PERFORMANCE REVIEW

PERFORMANCE REVIEW

TARGETS AND RESULTS

KEY FINANCIAL TARGETS[1]	TARGET 2022	RESULTS IN 2022	TARGET 2023
Group underlying operating margin	≥ 4.0%	4.3%	≥ 4.0%
Diluted underlying EPS growth[2]	Low-to mid-single-digit % decline vs. 2021	16.5%	Around 2022 levels
Net capital expenditures	~ €2.5 billion	€2.2 billion	~ €2.5 billion
Free cash flow[3]	~ €1.7 billion	€2.2 billion	~ €2.0 billion
Dividend payout ratio[4]	Absolute increase in dividend per share 40-50% payout ratio	10.5% increase in dividend per share 40% payout ratio	Absolute increase in dividend per share 40-50% payout ratio
Share buyback[5]	€1 billion	€1 billion	€1 billion

1 See *Definitions and abbreviations* for definitions.
2 At current rates.
3 Target excludes M&A.
4 The dividend payout ratio for results in 2022 is calculated as a percentage of underlying income from continuing operations on a 52-week basis.
5 Management remains committed to the share buyback and dividend program, however the program is subject to material macro-economic changes or changes in corporate activities, such as material M&A activity.

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

PERFORMANCE REVIEW

TARGETS AND RESULTS

DRIVE OMNICHANNEL GROWTH	TARGET 2022	RESULTS IN 2022	TARGET 2023
Net consumer online sales growth	≥ 15%	+4.9%	High single-digit growth
Loyalty sales growth[1]		+19%	Double-digit growth
Complementary revenue streams growth	≥ 20%	+26%	≥ 20%

ELEVATE HEALTHY AND SUSTAINABLE	TARGET 2022	RESULTS IN 2022	TARGET 2023
Healthy own-brand sales	54.2%	54.4%	55.0%
Food waste reduction[2]	18%	33%	34%
CO_2-emissions reduction[3]	Further reduction	32%	Further reduction

CULTIVATE BEST TALENT	TARGET 2022	RESULTS IN 2022	TARGET 2023
Associate engagement score	≥ 80%	79%	≥ 79%
Inclusive workplace score	≥ 79%	80%	≥ 80%

STRENGTHEN OPERATIONAL EXCELLENCE	TARGET 2022	RESULTS IN 2022	TARGET 2023
Save for Our Customers	≥ €850 million	€979 million	≥ €1 billion
Supply chain initiatives	85% U.S. in-house self-distribution and two fully automated frozen facilities live by the end of 2022	80% U.S. in-house self-distribution	Two fully automated frozen facilities in the U.S. during 2023
Improving online productivity	Continued semi-automated capacity expansion at bol.com and facility expansion in Europe. Ramping up of micro-fulfillment center in Philadelphia, Pennsylvania, U.S.	Successful launch of bol.com semi-automated facility in the Netherlands and ramping up of micro-fulfillment center in Philadelphia, Pennsylvania, U.S.	Opening of the first mechanized home shopping center in Barendrecht in the Netherlands

1 Loyalty sales measures the sales generated by active addressable loyalty card holders. See *Definitions and abbreviations* for more information.
2 The reduction is measured against the restated 2016 baseline: 5.09 t/€ million. See *ESG statements* for more information.
3 The reduction is measured against the restated 2018 baseline: 4,164 thousand tonnes CO_2-equivalent emissions. See *ESG statements* for more information.

TARGETS AND RESULTS

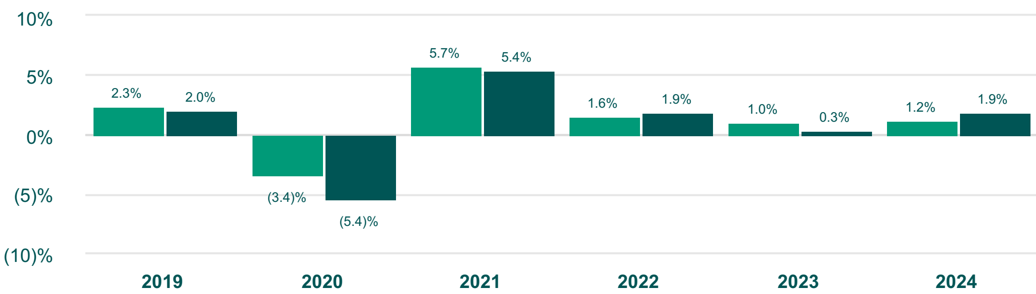
MACRO-ECONOMIC TRENDS

In 2022, Ahold Delhaize faced economic pressures on multiple fronts.

SLOWDOWN IN GDP GROWTH

The year 2022 was marked by high economic volatility, partly caused by post-pandemic effects, such as supply chain challenges, labor market instability and the rise of inflation, partly resulting from Russia's war in Ukraine. The war provoked one of the highest energy price shocks since 1970, which led to a global economic slowdown (source: "Economic Outlook," Organization for Economic Co-operation and Development (OECD)). While gross domestic product (GDP) reached 3.1% globally in 2022, the U.S. showed a growth of 1.6% and the Euro area a growth of 1.9% (source: "Data mapper," International Monetary Fund (IMF)).

Real gross domestic product (GDP) growth[1] (%)

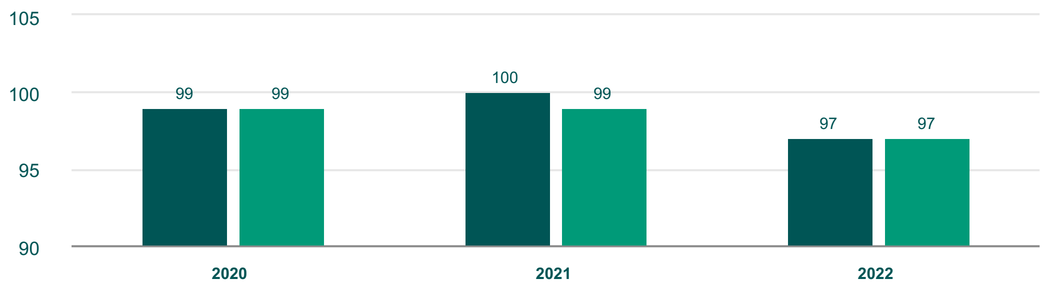


1 GDP represents the total value at constant prices of final goods and services produced within a country within a specific time period.
Source: IMF (GDP reports: Annual percentage change, 2022)

DECREASED LEVELS OF CONSUMER CONFIDENCE

The gap between income and the cost of living widened throughout 2022. Reduced consumer spending power pushed the consumer confidence index to a record low of 97% in Europe and the U.S. in 2022 (source: "Main Economic Indicators," OECD).

