payments		—	—	—	—	57	<b>57</b>
<b>Balance as of December 31, 2023</b>		<b>10</b>	<b>8,413</b>	<b>173</b>	<b>(9)</b>	<b>6,168</b>	<b>14,755</b>

1. Other reserves include, among others, the remeasurements of defined benefit plans.

**Consolidated statement of cash flows**

€ million	Note	Q4 2023	Q4 2022 restated	2023	2022 restated
<b>Income from continuing operations</b>		<b>451</b>	<b>809</b>	<b>1,874</b>	<b>2,546</b>
Adjustments for:					
Net financial expenses		128	127	546	552
Income taxes		105	236	456	714
Share in income of joint ventures		(9)	(4)	(30)	(44)
Depreciation, amortization and impairments		891	907	3,844	3,668
(Gains) losses on leases and the sale of assets / disposal groups held for sale		228	(180)	177	(205)
Share-based compensation expenses		11	26	53	65
Operating cash flows before changes in operating assets and liabilities		1,805	1,920	6,921	7,296
Changes in working capital:					
Changes in inventories		136	(56)	(88)	(747)
Changes in receivables and other current assets		(304)	(23)	(205)	(294)
Changes in payables and other current liabilities		702	856	243	583
Changes in other non-current assets, other non-current liabilities and provisions		(12)	(51)	(204)	(331)
Cash generated from operations		2,327	2,646	6,667	6,507
Income taxes paid – net		(98)	(80)	(200)	(397)
Operating cash flows from continuing operations		2,230	2,566	6,466	6,110
Operating cash flows from discontinued operations		—	—	—	—
<b>Net cash from operating activities</b>		<b>2,230</b>	<b>2,566</b>	<b>6,466</b>	<b>6,110</b>
Purchase of non-current assets		(798)	(859)	(2,434)	(2,490)
Divestments of assets / disposal groups held for sale		54	229	136	288
Acquisition of businesses, net of cash acquired	3	(9)	(2)	(34)	(20)
Divestment of businesses, net of cash divested		(130)	13	(130)	12
Dividends received from joint ventures		—	—	22	38
Interest received		51	28	160	56
Lease payments received on lease receivables		31	29	117	115
Cash received from sale of equity / debt instruments		126	—	125	—
Other		(171)	(15)	(171)	(13)
Investing cash flows from continuing operations		(846)	(578)	(2,209)	(2,014)
Investing cash flows from discontinued operations		—	—	—	—
<b>Net cash from investing activities</b>		<b>(846)</b>	<b>(578)</b>	<b>(2,209)</b>	<b>(2,014)</b>
Proceeds from long-term debt		—	—	500	—
Interest paid		(84)	(75)	(226)	(174)
Repayments of loans		(5)	(64)	(291)	(162)
Changes in short-term loans		(1,784)	(1,677)	97	(93)
Repayment of lease liabilities		(455)	(438)	(1,815)	(1,755)
Dividends paid on common shares	8	—	—	(1,044)	(979)
Share buyback	8	(225)	(286)	(999)	(997)
Other cash flows from derivatives		—	—	—	—
Other		8	—	(3)	(28)
Financing cash flows from continuing operations		(2,545)	(2,540)	(3,781)	(4,188)
Financing cash flows from discontinued operations		—	—	—	—
<b>Net cash from financing activities</b>		<b>(2,545)</b>	<b>(2,540)</b>	<b>(3,781)</b>	<b>(4,188)</b>
<b>Net cash from operating, investing and financing activities</b>		<b>(1,161)</b>	<b>(552)</b>	<b>475</b>	<b>(92)</b>
Cash and cash equivalents at the beginning of the period (excluding restricted cash)		4,755	3,884	3,054	2,968
Effect of exchange rates on cash and cash equivalents		(119)	(279)	(54)	178
<b>Cash and cash equivalents at the end of the period (excluding restricted cash)</b>	9	<b>3,475</b>	<b>3,054</b>	<b>3,475</b>	<b>3,054</b>
Average U.S. dollar exchange rate (euro per U.S. dollar)		0.9293	0.9795	0.9248	0.9515

 See [Note 2](#) for details about the restatement of the 2022 figures due to the implementation of IFRS 17.

## Notes to the summarized financial information

### 1. The Company and its operations

The principal activity of Koninklijke Ahold Delhaize N.V. ("Ahold Delhaize" or the "Company" or "Group" or "Ahold Delhaize Group"), a public limited liability company with its registered seat and head office in Zaandam, the Netherlands, is the operation of retail food stores and e-commerce primarily in the United States and Europe.

This summarized financial information is unaudited.

### 2. Accounting policies

#### Basis of preparation

This summarized financial information has been prepared in accordance with IAS 34 "Interim Financial Reporting." The accounting policies applied in these financial statements are consistent with those applied in Ahold Delhaize's 2022 financial statements, except as otherwise indicated below under "New and revised IFRSs effective in 2023."

Historical cost is used as the measurement basis unless otherwise indicated. The financial statements have been prepared on the basis of the going concern assumption.

All amounts disclosed are in millions of euros (€), unless otherwise stated. Due to rounding, numbers presented may not add up precisely to the totals provided.

Ahold Delhaize's financial year is a 52- or 53-week period ending on the Sunday nearest to December 31 for our European operations or the Saturday nearest to December 31 for our operations in the United States. The financial year 2023 consisted of 52 weeks and ended on December 31, 2023. The comparative financial year 2022 consisted of 52 weeks and ended on January 1, 2023. The financial year 2023 and the comparative financial year 2022 are based on a 4/4/5-week calendar, with four equal quarters of 13 weeks.

This summarized financial information does not constitute the full financial statements within the meaning of Part 9 of Book 2 of the Dutch Civil Code. The full year 2023 numbers included in the summarized financial information in this communication are derived from Ahold Delhaize's 2023 financial statements, to be included in the Annual Report 2023. That Annual Report has not yet been authorized for issue and the Company has the ability to amend the financial statements up to the moment the financial statements have been adopted by the General Meeting of Shareholders. The Annual Report has not yet been published by law and still has to be adopted by the annual General Meeting of Shareholders on April 10, 2024.

The Annual Report 2023 will be available for download on the Ahold Delhaize website ([www.aholddelhaize.com](http://www.aholddelhaize.com)) as of February 28, 2024.

