

Q3 2022

Ahold Delhaize Results

November 9, 2022



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 focused, mitigate, introducing, expanding, constant, start, beginning of 2023, growth, position, to date, lead, continues, encourage, remains, on track, committed, will or other similar words or expressions are typically used to identify forward-looking statements.

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

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

Welcome

JP O'Meara

SVP Investor Relations





Ahold Delhaize reports strong increase in Q3 sales and earnings, as our great local brands' value proposition continues to resonate well with customers

- With high inflation levels in the U.S. and Europe, our brands are focused on helping customers manage their spending. Supported by our **€850 million Save for Our Customers cost savings program**, our brands are working with suppliers to mitigate cost increases for customers, introducing more entry-priced products, expanding high-quality own-brand assortments and delivering personalized value through our digital omnichannel loyalty programs
- Q3 Group net sales increased **9.1%** at constant exchange rates to **€22.4 billion**. At actual exchange rates, net sales grew **20.8%**
- Q3 comparable sales excluding gas accelerated in both regions compared to Q2, growing **8.2%** in the U.S. and **7.4%** in Europe. Increased market share in most of our brands' reflects strong loyalty to our locally tailored customer value propositions
- Net consumer online sales increased **11.5%** at constant exchange rates. Net consumer online sales in grocery increased **16.9%** at constant exchange rates, as we continue to invest in new and innovative high tech omnichannel solutions
- Q3 underlying operating margin was **4.4%** in line with the prior year. Strong underlying U.S. margins and continued insurance gains from rising interest rates offset lower Europe margins which were impacted by rising energy costs and challenging economic environment
- Q3 diluted underlying EPS was **€0.70**, an increase of **31.6%** over the prior year at actual rates
- Based on Q3 results, **we are increasing our full year EPS outlook**. We now forecast low-double-digit 2022 diluted underlying EPS growth versus the prior mid-single-digit guidance. The 2022 free cash flow outlook remains at approximately €2.0 billion, with net capital expenditures expected to total approximately €2.5 billion
- A new **€1 billion share buyback program** to start at the beginning of 2023

LOCALLY GROWN

Q3 2022

Business Highlights

Frans Muller, President & CEO



Empowering customer choice by providing great value and easy access to affordable and healthy food options

Effective negotiations with suppliers and efficient end-to-end process



Expanding own-brand and healthy assortment

Deepening engagement with our customers through **optimized loyalty programs**



Strong portfolio delivers resilient Q3 performance

Strengthening our positions

Net Sales
€22.4 bn
vs LY constant
rates **+9.1%**

Diluted
Underlying
EPS €0.70
vs LY current
rates **+31.6%**



Strong and relevant customer value proposition drives growth



Industry-leading local omnichannel food retailer



Dense
networks



Optimized
own-brand
products

U.S. loyalty
customers of
20M with ~80%
loyalty sales
penetration

1,471
Click & Collect
points in U.S.

Own-brand
penetration in
the EU of ~50%
and U.S. of ~30%

Benelux loyalty
customers of
8.3M with ~60%
loyalty sales
penetration



Advanced
Omnichannel
offerings

Food Lion winning streak continues



*Easy fresh
& affordable*
You can count on FOOD LION... Every day!



FOOD LION

Highlights:

- **10 years** of positive comparable store sales growth
- **Food Lion To Go** is available in 601 stores. Food Lion To Go and/or home delivery services will expand to **nearly 1,000 Food Lion stores** by the end of 2022



Albert Heijn winning market share



Albert Heijn

Highlights:

- '100 items under €1' campaign
- Expansion to 1,600 Price Favorite items to drive customer value
- Launched 'Leftovers' in the AH App to reduce food waste and bringing value to customers



Stop & Shop NYC remodels encouraging



Stop & Shop announced a **\$140 million targeted investment** for **New York City** stores over the next two years

Highlights:

- **5 remodels** in NYC in **2022** and **7** more planned by the end of the year
- **40%** of the store fleet now remodeled since **2018**; remodeled stores **continue to beat sales and profit expectations**
- Launched a **“deal lock program”** helping consumers capture value



Delhaize Belgium growth rates improve



Highlights:

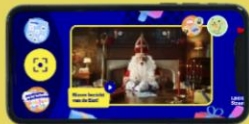
- Driving value with **'Little Lions'** campaign with **500 own-brand products**
- Optimized its **SuperPlus loyalty program** with focus on fresh products with 10% discount to encourage healthy eating
- Opened **the largest wine bottling plant** in the Benelux



KLEINE LEEUW? KLEINE PRIJS!