Consumer Confidence Index (Long-term average = 100, yearly average)



Source: OECD: Main Economic Indicators: CCI, Amplitude adjusted, Long-term average = 100, yearly average change, 2022

SURGING LEVELS OF INFLATION

Our segments experienced unprecedented growth of inflation in 2022, driven by increased costs of commodities (food, labor and energy) in all of our brands' markets. The timing and level of inflation varied significantly per segment.

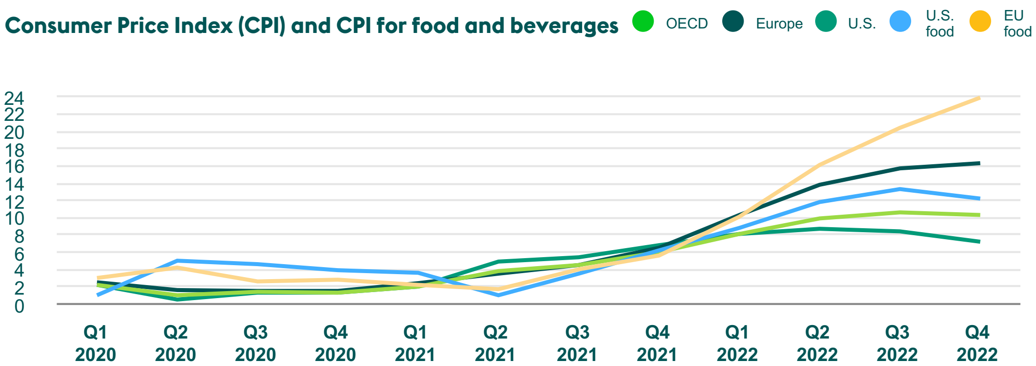
In Europe, the Consumer Price Index (CPI) grew steadily throughout 2022 and reached an all-time high of 16.2% in Q4. The U.S. recorded an annual inflation rate of 7.1% in Q4 (source: OECD), however the increase throughout the year was less sharp than in Europe. As a result of the exceptional market dynamics in all the countries where our European brands operate, we experienced an increased level of governmental intervention in support of consumers and businesses. This varied from subsidies for consumers and support to help energy companies limit energy price increases, to guidance on product pricing to limit inflation.

Food inflation rates were under even higher pressure, with the CPI for food and beverages reaching 23.8% in Europe and 12.1% in the U.S. by the fourth quarter of 2022. Consumers adapted to price increases by changing their shopping habits – buying in bulk, taking fewer trips to stores, entertaining at home, buying more own brands and reducing utilities consumption (source: "Consumers changing eating, shopping habits as inflation pushes up price," CNBC).

TARGETS AND RESULTS

MACRO-ECONOMIC TRENDS

Consumer Price Index (CPI) and CPI for food and beverages



Source: OECD (Consumer Price Indices – Complete Database, 2022)

STEEP INCREASE IN CONSUMER GROCERY SPENDING

Consumer spending growth was considerable in 2022, reaching $50.4 trillion globally, compared to $46.5 trillion in 2021. Spending in the non-grocery sector outpaced grocery spending at 8.7% versus 7.8% respectively.

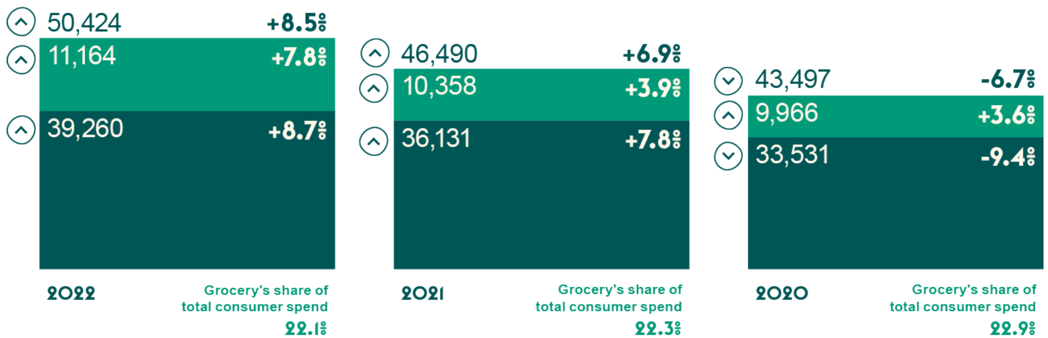
Despite lower overall GDP growth during the year, personal consumption increased. Consumer spending grew by 8.5% globally in 2022, and for grocery, it grew by 7.8%. In Europe, grocery share as a percentage of consumer spending was 18.3% in 2022, while, in the U.S., it reached 10.3% (source: Edge Retail Insights by Ascential).

CONSUMER SPENDING SPLIT 2022-2020	2022	2021	2020
World			
Growth grocery spending	**7.8%**	3.9%	3.6%
Grocery as % of total consumer spending	**22.1%**	22.3%	22.9%
United States			
Growth grocery spending	**7.8%**	0.4%	7.8%
Grocery as % of total consumer spending	**10.3%**	10.4%	10.8%
Europe			
Growth grocery spending	**7.1%**	4.0%	3.7%
Grocery as % of total consumer spending	**18.3%**	18.5%	19.2%

Source: Edge Retail Insight by Ascential (various reports in 2022; the data for 2021 and 2020 has been re-stated by Ascential)

Consumer spending increased despite a decrease in purchasing power and manifested in a growing trend towards savings and changes in spending behaviors. Consumers started to make more conscious decisions about spending money as energy bills and grocery prices went up. For example, consumers cut back on hospitality and non-essential expenses, spending less on clothing, electronics and furnishings (source: "December 2022 Consumer Survey – Retail and Consumer goods," PwC).