#### Risks and uncertainties

While the Group does not have any operations in Israel or Gaza, we performed an initial assessment of the overall impact of the conflict on our global risk profile. Currently we don't see any significant increases on the risk profile of the Company as a whole, however, a further escalation of this conflict or the war in Ukraine might impact our risk profile more significantly, including impacts related to downward macro-economic trends and supply chain disruption. We are closely monitoring and assessing the evolution of any potential related impacts on our people and on macro-economic, operational and supply chain aspects in our brands' markets.

Ahold Delhaize's enterprise risk management program provides executive management with a periodic and holistic understanding of Ahold Delhaize's key business risks and the management practices, policies and procedures in place to mitigate these risks. Ahold Delhaize recognizes strategic, operational, financial, compliance/regulatory and sustainability risk categories. An integrated comprehensive analysis of the principal risks faced by Ahold Delhaize is included in the *Risks and opportunities* section of Ahold Delhaize's Annual Report 2023, which will be published on February 28, 2024.



**New and revised IFRSs effective in 2023**

On May 23, 2023, the International Accounting Standards Board issued *International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12* (the Amendments) to clarify the application of IAS 12 Income Taxes to income taxes arising from tax law enacted or substantively enacted to implement the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) Pillar Two model rules (Pillar Two income taxes).

The Amendments introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining annual disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, and will be reported in the Annual Report 2023.

In addition, the following amendments and revisions to existing standards became effective for Ahold Delhaize's consolidated financial statements as of January 2, 2023:

- Amendments to IAS 1 and IFRS Practice Statement 2, "*Disclosure of Accounting policies*"
- Amendments to IAS 8, "*Definition of Accounting Estimates*"
- Amendments to IAS 12, "*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*"

These amendments do not have a significant impact on the Company's consolidated financial statements.

Furthermore, the following standard became effective for Ahold Delhaize's consolidated financial statements as of January 2, 2023:

- IFRS 17, "*Insurance Contracts*"

IFRS 17 replaces IFRS 4, "Insurance Contracts." The Company adopted IFRS 17 on January 2, 2023, and applied the full retrospective transition approach. Therefore, the comparative figures for the 2022 financial year have been restated, as presented below.

The impact of IFRS 17 on the 2022 balance sheet was as follows:

€ million	January 1, 2023, as reported	Effect of IFRS 17 adoption	January 1, 2023, restated
<b>Assets</b>			
Receivables	2,391	(51)	2,340
Other current financial assets	373	51	424
<b>Total current assets</b>	<b>10,818</b>	<b>—</b>	<b>10,818</b>
<b>Total assets</b>	<b>48,555</b>	<b>—</b>	<b>48,555</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to common shareholders</b>	<b>15,405</b>	<b>—</b>	<b>15,405</b>
Accounts payable	8,191	(29)	8,162
Other current financial liabilities	2,689	29	2,718
<b>Total current liabilities</b>	<b>15,082</b>	<b>—</b>	<b>15,082</b>
<b>Total liabilities and shareholders' equity</b>	<b>48,555</b>	<b>—</b>	<b>48,555</b>

The impact of IFRS 17 on the Reinsurance contract asset and the Reinsurance contract liability as of January 1, 2023, as presented in [Note 10](#), was as follows:

€ million	January 1, 2023, as reported	Effect of IFRS 17 adoption	January 1, 2023, restated
Reinsurance contract asset	283	51	333
Reinsurance contract liability	273	29	302

The impact of IFRS 17 on the opening balance sheet at transition date was as follows:

€ million	January 3, 2022, as reported	Effect of IFRS 17 adoption	January 3, 2022, restated
<b>Assets</b>			
Receivables	2,058	(52)	2,005
Other current financial assets	356	52	408
Prepaid expenses and other current assets	387	(119)	268
<b>Total current assets</b>	<b>9,584</b>	<b>(119)</b>	<b>9,465</b>
<b>Total assets</b>	<b>45,712</b>	<b>(119)</b>	<b>45,593</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to common shareholders</b>	<b>13,721</b>	<b>—</b>	<b>13,721</b>
Accounts payable	7,563	(32)	7,531
Other current financial liabilities	2,552	32	2,584
Other current liabilities	3,483	(119)	3,364
<b>Total current liabilities</b>	<b>14,179</b>	<b>(119)</b>	<b>14,060</b>
<b>Total liabilities and shareholders' equity</b>	<b>45,712</b>	<b>(119)</b>	<b>45,593</b>

The impact of IFRS 17 on the Q4 2022 cash flow statement was as follows:

€ million	Q4 2022 as reported	Effect of IFRS 17 adoption	Q4 2022 restated
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>1,920</b>	<b>—</b>	<b>1,920</b>
Changes in working capital:			
Changes in receivables and other current assets	7	(30)	(23)
Changes in payables and other current liabilities	823	33	856
Changes in other non-current assets, other non-current liabilities and provisions	(49)	(2)	(51)
<b>Cash generated from operations</b>	<b>2,646</b>	<b>—</b>	<b>2,646</b>

The impact of IFRS 17 on the 2022 cash flow statement was as follows:

€ million	2022 as reported	Effect of IFRS 17 adoption	2022 restated
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>7,296</b>	<b>—</b>	<b>7,296</b>
Changes in working capital:			
Changes in receivables and other current assets	(162)	(132)	(294)
Changes in payables and other current liabilities	451	133	583
Changes in other non-current assets, other non-current liabilities and provisions	(331)	—	(331)
<b>Cash generated from operations</b>	<b>6,507</b>	<b>—</b>	<b>6,507</b>

The impact of IFRS 17 on the Q4 2022 free cash flow, as presented in [Note 13](#), was as follows:

€ million	Q4 2022 as reported	Effect of IFRS 17 adoption	Q4 2022 restated
Operating cash flows before changes in working capital and income taxes paid	1,871	(2)	1,869
Changes in working capital	774	2	777
<b>Free cash flow</b>	<b>1,481</b>	<b>—</b>	<b>1,481</b>

The impact of IFRS 17 on the 2022 free cash flow, as presented in [Note 13](#), was as follows:

€ million	2022 as reported	Effect of IFRS 17 adoption	2022 restated
Operating cash flows before changes in working capital and income taxes paid	6,965	—	6,965
Changes in working capital	(458)	—	(458)
<b>Free cash flow</b>	<b>2,188</b>	<b>—</b>	<b>2,188</b>

### 3. Business combinations and intangible assets

The allocation of the fair values of the identifiable assets acquired, liabilities assumed and goodwill arising from the acquisitions through Q4 2023 is as follows:

€ million	Total acquisitions
Property, plant and equipment	21
Right-of-use asset	1
Other intangible assets	3
Assets held for sale	1
Inventories	3
Prepaid expenses and other current assets	—
Cash and cash equivalents	—
Lease liabilities	(1)
Other current liabilities	—
<b>Net identifiable assets acquired</b>	<b>27</b>
Goodwill	24
<b>Total purchase consideration</b>	<b>52</b>
Purchase consideration in kind	(18)
Cash acquired (excluding restricted cash)	—
<b>Acquisition of businesses, net of cash acquired</b>	<b>34</b>

A reconciliation of Ahold Delhaize's goodwill balance is as follows:

€ million	Goodwill
<b>As of January 1, 2023</b>	
At cost	7,990
Accumulated impairment losses	(69)
<b>Opening carrying amount</b>	<b>7,920</b>
Acquisitions through business combinations	24
Exchange rate differences	(157)
<b>Closing carrying amount</b>	<b>7,788</b>
<b>As of December 31, 2023</b>	
At cost	7,796
Accumulated impairment losses	(8)
<b>Closing carrying amount</b>	<b>7,788</b>

#### 4. Segment reporting

Ahold Delhaize's retail operations are presented in two reportable segments. In addition, Ahold Delhaize's Global Support Office is presented separately.

Ahold Delhaize's unconsolidated joint ventures JMR – Gestão de Empresas de Retalho, SGPS, S.A. ("JMR") and P.T. Lion Super Indo ("Super Indo") are excluded from the segment information below.

The accounting policies used for the segments are the same as the accounting policies used for this summarized financial information, as described in [Note 2](#).

All reportable segments sell a wide range of perishable and non-perishable food and non-food consumer products.

Reportable segment	Operating segments included in the reportable segment
The United States	Stop & Shop, Food Lion, The GIANT Company, Hannaford, Giant Food and FreshDirect <sup>1</sup>
Europe	Albert Heijn (including the Netherlands and Belgium) Delhaize ("Delhaize Le Lion" including Belgium and Luxembourg) bol (including the Netherlands and Belgium) Albert (Czech Republic) Alfa Beta (Greece) Mega Image (Romania) Delhaize Serbia (Republic of Serbia) Etos (the Netherlands) Gall & Gall (the Netherlands)
Other	Included in Other
Other retail	Unconsolidated joint ventures JMR (49%) and Super Indo (51%)
Global Support Office	Global Support Office staff (the Netherlands, Belgium, Switzerland and the United States)

1. *FreshDirect was divested on December 6, 2023. For more information, see [Note 7](#).*

**Q4 2023**

€ million	The United States	Europe	Global Support Office	Ahold Delhaize Group
Net sales	13,815	9,208	—	<b>23,023</b>
Of which: online sales	1,054	1,420	—	<b>2,475</b>
Operating income (expense)	437	294	(56)	<b>675</b>
Impairment losses and reversals – net	12	11	—	<b>23</b>
(Gains) losses on leases and the sale of assets – net <sup>2</sup>	236	(6)	—	<b>230</b>
Restructuring and related charges and other items	31	38	—	<b>69</b>
<i>Adjustments to operating income<sup>1</sup></i>	<i>279</i>	<i>42</i>	<i>—</i>	<i><b>321</b></i>
Underlying operating income (expense)	716	336	(56)	<b>996</b>

1. *Included in General and administrative expenses in the consolidated income statement.*
2. *(Gains) and losses on leases and the sale of assets is mainly driven by the loss on the divestment of FreshDirect. For more information, see [Note 7](#).*

In Q4, Global Support Office operating expense was €56 million, compared to €15 million in the prior year, primarily driven by the unfavorable discounting effect on the Company's insurance provisions, stemming from a decrease in interest rates.

**Q4 2022**

€ million	The United States	Europe	Global Support Office	Ahold Delhaize Group
Net sales	14,782	8,576	—	<b>23,359</b>
Of which: online sales	1,132	1,314	—	<b>2,446</b>
Operating income (expense)	857	326	(16)	<b>1,167</b>
Impairment losses and reversals – net	13	9	—	<b>22</b>
(Gains) losses on leases and the sale of assets – net	(163)	(14)	—	<b>(177)</b>
Restructuring and related charges and other items	(6)	18	1	<b>13</b>
<i>Adjustments to operating income<sup>1</sup></i>	<i>(155)</i>	<i>13</i>	<i>1</i>	<i><b>(141)</b></i>
Underlying operating income (expense)	701	340	(15)	<b>1,026</b>

1. *Included in General and administrative expenses in the consolidated income statement.*

**Full year 2023**

€ million	The United States	Europe	Global Support Office	Ahold Delhaize Group
Net sales	54,536	34,113	—	<b>88,649</b>
Of which: online sales	4,247	4,768	—	<b>9,015</b>
Operating income	2,044	870	(68)	<b>2,846</b>
Impairment losses and reversals – net <sup>3</sup>	228	147	—	<b>375</b>
(Gains) losses on leases and the sale of assets – net <sup>2</sup>	220	(40)	—	<b>180</b>
Restructuring and related charges and other items	61	143	(2)	<b>202</b>
<i>Adjustments to operating income<sup>1</sup></i>	<i>509</i>	<i>250</i>	<i>(1)</i>	<i><b>758</b></i>
Underlying operating income	2,553	1,120	(69)	<b>3,604</b>

1. *Included in General and administrative expenses in the consolidated income statement.*
2. *(Gains) and losses on leases and the sale of assets is mainly driven by the loss on the divestment of FreshDirect. For more information, see [Note 7](#).*
3. *Impairment losses and reversals – net includes an impairment charge of €153 million for FreshDirect. It also contains impairments recognized on Delhaize stores. More information about the sale of the Delhaize stores is included in [Note 7](#).*

**Full year 2022**

€ million	The United States	Europe	Global Support Office	Ahold Delhaize Group
Net sales	55,218	31,767	—	<b>86,984</b>
Of which: online sales	4,157	4,461	—	<b>8,618</b>
Operating income (expense)	2,605	1,173	(10)	<b>3,768</b>
Impairment losses and reversals – net	212	24	—	<b>235</b>
(Gains) losses on leases and the sale of assets – net	(181)	(17)	—	<b>(198)</b>
Restructuring and related charges and other items	(33)	(49)	4	<b>(78)</b>
<i>Adjustments to operating income<sup>1</sup></i>	(2)	(42)	4	<b>(40)</b>
Underlying operating income (expense)	2,603	1,131	(6)	<b>3,728</b>

1. Included in General and administrative expenses in the consolidated income statement.

**Additional information**

Results in local currency for the United States are as follows:

\$ million	Q4 2023	Q4 2022	2023	2022
Net sales	14,867	15,100	58,976	57,959
Of which: online sales	1,134	1,156	4,592	4,367
Operating income	435	874	2,177	2,733
Underlying operating income	772	716	2,761	2,727

**5. Net sales**

€ million	Q4 2023			Q4 2022		
	The United States	Europe	Ahold Delhaize Group	The United States	Europe	Ahold Delhaize Group
Sales from owned stores	12,710	5,581	18,290	13,595	5,409	19,004
Sales to and fees from franchisees and affiliates	—	2,184	2,184	—	1,826	1,826
Online sales	1,054	1,420	2,475	1,132	1,314	2,446
Wholesale sales	51	23	74	55	27	83
<b>Net sales</b>	<b>13,815</b>	<b>9,208</b>	<b>23,023</b>	<b>14,782</b>	<b>8,576</b>	<b>23,359</b>

€ million	2023			2022		
	The United States	Europe	Ahold Delhaize Group	The United States	Europe	Ahold Delhaize Group
Sales from owned stores	50,087	21,397	71,485	50,846	20,244	71,090
Sales to and fees from franchisees and affiliates	—	7,851	7,851	—	6,957	6,957
Online sales	4,247	4,768	9,015	4,157	4,461	8,618
Wholesale sales	202	97	298	215	104	319
<b>Net sales</b>	<b>54,536</b>	<b>34,113</b>	<b>88,649</b>	<b>55,218</b>	<b>31,767</b>	<b>86,984</b>

## 6. Income taxes

Ahold Delhaize's effective tax rate in its consolidated income statement differed from the Netherlands' statutory income tax rate of 25.8%. The following table reconciles the statutory income tax rate with the effective income tax rate in the consolidated income statement:

€ million	2023	Tax rate
Income before income taxes	2,300	
Income tax expense at statutory tax rate	(593)	25.8 %
Adjustments to arrive at effective income tax rate:		
Rate differential (local rates versus the statutory rate of the Netherlands)	115	(5.0)%
Deferred tax income (expense) related to recognition of deferred tax assets – net	(9)	0.4 %
Non-taxable income (expense)	18	(0.8)%
Other	13	(0.6)%
<b>Total income taxes</b>	<b>(456)</b>	<b>19.8 %</b>

€ million	2022	Tax rate
Income before income taxes	3,216	
Income tax expense at statutory tax rate	(830)	25.8 %
Adjustments to arrive at effective income tax rate:		
Rate differential (local rates versus the statutory rate of the Netherlands)	107	(3.3)%
Deferred tax income (expense) related to recognition of deferred tax assets – net	3	(0.1)%
Non-taxable income (expense)	(16)	0.5 %
Other	23	(0.7)%
<b>Total income taxes</b>	<b>(714)</b>	<b>22.2 %</b>

The rate differential indicates the effect of Ahold Delhaize's taxable income being generated and taxed in jurisdictions where tax rates differ from the statutory tax rate in the Netherlands.

Non-taxable income (expense) for 2023 includes a tax benefit on divestments in the amount of €16 million. For 2022, it includes a tax expense on non-deductible impairment in the amount of €14 million.

Other includes discrete items, such as one-time transactions, movement in tax uncertain positions and (state) tax rate changes impacting deferred tax in the balance sheet.

In March 2023, Ahold Delhaize signed an agreement with the Belgian tax authorities relating to its tax return over 2018. Based on this agreement, Ahold Delhaize fully recovered its associated outstanding receivable. The payment was received in May 2023.

## 7. Assets and liabilities held for sale

Assets held for sale and related liabilities at December 31, 2023, consist primarily of non-current assets and associated liabilities of retail locations.

On March 7, 2023, Ahold Delhaize's Belgian brand, Delhaize, announced its intention to transform all of its integrated supermarkets in Belgium into independently operated Delhaize stores to strengthen its position in the country's competitive retail market. In Q2 2023, the store assets qualified as assets held for sale. These assets will be sold to the local entrepreneurs, who will become independent operators under the affiliate business model. Before they were classified as assets held for sale, Delhaize Belgium recognized a €108 million impairment for the assets based on fair value less costs to sell.

During 2023 and, subsequently, on January 15, 2024, Delhaize Belgium announced that a buyer was found and asset purchase agreements signed for a total of 107 stores (by December 31, 2023: 89 stores). Of these, 33 were already transformed into operating affiliate stores during 2023. It is Delhaize's intention to transform the remaining stores during 2024. At December 31, 2023, Delhaize Belgium's assets held for sale relating to the aforementioned affiliate business model transformation have a carrying value of €34 million.

## FreshDirect

On November 8, 2023, Ahold Delhaize announced that it has entered into an agreement to divest its FreshDirect business to Getir. The transaction closed on December 6, 2023. Upon the divestment, Ahold Delhaize recorded a pre-tax loss of €250 million and a net tax benefit of €75 million. FreshDirect has been reported under the U.S. reportable segment.

## 8. Equity attributable to common shareholders

### Dividend on common shares

On April 12, 2023, the General Meeting of Shareholders approved the dividend over 2022 of €1.05 per common share. The interim dividend for 2022 of €0.46 per common share was paid on September 1, 2022. The final dividend of €0.59 per common share was paid on April 27, 2023.

On August 9, 2023, the Company announced the interim dividend for 2023 of €0.49 per common share, which was paid on August 31, 2023.

### Share buyback

On January 2, 2023, the Company commenced the €1 billion share buyback program that was announced on November 9, 2022. The program was successfully completed on November 24, 2023.

In total, 34,138,442 of the Company's own shares were repurchased at an average price of €29.29 per share. The share buyback program resulted in a net transactional discount from the dealers of €1 million.

On January 2, 2024, the Company commenced the €1 billion share buyback program that was announced on November 8, 2023. The program is expected to be completed before the end of 2024.

The number of outstanding common shares as of December 31, 2023, was 946,013,323 (January 1, 2023: 977,352,954).

### Vesting of shares under the GRO plan

On April 11, 2024, a maximum of 0.2 million performance shares granted in 2021 to current members of the Management Board under the Ahold Delhaize GRO plan are expected to vest. Except to finance taxes and social security charges due on the vesting date, members of the Management Board cannot sell shares for a period of at least five years following the grant date, or until their date of resignation from the Management Board, if this period is shorter. Any sale of shares is subject to insider trading restrictions as applicable from time to time.