Bol.com third party sales grow double-digit



bol.com **gained market share well over one percentage point** year to date

Highlights:

- bol.com net consumer online sales was **€1.2 bn** in Q3, up 5.6% versus same period last year
- bol.com platform partner sales grew at a **double-digit rate** in Q3, representing **59% of sales** from ~51,000 platform partners
- Fulfillment center expansion in Waalwijk, covering **240,000 sqm of capacity** operates at **full capacity** for the holiday season



4 priorities for the next 4 years

For customers

Serve customers with deeper (digital) relationships

For operations

Accelerate the omnichannel transformation & continue to be the best local operators

For our portfolio

Create the ecosystem for smarter customer journeys

For Health & Sustainability

Lead the transformation into a healthy & sustainable food system

Enabled by

Best Talent



Technology

Highlights & Outlook: Customer Priority



- In Q3, **net consumer online sales** increased by **11.5%**. Our **online grocery sales** were up **16.9%** with strong growth in both regions
- Albert Heijn helps customers shop affordably with more than **1,600 Price Favorite products** and runs successful campaign featuring **'100 items under 1 euro'**
- Delhaize Belgium continues to make shopping more affordable with **'Little Lions'** on **500 own-brand products** and optimizes its **SuperPlus loyalty program** with focus on fresh products with 10% discount to encourage healthy eating
- Delhaize Serbia offers over 800 own-brand products **'Favorite Prices'** that always have low prices
- Alfa Beta expands **'AB Plus'** loyalty program with **more discounts** and **personalized offers** and launches its second **'Price Favorite Products'** campaign with more than 700 own-brand products at competitive prices
- ADUSA loyalty programs have generated over **\$1.5 bn** in incremental sales YTD. Furthermore, ADUSA CRM campaigns reached over **28 million** households and delivered **8 billion personalized offers** compared to 5.3 billion last quarter
- Giant Food surpasses **1 million members** in its **Flexible Rewards loyalty program** and takes home **Best in Class Award for grocery retailers** as well as **Silver in Best Loyalty Campaign** at 2022 Loyalty360 Awards

Highlights & Outlook: Operational Priority



adheses



- Our **Save for Our Customers cost savings program** remains on track to produce savings of more than **€850 million** in 2022
- Ahold Delhaize **acquires minority stake in advertising technology company, Adhese**, to drive development of digital advertising opportunities
- Albert Heijn and bol.com's **digital media businesses** grew significantly by **~60% in Q3** versus last year by optimizing digital advertising opportunities
- **Peapod Digital Labs** announced **an end-to-end, in-house retail media business**, building on its existing AD Retail Media network, creating a simplified, measurable way to engage omnichannel customers at the largest grocery retail group on the East Coast
- In total, **ADUSA has 1,471** click and collect points at end of Q3
- In last mile, Alfa Beta **collaborates** with delivery company **'Wolt'** to focus on **fast delivery in 7 cities** in Greece. And **bol.com** starts with the **delivery of bol.com packages by Cycloon's bicycle carriers** in the Netherlands and will continue to expand