Global consumer spending development (grocery and non-grocery)

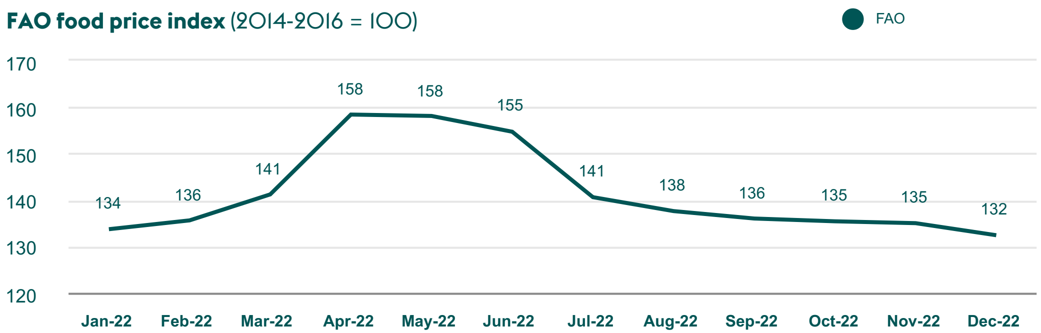


Source: Edge Retail Insight by Ascential (Market – Global Consumer Trends in USD at 2022 exchange rate)

RISING COSTS OF PRODUCTS

Prices for food commodities spiked considerably in 2022 – especially meat, dairy and vegetable oils – driving up food product costs globally. The Food and Agriculture Organization of the United Nations (FAO) food price index shows that the prices for five main commodities (sugar, meat, dairy, vegetable oils and cereals) increased by 14% on average in 2022 versus the prior year. This had a considerable effect on food retailers and consumers.

FAO food price index (2014-2016 = 100)



Source: Food and Agriculture Organization of the United Nations (2020-2022); FAO food price index consists of the average of five commodity group price indices: meat, dairy, cereals, vegetable oils and sugar.

MACRO-ECONOMIC TRENDS

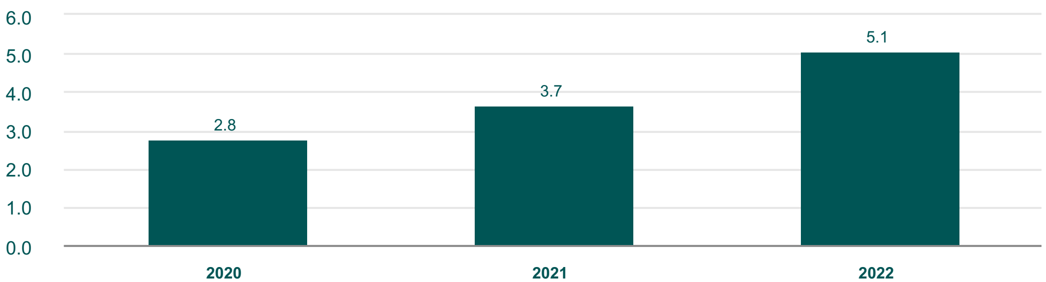
INCREASE IN NOMINAL WAGES AND SALARIES

As a result of rising inflation, wages and salaries in both Europe and the U.S. rose in 2022 compared to the previous year. Despite this, the economic slowdown, rising inflation and the start of recessionary behaviors (including reduced and more cautious spending) all increased challenges on household budgets. Expressions such as "heat or eat" were commonplace, as dramatic rises in gas and electricity burdened consumer spending. In the U.S., wages and salary increases were higher than the previous year, at roughly 5.0% in 2022 (source: U.S. Bureau of Labor Statistics, news release on Employment Cost Index, December 2022). In Europe, wages and salaries rose significantly; in each of the first three quarters of 2022 there was a year-over-year increase of around 3%-4% (source: "Euro indicators 2022," Eurostat). Many central banks have reacted to this spike by starting to aggressively tighten monetary policy. These efforts are aimed at preventing further inflation growth (source: IMF, various reports in August 2022).

Despite significant nominal wage increases in 2022, real wages declined in many countries during the year, increasing poverty levels, inequality and social unrest as well as cost pressure for businesses. Inflation rose proportionally faster in North America, where average real wages dropped by -3.2% in the first half of 2022, while in the European Union, real wage growth reached -2.4% in the same period (source: "Rising inflation brings striking fall in real wages, ILO report finds," International Labour Organization).

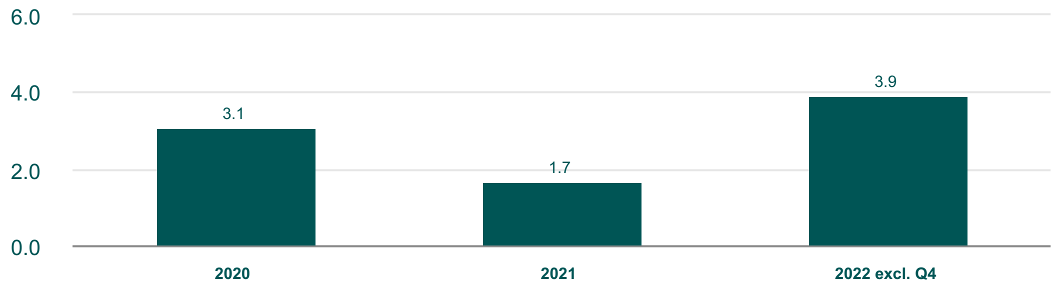
The overall employment situation was stable throughout 2022, with the explosion of unemployment at the beginning of the COVID-19 pandemic having settled. In the U.S., the unemployment rate decreased to a historically low range of 3.5%-3.7% since March 2022. The number of unemployed people remained unchanged, at around six million throughout the year (source: "The Employment Situation - December 2022," U.S. Bureau of Labor Statistics). In Europe, the unemployment rate continued to decrease throughout 2022 from on average 6.5% in Q4 2021, toward 6.0% in November 2022 (source: "Euroindicators November 2022," Eurostat).