On April 11, 2024, a maximum of 2.1 million performance shares granted in 2021 to Ahold Delhaize employees under the Ahold Delhaize GRO plan are expected to vest. As of the vesting date, participants are allowed to sell all or part of the vested shares, subject to insider trading restrictions as applicable from time to time.

The Company will use treasury shares for the delivery of the vested shares.

## 9. Cash

The following table presents the reconciliation between the cash and cash equivalents as presented in the statement of cash flows and on the balance sheet:

€ million	December 31, 2023	January 1, 2023
Cash and cash equivalents as presented in the statement of cash flows	3,475	3,054
Restricted cash	10	28
<b>Cash and cash equivalents as presented on the balance sheet</b>	<b>3,484</b>	<b>3,082</b>

Cash and cash equivalents include an amount held under a notional cash pooling arrangement of €767 million (January 1, 2023: €712 million), which is fully offset by an identical amount included under Other current financial liabilities.



## 10. Financial instruments

On March 28, 2023, Ahold Delhaize announced that it successfully launched and priced a €500 million Green Bond, with a term of five years, maturing on April 4, 2028. The issuance was priced at 99.851% and carries an annual coupon of 3.5%. The settlement of the bond issue took place on April 4, 2023. The bond proceeds will be used to finance and re-finance Ahold Delhaize's new or existing assets with a positive measurable environmental impact in the following categories:

- Green buildings
- Renewable energy
- Energy efficiency
- Clean transportation
- Pollution prevention and control

This inaugural Green Bond reinforces the continued alignment of the Company's funding strategy to its sustainability strategy and overall ESG ambitions.

The following table presents the fair value of financial instruments, based on Ahold Delhaize's categories of financial instruments, including current portions, compared to the carrying amount at which these instruments are included on the balance sheet. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The carrying amount of trade and other (non-)current receivables, cash and cash equivalents, accounts payable, short-term deposits and similar instruments, and other current financial assets and liabilities approximate their fair values because of the short-term nature of these instruments and, for receivables, because any expected recoverability loss is reflected in an impairment loss.

€ million	December 31, 2023		January 1, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets at amortized cost</b>				
Loans receivable	129	130	36	34
Lease receivable	529	505	518	498
<b>Financial assets at fair value through profit or loss</b>				
Reinsurance contract asset <sup>1</sup>	327	327	333	333
Investments in debt instruments	11	11	136	136
<b>Financial assets at fair value through other comprehensive income</b>				
Investments in equity instruments	27	27	—	—
<b>Derivative financial instruments</b>				
Derivatives	—	—	2	2
<b>Financial liabilities at amortized cost</b>				
Notes	(4,758)	(4,617)	(4,373)	(4,075)
Financing obligations	(163)	(80)	(194)	(109)
Other long-term financial liabilities	(58)	(59)	(269)	(268)
<b>Financial liabilities at fair value through profit or loss</b>				
Reinsurance contract liability <sup>1</sup>	(283)	(283)	(302)	(302)
<b>Derivative financial instruments</b>				
Derivatives	(32)	(32)	(26)	(26)

1. Reinsurance contract asset and Reinsurance contract liability have been restated due to the implementation of IFRS 17 (see [Note 2](#)).

Of Ahold Delhaize's categories of financial instruments, only derivatives, investments in debt and certain equity instruments and reinsurance assets (liabilities) are measured and recognized on the balance sheet at fair value. These fair value measurements are categorized within Level 2 of the fair value hierarchy. A description of the valuation techniques and inputs used to develop the measurements is included in *Note 30* of Ahold Delhaize's 2022 financial statements, as included in the Annual Report 2022, published on March 1, 2023.

Ahold Delhaize posted deposits as collateral in the net amount of €33 million as of December 31, 2023 (January 1, 2023: €26 million). The counterparties have an obligation to repay the deposits to Ahold Delhaize upon settlement of the contracts.

## II. Related party transactions

Ahold Delhaize has entered into arrangements with a number of its subsidiaries and affiliated companies in the course of its business. These arrangements relate to service transactions and financing agreements. Furthermore, Ahold Delhaize considers transactions with key management personnel to be related party transactions. As of the balance sheet date, December 31, 2023, there have been no significant changes in the related party transactions from those described in Ahold Delhaize's Annual Report 2022.

## 12. Commitments and contingencies

On September 7, 2023, a cooperation agreement between Albert Heijn and Jan Linders became effective, and 44 stores were converted into Albert Heijn franchise supermarkets in 2023. As part of the cooperation, several contributions were agreed upon. There are no material outstanding investment commitments related to this transaction; the main part of the contributions is recognized on the balance sheet as part of Other non-current assets and Accounts payable. Also, the agreement for the acquisition of 10 existing Albert Heijn stores by Jan Linders became effective on September 1, 2023. The acquisition of the Jan Linders DC and the Jan Linders headquarters was fully completed on January 29, 2024.

On October 30, 2023, Ahold Delhaize announced it has agreed to acquire 100% of Romanian grocery retailer Profi Rom Food SRL (Profi) from MidEuropa. Profi is a leading traditional grocery retailer in Romania, operating 1,654 stores in the country. The acquisition more than doubles the size of Ahold Delhaize's existing Romanian business, which operates under the Mega Image brand and has 969 stores, predominantly in urban areas. The combination will complement and expand Ahold Delhaize's existing Romanian footprint to better serve both urban and rural areas. This acquisition is still subject to approval by relevant regulatory authorities. Ahold Delhaize will pay an enterprise value of approximately €1.3 billion, corresponding to a lease-adjusted enterprise value of €1.8 billion (post IFRS 16). The acquisition consideration will be 100% debt funded, with the transaction expected to close in 2024, following the satisfaction of customary closing conditions, including regulatory clearance. On November 23, 2023, Ahold Delhaize entered into a one-year €1.2 billion committed, unsecured and syndicated bridge facility, with two six-months extension options.

A comprehensive overview of commitments and contingencies as of January 1, 2023, is included in *Note 34* of Ahold Delhaize's 2022 financial statements, as included in the Annual Report 2022, published on March 1, 2023. For an update on commitments and contingencies relating to taxes, see [Note 6](#).

A comprehensive overview of commitments and contingencies as of December 31, 2023, will be provided in Ahold Delhaize's 2023 financial statements, as included in the Annual Report 2023, which will be published on February 28, 2024.

### 13. Alternative performance measures

This summary report includes alternative performance measures (also known as non-GAAP measures). The reconciliation from IFRS operating income (expenses) to underlying operating income (expenses) is included in [Note 4](#). The descriptions of these alternative performance measures are included under *Definitions and abbreviations* in Ahold Delhaize's Annual Report 2022 and an updated list of all our alternative performance measures is published on our website at [www.aholddelhaize.com](http://www.aholddelhaize.com). For the calculation methods of percentages, we refer to the descriptions of these alternative performance measures published on our website.