Highlights & Outlook: Healthy & Sustainable



- Albert Heijn launched **'Leftovers'** in the AH App to reduce food waste and bring value to customers
- Delhaize Belgium supports purchasing power and reduces food waste with its **'Waste less, pay less'** initiative
- **The GIANT Company** now has **106 zero waste stores**; they have successfully diverted 90% or more of their total waste from landfill or incineration
- Albert is the first retailer in the Czech Republic to test **a hydroponic system that grows herbs and leafy vegetables** on the sales floor and introduced **a zero-waste kitchen**, turning leftover food from three stores into meals for over 100 associates
- Delhaize Serbia introduced **chicken without antibiotics** and **fruit without pesticide** residue
- The U.S. Environmental Protection Agency (EPA) has named Food Lion as the winner of a **GreenChill Superior Gold Achievement Award**
- **Alfa Beta honored at the Green Awards** for the first supermarket chain and the only company in Europe to implement an Individual Alternative Packaging Management System for a greener and cleaner future
- **The GIANT Company, Giant Food and Stop & Shop** are recognized by Progressive Grocer for its ambitious work on social impact
- Hannaford launched **free online dietitian-led meal prep and planning class**, offering shoppers the tools they need to make healthy lifestyle choices

Q3 2022

Financial Highlights

Natalie Knight, Chief Financial Officer



External environment providing headwinds and tailwinds



Omnichannel trends drive new **shopping behaviors**



Inflation rates at highest levels in 40 years



War in Ukraine drives **major cost increases**



Ongoing **supply chain challenges**



Stronger dollar and higher interest rates



Third Quarter results 2022

Underlying Performance



Net sales
€22.4 bn
vs LY constant rates
+9.1%

Underlying
operating income
€993 m
vs LY constant rates
+9.7%

Net income
€696 m
vs LY constant rates
+14.4%

Operating
margin
4.4%
in line vs LY
constant rates

Comparable
Sales Growth
excl. gas
+7.9%
U.S. **8.2%** EU **7.4%**

Net Consumer
Online Sales¹
€2.7 bn
vs LY constant rates
+11.5%

Underlying EPS
€0.70
vs LY actual rates
+31.6%



¹ Net consumer online sales is defined as online sales including sales of third parties via bol.com's Plaza. Net consumer online sales excludes Value Added Tax (VAT). Ahold Delhaize's management believes that this measure provides more insight into the growth of our online businesses.



Third Quarter results 2022

**IFRS-Reported
Results**



Net sales
€22.4 bn
vs LY actual rates
+20.8%

Operating
income
€887 m
vs LY actual rates
+13.8%

Net income
from continuing
operations
€589 m
vs LY actual rates
+12.7%

Operating
margin
4.0%
vs LY actual rates
(0.2) pts

Diluted
EPS
€0.59
vs LY actual rates
+16.6%

Online Sales
€2.1 bn
vs LY actual rates
+20.2%



Negatively impacted by an impairment charge of €187 m for FreshDirect

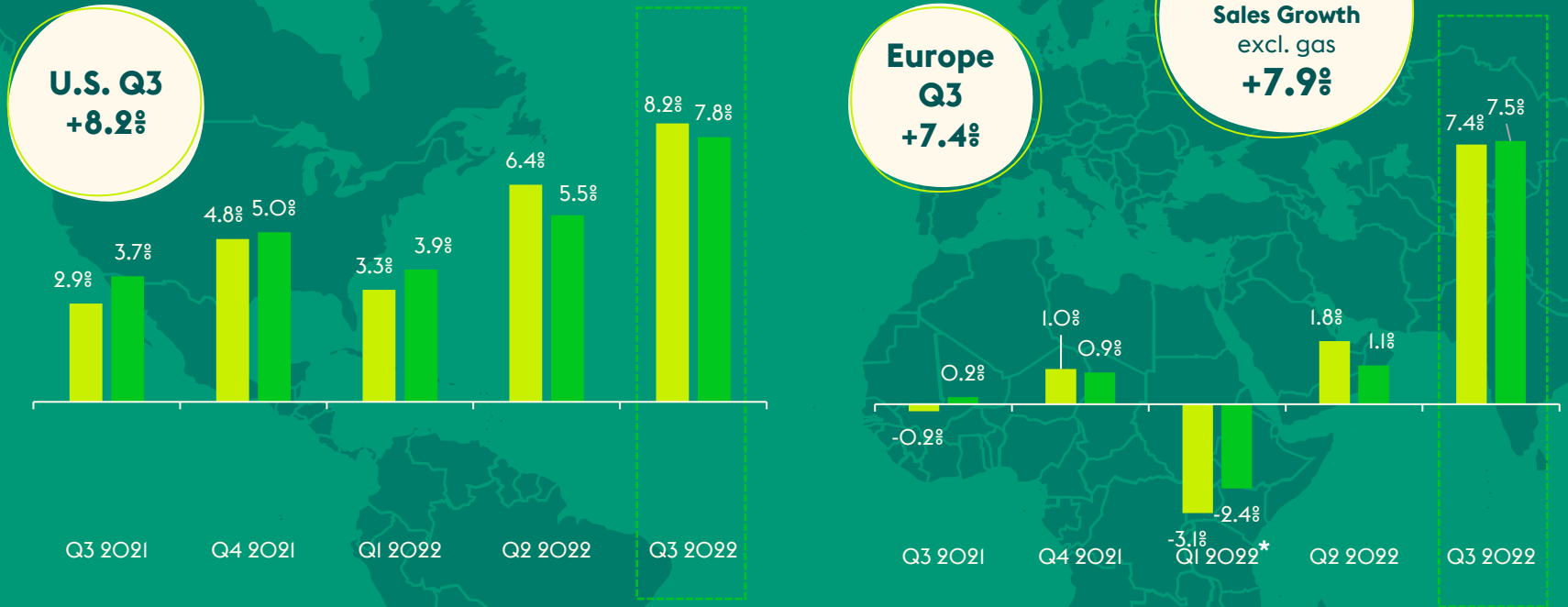
Positively impacted by €62 m from the release of a wage tax provision in Belgium