Wages and salaries for U.S. civilian workers (12-month % change)



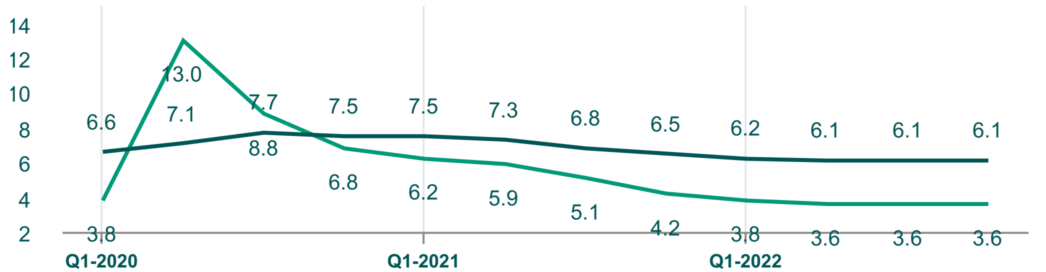
Source: U.S. Bureau of Labor Statistics (Charts related to the latest "Employment Cost Index" news release)

Wages and salaries for European workers (12-month % change)



Source: Eurostat (Labor cost index)

Monthly unemployment rates (%)



Source: OECD (Labor market statistics 2022)

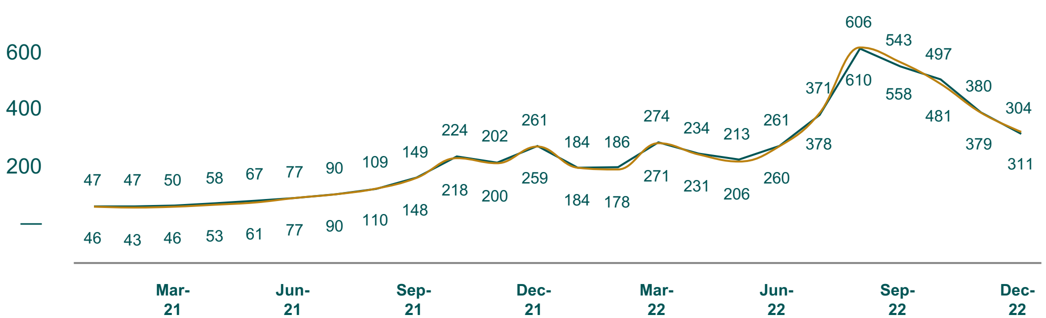
MACRO-ECONOMIC TRENDS

SPIKING ELECTRICITY COSTS

European energy markets have been tightening ever since the pandemic, but this escalated after the Russian invasion of Ukraine. Higher gas and, as a result, electricity prices, contributed to higher inflation, due to the heavy reliance on gas from Russia (around 25% of total EU gas consumption) (source: “Infographic – Where does the EU’s gas come from?” European Council). Electricity prices in Europe increased from 47-77 €/Mwh in the first half of 2021 to 378-606 €/Mwh in the second half of 2022 (see the graph: “Futures prices for the Netherlands and Belgium (€/Mwh)”). The increase in electricity prices in the U.S. was marginal, compared to Europe (source: “Short-term Energy Outlook,” U.S. Energy Information Administration).

Many governments have tried to mitigate the impact of soaring electricity prices for businesses and consumers by covering part of the costs (source: Various news in 2022, Bloomberg). Ahold Delhaize secures its electricity supply and prices by purchasing the electricity in advance where possible; this allows the company to manage the risks arising from the volatile energy market.

Futures prices for the Netherlands and Belgium (€/Mwh)

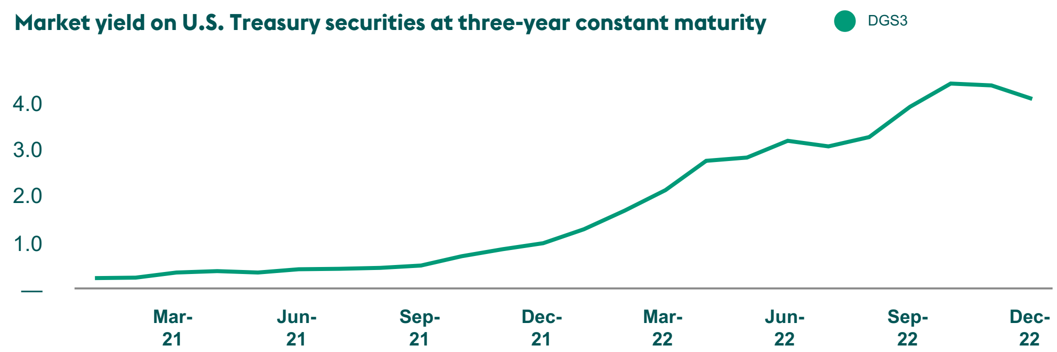


Source: ICE ENDEX

RISING INTEREST RATES

Our operational results were also affected by the movement of interest rates in 2022. The three-year constant maturity market yield on U.S. Treasury securities increased throughout the year, which favorably impacted the present value of our insurance liabilities. In addition to that, our pension and other post-employment benefits were positively affected by the increase of the discount rates. More details on pensions can be found in *Note 24.*

Market yield on U.S. Treasury securities at three-year constant maturity



Source: Board of Governors of the Federal Reserve System (U.S.), Market yield on U.S. Treasury securities at three-year constant maturity, quoted on an investment basis [DGS3], retrieved from FRED, Federal Reserve Bank of St. Louis

FOREIGN EXCHANGE RATE FLUCTUATIONS

In 2022, the value of the U.S. dollar reached its highest level in two decades, boosted by interest rate increases, high inflation and relatively stable economic growth (source: “What does a strong U.S. dollar mean for developing countries?” UN Department of Economic and Social Affairs). U.S. interest rates increased significantly in 2022. As a result, the U.S. dollar appreciated by 12.5% against the euro (source: Bloomberg). A strengthening dollar positively influenced our consolidated financial results. The majority of the Ahold Delhaize brands’ operations are located in the United States and denominated in U.S. dollars, which is translated into euros for consolidated results. For more information, see *Note 2* to the consolidated financial statements.