#### Free cash flow

€ million	Q4 2023	Q4 2022 restated	2023	2022 restated
Operating cash flows from continuing operations before changes in working capital and income taxes paid <sup>1</sup>	1,794	1,869	6,717	6,965
Changes in working capital <sup>1</sup>	534	777	(50)	(458)
Income taxes paid – net	(98)	(80)	(200)	(397)
Purchase of non-current assets	(798)	(859)	(2,434)	(2,490)
Divestments of assets / disposal groups held for sale	54	229	136	288
Dividends received from joint ventures	—	—	22	38
Interest received	51	28	160	56
Interest paid	(84)	(75)	(226)	(174)
Lease payments received on lease receivables	31	29	117	115
Repayment of lease liabilities	(455)	(438)	(1,815)	(1,755)
<b>Free cash flow</b>	<b>1,028</b>	<b>1,481</b>	<b>2,425</b>	<b>2,188</b>

1. Operating cash flows from continuing operations before changes in working capital and income taxes paid and Changes in working capital have been restated due to the implementation of IFRS 17 (see [Note 2](#)).

#### Net debt

€ million	December 31, 2023	October 1, 2023	January 1, 2023
Loans	4,137	4,203	4,527
Lease liabilities	10,545	10,960	10,637
Non-current portion of long-term debt	14,682	15,164	15,164
Short-term borrowings and current portion of long-term debt	3,085	4,927	2,476
Gross debt	17,766	20,091	17,640
Less: cash, cash equivalents, short-term deposits and similar instruments, and short-term portion of investments in debt instruments <sup>1, 2, 3, 4</sup>	3,500	4,908	3,223
<b>Net debt</b>	<b>14,267</b>	<b>15,183</b>	<b>14,416</b>

- Short-term deposits and similar instruments include investments with a maturity of between three and 12 months. The balance of these instruments at December 31, 2023, was €15 million (October 1, 2023: €16 million and January 1, 2023: €16 million) and is presented within Other current financial assets in the consolidated balance sheet.
- Included in the short-term portion of investments in debt instruments is a U.S. Treasury investment fund in the amount of €0 million (October 1, 2023: €125 million and January 1, 2023: €125 million).
- Book overdrafts, representing the excess of total issued checks over available cash balances within the Group cash concentration structure, are classified in accounts payable and do not form part of net debt. This balance at December 31, 2023, was €335 million (October 1, 2023: €367 million and January 1, 2023: €414 million).
- Cash and cash equivalents include an amount held under a notional cash pooling arrangement of €767 million (October 1, 2023: €2,085 million and January 1, 2023: €712 million). This cash amount is fully offset by an identical amount included under Short-term borrowings and current portion of long-term debt.

**Underlying EBITDA**

€ million	Q4 2023	Q4 2022	2023	2022
<b>Underlying operating income</b>	<b>996</b>	<b>1,026</b>	<b>3,604</b>	<b>3,728</b>
Depreciation and amortization	865	885	3,462	3,432
<b>Underlying EBITDA</b>	<b>1,861</b>	<b>1,911</b>	<b>7,066</b>	<b>7,161</b>

1. The difference between the total amount of depreciation and amortization for Q4 2023 of €868 million (Q4 2022: €885 million) and Q4 YTD 2023 of €3,469 million (Q4 YTD 2022: €3,433 million) and the amounts mentioned here relates to items that were excluded from underlying operating income.

**Underlying income from continuing operations**

€ million, except per share data	Q4 2023	Q4 2022	2023	2022
<b>Income from continuing operations</b>	<b>451</b>	<b>809</b>	<b>1,874</b>	<b>2,546</b>
Adjustments to operating income	321	(141)	758	(40)
Tax effect on adjusted and unusual items	(73)	40	(181)	44
<b>Underlying income from continuing operations</b>	<b>700</b>	<b>707</b>	<b>2,451</b>	<b>2,551</b>
<b>Underlying income from continuing operations for the purpose of diluted earnings per share</b>	<b>700</b>	<b>707</b>	<b>2,451</b>	<b>2,551</b>
Basic income per share from continuing operations <sup>1</sup>	0.48	0.82	1.95	2.56
Diluted income per share from continuing operations <sup>2</sup>	0.47	0.82	1.94	2.54
Underlying income per share from continuing operations – basic <sup>1</sup>	0.74	0.72	2.55	2.56
Underlying income per share from continuing operations – diluted <sup>2</sup>	0.73	0.72	2.54	2.55

1. Basic and underlying earnings per share from continuing operations are calculated by dividing the (underlying) income from continuing operations attributable to equity holders by the average numbers of shares outstanding. The weighted average number of shares used for calculating the basic and underlying earnings per share for Q4 2023 is 949 million (Q4 2022: 981 million).
2. The diluted earnings per share from continuing operations and diluted underlying EPS are calculated by dividing the diluted (underlying) income from continuing operations by the diluted weighted average number of shares outstanding. The diluted weighted average number of shares used for calculating the diluted underlying EPS for Q4 2023 is 952 million (Q4 2022: 986 million).

**Online sales**

The difference between online sales and net consumer online sales is third-party online sales, as shown below.

**Group**

€ million	Q4 2023	Q4 2022	% change	2023	2022	% change
Online sales in grocery	1,547	1,582	(2.2)%	6,059	5,855	3.5 %
Other online sales	928	863	7.4 %	2,956	2,763	7.0 %
<b>Online sales</b>	<b>2,475</b>	<b>2,446</b>	<b>1.2 %</b>	<b>9,015</b>	<b>8,618</b>	<b>4.6 %</b>
Third-party online sales	788	791	(0.4)%	2,850	2,705	5.4 %
<b>Net consumer online sales</b>	<b>3,262</b>	<b>3,237</b>	<b>0.8 %</b>	<b>11,865</b>	<b>11,323</b>	<b>4.8 %</b>

**The United States**

€ million	Q4 2023	Q4 2022	% change	2023	2022	% change
Online sales in grocery	1,054	1,132	(6.8)%	4,247	4,157	2.2 %
Other online sales	—	—	— %	—	—	— %
<b>Online sales</b>	<b>1,054</b>	<b>1,132</b>	<b>(6.8)%</b>	<b>4,247</b>	<b>4,157</b>	<b>2.2 %</b>
Third-party online sales	—	—	— %	—	—	— %
<b>Net consumer online sales</b>	<b>1,054</b>	<b>1,132</b>	<b>(6.8)%</b>	<b>4,247</b>	<b>4,157</b>	<b>2.2 %</b>