Positively impacted by \$27 m of further reduction on FELRA excess obligation

Comparable sales growth trends by region

Ex. Gas

Actuals excluding gas
Ex weather/calendar



*Q1 2022 weather/calendar impacts on European comparable sales of 0.7 pts restated from prior communication of 0.3pts

Highlights: United States

- Net sales grew **8.8%** at constant rates, **27.4%** at actual rates to **€14.7 bn**
- Q3 comparable sales excluding gasoline increased **8.2%**
- **20.8%** online sales growth in Q3 (constant rates); building on top of **53%** growth in the same quarter last year
- Underlying operating margin was **5.0%** compared to **4.8%** in the prior year, including a 0.3 percentage point benefit from the release of a provision on our self-insurance program
- **Food Lion** achieved **a decade of consecutive positive comparable store sales growth**
- Stop & Shop remodeled **31** stores year-to-date, bringing the total of **40%** of the store fleet now remodeled since 2018
- Hannaford posted **positive comparable sales growth for the 27th time** over the past 28 quarters
- **1,471 click & collect points** at the end of **Q3**; expect total of **1,553** click & collect points **by the end of 2022**



Highlights: Europe

- Net sales were **€7.7 bn**, an increase of **10.1%** at constant exchange rates and **10.0%** at actual exchange rates
- Q3 Europe comparable sales excluding gasoline increased **7.4%**
- **Q3 market share gains** at Albert Heijn, Bol.com and in the CSE region
- **Net consumer online sales** in the segment **increased 6.1%**, following 20.1% growth in the same period last year
- **Underlying operating margin** in Europe was **3.4%**, down 0.9 percentage points from the prior year due to volume deleveraging and escalating cost pressures
- Margins in Europe negatively impacted by ca. 70 basis points due to **rising energy and utility costs**