CURRENCY		2022	2021	CHANGE IN THE AVERAGE ANNUAL VALUE OF THE CURRENCY
U.S. dollar	USD/EUR	**0.9515**	0.8461	12.5%
Czech crown	CZK/EUR	**0.0407**	0.0390	4.4%
Romanian leu	RON/EUR	**0.2028**	0.2032	(0.2)%
Serbian dinar	RSD/EUR	**0.0085**	0.0085	0.1%

Source: Average exchange rates 2021-2022, Bloomberg

GROUP PERFORMANCE

NET SALES

€87.0bn 6.9%*

15.1% vs. 2021

COMPARABLE SALES GROWTH (EXCLUDING GASOLINE SALES)

5.4%

OPERATING INCOME

€3.8bn 4.9%*

13.5% vs. 2021

UNDERLYING OPERATING INCOME

€3.7bn 3.5%*

11.9% vs. 2021

UNDERLYING OPERATING MARGIN

4.3% (0.1) pp*

(0.1) pp vs. 2021

FREE CASH FLOW

€2.2bn 22.5%*

35.2% vs. 2021

*At constant rates.

GROUP PERFORMANCE

€ MILLION	2022	2021	CHANGE	% CHANGE
Net sales	**86,984**	75,601	11,383	15.1%
Of which: online sales	**8,618**	7,704	914	11.9%
Cost of sales	**(63,689)**	(54,916)	(8,773)	16.0%
Gross profit	**23,295**	20,685	2,610	12.6%
Other income	**663**	531	132	24.8%
Operating expenses	**(20,190)**	(17,896)	(2,294)	12.8%
Operating income	**3,768**	3,320	448	13.5%
Net financial expense	**(552)**	(517)	(36)	6.9%
Income before income taxes	**3,216**	2,803	413	14.7%
Income taxes	**(714)**	(591)	(123)	20.8%
Share in income of joint ventures	**44**	33	11	33.5%
Income from continuing operations	**2,546**	2,246	301	13.4%
Income (loss) from discontinued operations	**—**	—	—	(164.8)%
Net income	**2,546**	2,246	300	13.4%
Operating income	**3,768**	3,320	448	13.5%
Adjusted for:				
Impairment losses and reversals – net	**235**	61	174	
(Gains) losses on leases and the sale of assets – net	**(198)**	(76)	(122)	
Restructuring and related charges and other items	**(78)**	26	(103)	
Underlying operating income	**3,728**	3,331	397	11.9%
Underlying operating income margin	**4.3%**	4.4%	(0.1) pp	
Underlying EBITDA[1]	**7,161**	6,335	826	13.0%
Underlying EBITDA margin[1]	**8.2%**	8.4%	(0.1) pp	

1 Underlying operating income was adjusted for depreciation and amortization in the amount of €3,432 million for 2022 and €3,004 million for 2021. The difference between the total amount of depreciation and amortization for 2022 of €3,433 million (2021: €3,007 million) in Note 8 and the €3,432 million (2021: €3,004 million) mentioned in this footnote relates to items that were excluded from underlying operating income.

GROUP PERFORMANCE

SHAREHOLDERS

€ UNLESS OTHERWISE INDICATED	2022	2021	% CHANGE
Net income per share attributable to common shareholders (basic)	**2.56**	2.18	17.2%
Underlying income per share from continuing operations	**2.56**	2.20	16.5%
Dividend payout ratio	**40%**	42%	(1.7)pp
Dividend per common share	**1.05**	0.95	10.5%

OTHER INFORMATION

€ MILLION	2022	2021	% CHANGE
Net debt[1]	**14,416**	13,946	3.4%
Free cash flow[2]	**2,188**	1,618	35.2%
Capital expenditures included in cash flow statement (excluding acquisitions)	**2,490**	2,371	5.0%
Number of employees (in thousands)	414	413	0.2%
Credit rating/outlook Standard & Poor's	**BBB / positive**	BBB / stable	—
Credit rating/outlook Moody's	**Baa1 / stable**	Baa1 / stable	—

Certain key performance indicators contain alternative performance measures. The definitions of these measures are described in the *Definitions and abbreviations* section of this Annual Report.
1 For reconciliation of net debt, see *Financial position* in this report.
2 For reconciliation of free cash flow, see *Cash flows* in this report.

INFLATION HAS A POSITIVE IMPACT ON SALES, BUT A NEGATIVE IMPACT ON PROFITABILITY

In 2022, Ahold Delhaize delivered robust results, with strong sales growth, while maintaining a strong underlying operating margin. Group net sales were driven by positive contributions from comparable sales growth (excluding gasoline), foreign currency translation benefits, higher gasoline sales and, to a lesser extent, by the DEEN acquisition. The acquisition of 38 DEEN stores by Albert Heijn in the Netherlands was completed in September 2021. There was no significant COVID-19-related impact on sales throughout 2022, apart from the first two months of the year, when brick-and-mortar sales in the Benelux were positively impacted by lockdowns.

Continued supply chain disruptions, resulting from the COVID-19 pandemic and labor shortages when markets reopened, resulted in significant overall price inflation, especially within food and labor markets and the broader supply chain. In Europe, inflation was even further accelerated by the war in Ukraine, resulting in significantly increased energy prices. The overall cost of living increased and households were put under high pressure, which has led to a change in consumer behavior in both of our segments.

In addition to the impact felt by the consumer, our local brands also experienced the consequences of inflation, the war in Ukraine and the resulting higher energy prices. Our cost of sales increased significantly, as well as other expenses, causing pressure on the underlying operating margin. Despite these challenging circumstances, Ahold Delhaize's local brands were able to meet these new consumer demands and price through cost inflation realistically, using their deep understanding of commodity prices in their local markets. However, some of our local brands were faced with restrictions on pricing in their local markets.

Foreign exchange translation did have a significant effect on the financial results, as the majority of our brands' operations are located in the United States and denominated in U.S. dollars. In addition, interest rate increases had a positive effect on our Group operating income margin as consequently higher discount rates on insurance and pension liabilities triggered a release in reserves versus last year.

Overall net sales increased by 15.1% to €86,984 million due to higher prices, while volumes decreased following the lower demand resulting from the pressure on consumer spending. Pressure on units-per-basket growth was clearly visible in both regions throughout the course of 2022.