**Europe**

€ million	Q4 2023	Q4 2022	% change	2023	2022	% change
Online sales in grocery	492	451	9.3 %	1,812	1,698	6.7 %
Other online sales	928	863	7.4 %	2,956	2,763	7.0 %
<b>Online sales</b>	<b>1,420</b>	<b>1,314</b>	<b>8.1 %</b>	<b>4,768</b>	<b>4,461</b>	<b>6.9 %</b>
Third-party online sales	788	791	(0.4)%	2,850	2,705	5.4 %
<b>Net consumer online sales</b>	<b>2,208</b>	<b>2,105</b>	<b>4.9 %</b>	<b>7,618</b>	<b>7,166</b>	<b>6.3 %</b>

**Comparable sales**

Comparable sales reconciles to net sales, as shown below.

**Group**

€ million	Q4 2023	Q4 2022	% change	2023	2022	% change
Net sales	23,023	23,359	(1.4)%	88,649	86,984	1.9 %
Adjustments to comparable sales	(466)	(1,172)	(60.3)%	(1,218)	(2,546)	(52.2)%
<b>Comparable sales</b>	<b>22,557</b>	<b>22,187</b>	<b>1.7 %</b>	<b>87,431</b>	<b>84,438</b>	<b>3.5 %</b>
Gas sales	(257)	(288)	(10.9)%	(1,066)	(1,295)	(17.7)%
<b>Comparable sales (ex gas)</b>	<b>22,300</b>	<b>21,898</b>	<b>1.8 %</b>	<b>86,365</b>	<b>83,143</b>	<b>3.9 %</b>
Weather and calendar impact	4	(61)	(106.9)%	(31)	(371)	(91.7)%
<b>Comparable sales (ex gas, weather and calendar)</b>	<b>22,304</b>	<b>21,837</b>	<b>2.1 %</b>	<b>86,334</b>	<b>82,773</b>	<b>4.3 %</b>

**The United States**

€ million	Q4 2023	Q4 2022	% change	2023	2022	% change
Net sales	13,815	14,782	(6.5)%	54,536	55,218	(1.2)%
Adjustments to comparable sales	(47)	(844)	(94.5)%	(172)	(1,834)	(90.6)%
<b>Comparable sales</b>	<b>13,768</b>	<b>13,938</b>	<b>(1.2)%</b>	<b>54,364</b>	<b>53,383</b>	<b>1.8 %</b>
Gas sales	(257)	(288)	(10.9)%	(1,066)	(1,295)	(17.7)%
<b>Comparable sales (ex gas)</b>	<b>13,511</b>	<b>13,650</b>	<b>(1.0)%</b>	<b>53,298</b>	<b>52,088</b>	<b>2.3 %</b>
Weather and calendar impact	4	(63)	(106.6)%	(23)	(364)	(93.7)%
<b>Comparable sales (ex gas, weather and calendar)</b>	<b>13,516</b>	<b>13,586</b>	<b>(0.5)%</b>	<b>53,275</b>	<b>51,724</b>	<b>3.0 %</b>

**Europe**

€ million	Q4 2023	Q4 2022	% change	2023	2022	% change
Net sales	9,208	8,576	7.4 %	34,113	31,767	7.4 %
Adjustments to comparable sales	(419)	(328)	27.9 %	(1,046)	(712)	47.0 %
<b>Comparable sales</b>	<b>8,789</b>	<b>8,248</b>	<b>6.5 %</b>	<b>33,067</b>	<b>31,055</b>	<b>6.5 %</b>
Gas sales	—	—	— %	—	—	— %
<b>Comparable sales (ex gas)</b>	<b>8,789</b>	<b>8,248</b>	<b>6.5 %</b>	<b>33,067</b>	<b>31,055</b>	<b>6.5 %</b>
Weather and calendar impact	—	3	(100.0)%	(8)	(7)	6.6 %
<b>Comparable sales (ex gas, weather and calendar)</b>	<b>8,789</b>	<b>8,251</b>	<b>6.5 %</b>	<b>33,059</b>	<b>31,048</b>	<b>6.5 %</b>

**Constant exchange rates**

In the tables below, we show the movements at actual exchange rates versus the movements at constant exchange rates.

**Group**

% movement	Q4 2023 vs Q4 2022			2023 vs 2022		
	At actual exchange rates	Impact of exchange differences	At constant exchange rates	At actual exchange rates	Impact of exchange differences	At constant exchange rates
Net sales	(1.4)%	3.3 pp	1.9 %	1.9 %	1.9 pp	3.8 %
Online sales	1.2 %	2.4 pp	3.6 %	4.6 %	1.4 pp	6.1 %
Net consumer online sales	0.8 %	1.8 pp	2.6 %	4.8 %	1.1 pp	5.9 %
Operating income	(42.2)%	2.3 pp	(39.8)%	(24.5)%	1.6 pp	(22.9)%
Operating margin	(2.1)%	— pp	(2.0)%	(1.1)%	— pp	(1.1)%
Income from continuing operations	(44.2)%	2.2 pp	(42.0)%	(26.4)%	1.5 pp	(24.9)%
Net income	(44.2)%	2.2 pp	(42.0)%	(26.4)%	1.5 pp	(24.9)%
Underlying operating income	(2.9)%	3.6 pp	0.7 %	(3.3)%	2.1 pp	(1.2)%
Underlying operating margin	(0.1)%	— pp	(0.1)%	(0.2)%	— pp	(0.2)%
Basic EPS	(42.4)%	2.3 pp	(40.1)%	(23.9)%	1.6 pp	(22.3)%
Diluted EPS	(42.2)%	2.3 pp	(40.0)%	(23.7)%	1.6 pp	(22.2)%
Underlying EPS	2.3 %	3.7 pp	5.9 %	(0.6)%	2.2 pp	1.6 %
Diluted underlying EPS	2.5 %	3.7 pp	6.1 %	(0.4)%	2.2 pp	1.8 %
Free cash flow	(30.6)%	2.1 pp	(28.5)%	10.8 %	2.4 pp	13.2 %
Online sales in grocery	(2.2)%	3.7 pp	1.5 %	3.5 %	2.1 pp	5.6 %