Rising energy costs having significant impact on European operating margins

Electricity Forward Buy Rates



Sustainable facilities



Power savings initiatives



LED lighting

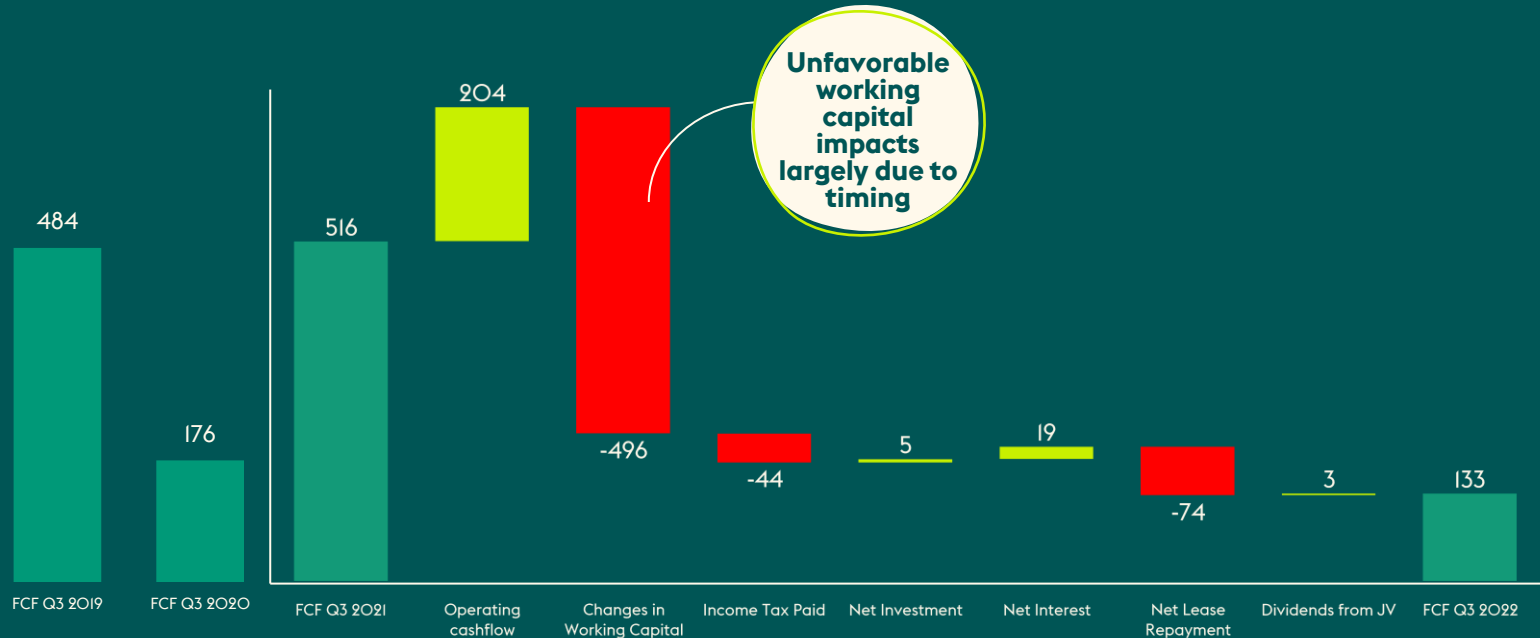


Efficient cooling systems



Strong Q3 operating cash flow underpins free cash flow target of ca. €2 bn

FCF Q3 2022 vs Last Year, 2020 and 2019 (in €m)



2022 Outlook: management increases EPS guidance

Our great local brands continue to support customers to manage their shopping baskets efficiently, ensuring access to affordable and healthy food options in inflationary environment

2022

≥4%
Underlying Operating Margin

New
Growth by low-double-digit
Underlying EPS

≥€850 million
Save for Our Customers

~€2.5 billion
Capital Expenditures

~€2.0 billion
Free Cash Flow

40-50% payout; YOY growth in dividend per share
Dividend payout ratio ^{2 3}

€1 billion
Share Buyback³

1. Excludes M&A.
2. Calculated as a percentage of underlying income from continuing operations.
3. Management remains committed to the share buyback and dividend program, but, given the uncertainty caused by the wider macro-economic consequences of the war in Ukraine and COVID-19, will continue to monitor macro-economic developments. The program is also subject to changes resulting from corporate activities, such as material M&A activity.

Increasing shareholder value and a firmly anchored investment grade rating



1. Management remains committed to the share buyback and dividend program, but, given the uncertainty caused by the wider macro-economic consequences of the war in Ukraine and COVID-19, will continue to monitor macro-economic developments. The program is also subject to changes resulting from corporate activities, such as material M&A activity.

2. Calculated as a percentage of underlying income from continuing operations

Thank you