Net online sales grew at double-digit rates in the U.S., while, in Europe, net online sales declined at very low single-digit rates. The non-food e-commerce markets of our European brands softened and caused a difficult year-over-year comparison in the first half of the year as brick-and-mortar non-food retail sales recovered from prior-year lockdown measures.

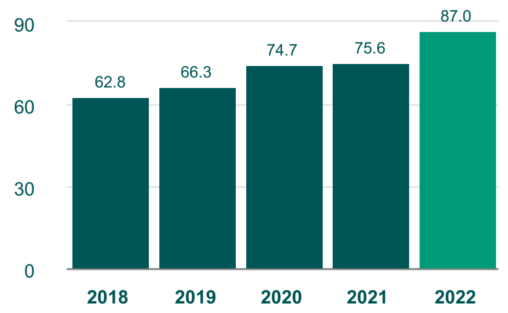
Despite the high inflationary cost pressure on gross profit and underlying expenses, our brands were able to safeguard margins, thanks to our Save for Our Customers cost savings program. Our brands optimized internal processes in stores and supply chain and intensively worked with suppliers to mitigate cost increases for customers while alleviating pressure on the operating income. Thanks to these great efforts, our underlying operating margin only slightly decreased by 0.1 pp to 4.3%.

Free cash flow increased year over year by 22.5% at constant rates to €2,188 million, driven by strong operating cash flow growth in the United States, lower paid income taxes and increased divestments in the U.S. versus the prior year.

TARGETS AND RESULTS

GROUP PERFORMANCE

Net sales over time (€ billion)



Net sales contribution by segment

The United States	63.5%
Europe	36.5%

STRONG INCREASE IN NET SALES

Net sales for the financial year ending on January 1, 2023, were €86,984 million, an increase of €11,383 million, or 15.1%, compared to net sales of €75,601 million for the financial year ending on January 2, 2022. At constant exchange rates, net sales were up by €5,594 million or 6.9%.

Gasoline sales increased by 48.1% in 2022 to €1,334 million. At constant exchange rates, gasoline sales increased by 31.4%, driven by the ongoing war in Ukraine leading to a considerable increase in gasoline prices worldwide in 2022.

Net sales excluding gasoline increased in 2022 by €10,950 million, or 14.7%, compared to 2021. At constant exchanges rates, net sales excluding gasoline increased in 2022 by €5,276 million, or 6.6%, compared to 2021. Sales growth was mainly driven by inflation, which accelerated shelf prices in our brands' stores, foreign currency translation benefits and a slight benefit from the 2021 acquisition of 38 DEEN stores in the Netherlands.

In addition, comparable sales growth excluding gasoline sales increased by 5.4% in 2022 compared to 2021.

Net sales split by category

€ MILLION	2022	2021	CHANGE VERSUS PRIOR YEAR	% CHANGE	CHANGE VERSUS PRIOR YEAR AT CONSTANT EXCHANGE RATES	% CHANGE AT CONSTANT EXCHANGE RATES
Net sales	**86,984**	75,601	11,383	15.1%	5,594	6.9%
Of which gasoline sales	**1,334**	901	433	48.1%	319	31.4%
Net sales excluding gasoline	**85,650**	74,700	10,950	14.7%	5,276	6.6%
Of which online sales	**8,618**	7,704	914	11.9%	519	6.4%
Net consumer online sales	**11,323**	10,401	922	8.9%	528	4.9%

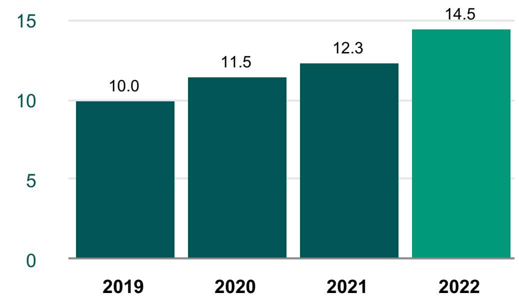
Healthy sales

	2022	2021 restated	2025 TARGET
% of healthy own-brand food sales as a proportion of total own-brand food sales	**54.4%**	53.4%	55.6%

During 2022, we further increased sales of healthy own-brand products as a proportion of total own-brand food sales to 54.4%. This increase resulted from the continuous efforts by our European brands to reformulate and expand their own-brand product ranges. For example, Delhaize Serbia introduced more products that qualify as A and B under Nutri-Score in order to expand its healthy assortment. In the U.S., the result was driven by higher volume and a positive mix, supported by improved customer propositions. For example, in the U.S., Food Lion integrated the Guiding Stars nutrition guidance program through in-store communications and marketing campaigns.

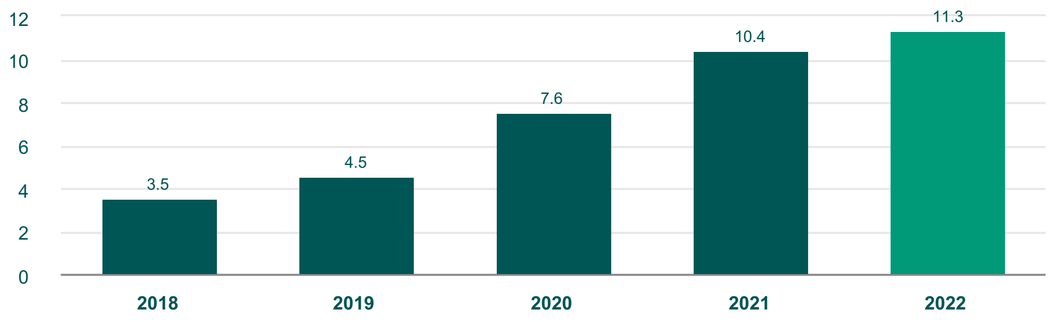
See *ESG statements* for more information on how we measure the percentage of healthy own-brand sales.