**The United States**

% movement	Q4 2023 vs Q4 2022			2023 vs 2022		
	At actual exchange rates	Impact of exchange differences	At constant exchange rates	At actual exchange rates	Impact of exchange differences	At constant exchange rates
Net sales	(6.5)%	5.0 pp	(1.5)%	(1.2)%	3.0 pp	1.8 %
Online sales	(6.8)%	4.9 pp	(1.9)%	2.2 %	3.0 pp	5.1 %
Net consumer online sales	(6.8)%	4.9 pp	(1.9)%	2.2 %	3.0 pp	5.1 %
Operating income	(49.0)%	2.5 pp	(46.5)%	(21.5)%	2.4 pp	(19.1)%
Operating margin	(2.6)%	— pp	(2.6)%	(1.0)%	— pp	(1.0)%
Underlying operating income	2.1 %	5.7 pp	7.8 %	(1.9)%	3.2 pp	1.3 %
Underlying operating margin	0.4 %	— pp	0.4 %	— %	— pp	— %
Online sales in grocery	(6.8)%	4.9 pp	(1.9)%	2.2 %	3.0 pp	5.1 %

**Europe**

% movement	Q4 2023 vs Q4 2022			2023 vs 2022		
	At actual exchange rates	Impact of exchange differences	At constant exchange rates	At actual exchange rates	Impact of exchange differences	At constant exchange rates
Net sales	7.4 %	0.1 pp	7.5 %	7.4 %	(0.2)pp	7.2 %
Online sales	8.1 %	— pp	8.1 %	6.9 %	— pp	6.9 %
Net consumer online sales	4.9 %	— pp	4.9 %	6.3 %	— pp	6.3 %
Operating income	(9.9)%	0.1 pp	(9.8)%	(25.9)%	(0.1)pp	(26.0)%
Operating margin	(0.6)%	— pp	(0.6)%	(1.1)%	— pp	(1.1)%
Underlying operating income	(1.0)%	0.1 pp	(0.9)%	(1.0)%	(0.2)pp	(1.2)%
Underlying operating margin	(0.3)%	— pp	(0.3)%	(0.3)%	— pp	(0.3)%
Online sales in grocery	9.3 %	— pp	9.3 %	6.7 %	— pp	6.7 %

**Net capital expenditures**

€ million	2023	2022	Change	% of sales
The United States	2,139	2,283	(144)	3.9%
Europe	1,889	1,743	145	5.5%
Global Support Office	23	26	(4)	
<b>Total regular capital expenditures</b>	<b>4,051</b>	<b>4,053</b>	<b>(2)</b>	<b>4.6%</b>
Acquisition capital expenditures	49	54	(6)	0.1%
<b>Total capital expenditures</b>	<b>4,099</b>	<b>4,107</b>	<b>(8)</b>	<b>4.6%</b>
<b>Total regular capital expenditures</b>	<b>4,051</b>	<b>4,053</b>	<b>(2)</b>	<b>4.6%</b>
Right-of-use assets	(1,683)	(1,591)	(92)	(1.9)%
Change in property, plant and equipment payables (and other non-cash adjustments)	66	28	38	0.1%
<b>Total cash CapEx (cash capital expenditure)</b>	<b>2,434</b>	<b>2,490</b>	<b>(57)</b>	<b>2.7%</b>
Divestment of assets/disposal groups held for sale	(136)	(288)	152	(0.2)%
Net capital expenditure	2,298	2,202	96	2.6 %

**14. Subsequent events**

There have been no significant subsequent events.

Zaandam, the Netherlands, February 13, 2024

**Management Board**

Frans Muller (President and Chief Executive Officer)

Jolanda Poots-Bijl (Chief Financial Officer)

JJ Fleeman (Chief Executive Officer Ahold Delhaize USA)

Wouter Kolk (Chief Executive Officer Ahold Delhaize Europe and Indonesia)



### Financial calendar

Ahold Delhaize's financial year consists of 52 or 53 weeks and ends on the Sunday nearest to December 31. Ahold Delhaize's 2023 financial year consisted of 52 weeks and ended on December 31, 2023.

The key publication dates for 2024 are as follows:

February 28: Annual Report 2023; May 8: Results Q1 2024; August 7: Results Q2 2024; November 6: Results Q3 2024

### Cautionary notice

This communication contains information that qualifies as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation. 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, through(out), expand(ed)/(ing), accelerating, mainly, impact(s)/(ed)/(ing), by, (full) year, expect(ations)/(ed), higher end, guidance, propos(e)/(es)/(ing), lead(er)/(ing), solid (end), strong, steadfast, value, increas(e)/(es)/(ingly), able, consisten(cy)/(t), important, mitigate, potential, goal(s), beyond, believe, help, challenges, grow(th), performance, pressure(s), further, remain(ed)/(s), achieved, remarkable, comparable, will, propositions, trends, key, improvement, encouraging, stabilizing, focus(ed), strateg(ic)/(y), reduc(e)/(tion), continu(e)/(ed)/(ing), target, support(ed), steps, towards, plans, see, opportunities, momentum, leveraging, deliberate and holistic reset, simplifying, ongoing, projects, initiative, uncertain(ty)/(ties), should, current, implies, anticipated, maintain(ing), commit(ted)/(ments), subject to, development, difference, ambition(s), would, risk(s), disruption, assessment, might, unless, assumption, may, yet, better, exposure, transition, effect, where, position(s), intention, transform(ed)/(ation(al)), strengthen, already, from time to time, reinforces, short-term, develop, considers 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.

### For more information:

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### About Ahold Delhaize

Ahold Delhaize is one of the world's largest food retail groups and a leader in both supermarkets and e-commerce. Its family of great local brands serves 60 million customers each week, both in stores and online, in the United States, Europe and Indonesia. Together, these brands employ more than 414,000 associates in 7,659 grocery and specialty stores and include the top online retailer in the Benelux and the leading online grocers in the Benelux and the United States. Ahold Delhaize brands are at the forefront of sustainable retailing, sourcing responsibly, supporting local communities and helping customers make healthier choices. The company's focus on four growth drivers – drive omnichannel growth, elevate healthy and sustainable, cultivate best talent and strengthen operational excellence – is helping to fulfil its purpose, achieve its vision and prepare its brands and businesses for tomorrow. Headquartered in Zaandam, the Netherlands, Ahold Delhaize is listed on the Euronext Amsterdam and Brussels stock exchanges (ticker: AD) and its American Depositary Receipts are traded on the over-the-counter market in the U.S. and quoted on the OTCQX International marketplace (ticker: ADRNY). For more information, please visit: [www.aholddelhaize.com](http://www.aholddelhaize.com).