Own-brand healthy food sales (€ billion)

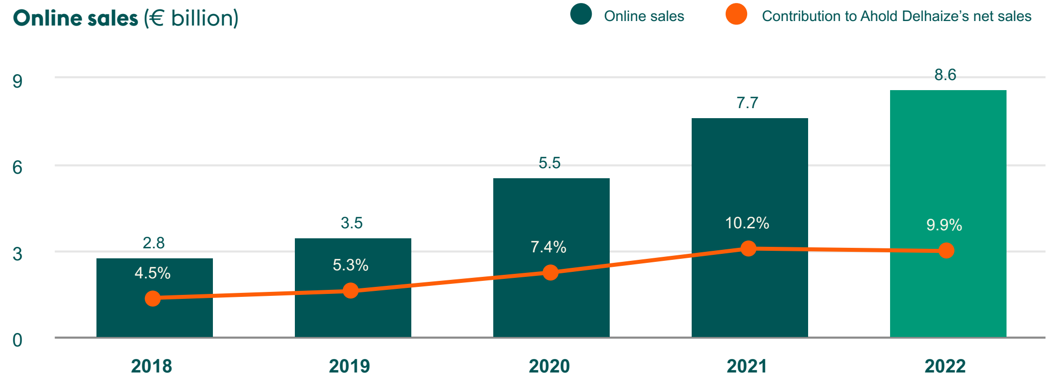


GROUP PERFORMANCE

Net consumer online sales (€ billion)



Online sales (€ billion)



	2022	2021	CHANGE VS PREVIOUS YEAR
% of online grocery penetration[1]	**7.1%**	6.8%	0.3 pp

1 See the *Definitions and abbreviations* for more information on how this is calculated.

Online sales continued to grow

In 2022, we continued to deliver strong net consumer online sales, which amounted to €11,323 million and increased by 4.9% at constant exchange rates. Online sales growth contributed €8,618 million to net sales (2021: €7,704 million).

Most of the online sales growth originated from the U.S., where there was a continued positive trend of consumers shifting to online shopping. Net online sales at the U.S. brands increased by 14.5% in constant currency, also supported by an increased number of click-and-collect points (1,549 vs. 1,389 in 2021). This growth builds on the strong 68.9% constant currency growth in the previous year.

Our local brands facilitated many initiatives that enabled this growth. Some of our U.S. brands reduced the minimum-order value and service and delivery fees, and others added new Instacart geographies. Furthermore, the brands added 160 pick-up locations at stores while reducing lead times. In addition, geofencing was rolled out to more than 650 stores, reducing wait times by an average of 24%. Geofencing is a service that triggers an action when a device enters a set location. For example, it enables click-and-collect teams to receive a message when a customer's phone is near the store, enabling them to collect orders in advance and reduce wait times.

The U.S. brands re-assessed the PRISM platform (proprietary software), which enables the automation of complex processes and the management of documents and data, in December 2022. In 2023, the U.S. segment will work towards full implementation by migrating Food Lion and Hannaford to this platform.

These and many other initiatives not only led to growth in net online sales for the U.S. brands, but also enabled the brands to offer a more personalized digital experience through improved functionality and an improved technology stack for stability and scalability, supporting peak traffic and site availability.

In Europe, net consumer online sales decreased by (0.1%). The decline was due to weak non-food e-commerce market conditions in the Benelux, which contracted at a high-single-digit rate as brick-and-mortar non-food retail sales recovered from prior-year lockdown measures, particularly in the first quarter of the year. Despite this challenging trend, bol.com expanded in several categories, increased the number of Plaza partners and again increased its market share.

While non-food e-commerce softened, grocery sales at our European brands continued to increase, with ah.nl being the main driver. The optimization of digital advertising opportunities as well as the exploration of complementary revenue streams not only led to increased profitability but also to increased sales.

GROSS PROFIT

Gross profit was up by €2,610 million, or 12.6%, compared to 2021. At constant exchange rates, gross profit increased by €951 million, or 4.3%. Gross profit margin (gross profit as a percentage of net sales) for 2022 was 26.8%, a decrease of approximately 60 basis points compared to 27.4% in 2021, affected mainly by an increase in our brand's own logistics and distribution expenses, as well as the dilutive impact of inflation on vendor allowances. Margin pressure driven by food inflation has been milder compared to the market, due to continued savings initiatives across the business, driven by our successful Save for Our Customers program, in particular, increasing "Buy Better" initiatives and sourcing alliances.

Food waste

	2022	2021 restated	2030 TARGET
Tonnes of food waste per food sales (t/€ million)	**3.38**	4.07	
% reduction in food waste per food sales (t/€ million)[1]	**33%**	20%	50%

1 The reduction is measured against the 2016 baseline of 5.09 t/€ million. See *ESG statements* for more information.

Reducing food waste is not only one of our most important sustainability KPIs but also an important lever to improve our margins.

We decreased tonnes of food waste per food sales by 0.7 in 2022 compared to 2021.

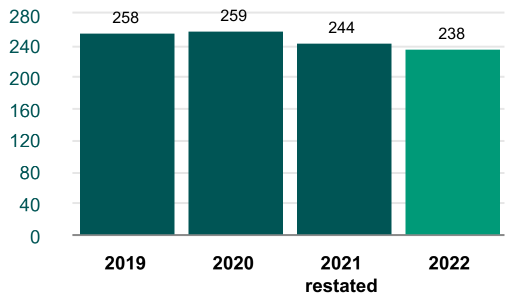
In 2022, absolute food waste totaled 238 thousand tonnes, 2.5% less than the total of 244 thousand tonnes in 2021. One way our brands reduce food waste is through food donations. In 2022, our brands donated 21% of unsold food to feed people, compared to 19% in 2021.

Food sales increased by 17.2%, mainly driven by inflation and exchange rates.

In addition, our brands continued to find innovative ways to reduce food waste by giving customers access to fresh produce, meat, dairy, bakery and other items nearing their best-by date at discounts of up to 50% off. For example, in the U.S., the brands partnered with Flashfood, an app customers can use to check the availability of fresh food nearing its expiration date. The mobile app helps regular shoppers save over $500 a year on their grocery bills and stops these products from going to waste. Another example is Albert Heijn's recently launched "Leftovers" campaign, providing price savings on products being phased out or left over at the end of the day.

See also *ESG statements* for more information on how we measure our performance on food waste.

Absolute food waste (in thousands of tonnes)[1]



1 Note that the 2019 and 2020 figures were not restated to the same ESG reporting scope. See *ESG statements* for more information.

GROUP PERFORMANCE

OPERATING EXPENSES

In 2022, operating expenses increased by €2,294 million, or 12.8%, to €20,190 million, compared to €17,896 million in 2021. At constant exchange rates, operating expenses increased by €861 million, or 4.5%. As a percentage of net sales, operating expenses decreased by 0.5 percentage points to 23.2%, compared to 23.7% in 2021. Excluding gasoline sales and at constant exchange rates, operating expenses as a percentage of net sales decreased by 0.5 percentage points. Operating expenses as a percentage of sales were slightly lower in 2022 compared to 2021, despite the current challenging economic environment and significant increase in energy costs, driven by strong operational excellence and tight cost control.

Operating expenses include impairments, gains (losses) on leases and the sale of assets, restructuring and related charges, and other items that management believes can distort an understanding of the trend related to the development of our underlying business. Impairment losses and reversals, gains (losses) on leases and the sale of assets – net, and restructuring and related charges are summarized below. Operating expenses in 2022 were considerably affected by increasing energy costs in the U.S. and Europe. However, in deregulated markets, we were, to a certain extent, successful during the year in hedging our energy contracts and optimizing expenses. In some of our regulated markets where local governments have intervened, we were more affected, as options to mitigate energy cost pressure were limited.

Carbon emissions

	2022	2021 restated	2030 TARGET
Absolute CO_2-equivalent emissions from own operations (scope 1 and 2) (thousand tonnes)[1]	**2,837**	2,892	
% reduction in absolute CO_2-equivalent emissions from own operations (scope 1 and 2)[1]	**32%**	31%	50%

1 Reduction is from a restated 2018 baseline of 4,164 thousand tonnes CO_2-equivalent emissions. See *ESG statements* for more information.

Our scope 1 and 2 CO_2-equivalent emissions are mainly driven by energy consumption, refrigerant leakage and transport, which are all directly linked to our operating expenses.

At the end of 2022, our brands operated 7,659 stores, compared to 7,452 stores at the end of 2021. Despite the increase in the number of stores, CO_2-equivalent emissions decreased by 32% compared to our 2018 baseline compared to 31% in 2021. The main drivers for this reduction were the increased amount of renewable energy consumed and more efficient refrigeration systems. CO_2-equivalent emissions from transport increased.

Carbon emissions from energy consumption were 1,323 thousand tonnes in 2022, compared to 1,394 thousand tonnes in 2021. Carbon emissions per square meter of sales area from energy consumption in 2022 were 152 kg compared to 162 kg in 2021.

Our brands continued to install energy-efficiency measures, such as LED lighting and more energy-efficient refrigeration systems. In 2022, more than 300 of the Ahold Delhaize USA brands' stores completed LED conversions and more than 25 stores (partly) retrofitted open refrigerated cases with doors, to improve operating efficiency.

By the end of 2024, Delhaize Serbia's entire store network is expected to use LED lighting, and by the end of November of 2022, the existing fluorescent lighting in brand's DC was replaced by LED lighting. This is expected to cut power consumption by about 700 MWh per year on the brand level.

We continued to source more green energy through power purchase agreements (PPAs) in 2022. A total of 24% of the energy consumed came from renewable sources compared to 22% in 2021.

Carbon emissions from refrigerant leakage in 2022 was 1,185 thousand tonnes compared to 1,182 thousand tonnes in 2021. Carbon emissions per square meter were 137 kg, equal to 2021. This was driven by our brands using refrigerants with a lower Global Warming Potential (GWP) and an increase in leakage. Our brands continue to install refrigeration systems with a lower GWP, or even natural refrigerants, when they remodel stores. This helped to reduce the GWP in 2022 to 2.679 from 2.691 in 2021.

Albert in the Czech Republic also installed temperature sensors that detect cooling failures and monitor the quality of food in refrigerators and freezers.

Carbon emissions from fuel consumption of owned trucks increased to 327 thousand tonnes compared to 315 thousand tonnes in 2021.

See also *ESG statements* for more information on how we measure carbon emissions for scope 1 and 2.

GROUP PERFORMANCE

IMPAIRMENT LOSSES AND REVERSALS – NET

Ahold Delhaize recorded the following impairments and reversals of impairments of assets – net in 2022 and 2021:

€ MILLION	2022	2021
The United States	**(212)**	(48)
Europe	**(24)**	(13)
Total	**(235)**	(61)

Impairment charges in 2022 were €235 million, up by €174 million compared to 2021. The main contributor to this increase relates to the impairment charge of FreshDirect taken in the third quarter. This impairment was largely related to the broad-based re-rating of the sector valuations and reduced scope of that business, which is now predominantly focused on the New York Tri-State area.

GAINS (LOSSES) ON LEASES AND THE SALE OF ASSETS – NET

Ahold Delhaize recorded the following gains (losses) on leases and the sale of assets – net in 2022 and 2021:

€ MILLION	2022	2021
The United States	**181**	49
Europe	**17**	21
Global Support Office	**—**	6
Total	**198**	76

The gains (losses) on leases and the sales of assets in 2022 were €198 million, which was €122 million higher than in 2021, largely due to the sale of four U.S. warehouses to US Foods.

RESTRUCTURING AND RELATED CHARGES AND OTHER ITEMS

Restructuring and related charges and other items in 2022 and 2021 were as follows:

€ MILLION	2022	2021
The United States	**33**	80
Europe	**49**	(106)
Global Support Office	**(4)**	—
Total	**78**	(26)

Restructuring and related charges and other items in 2022 resulted in a €78 million net gain. This net gain is €103 million higher compared to 2021. In 2022, the restructuring and related charges in the U.S. were mainly driven by a net gain related to a further reduction of the defined benefit obligation of the FELRA and MAP, related to the American Rescue Plan Act (see *Note 24*). In Europe, the net gain was mainly driven by a release of a wage tax provision in Belgium, partially offset by one-off items in the Netherlands. In 2021, the income also mainly related to a partial release of the defined benefit obligation of the FELRA and MAP benefit related to the American Rescue Plan Act in the U.S. In Europe, the charges mainly related to claims and disputes, and the restructuring costs related to the DEEN acquisition.

OPERATING INCOME

Operating income in 2022 went up by €448 million, or 13.5%, to €3,768 million compared to €3,320 million in 2021. The increase of €448 million is mainly explained by the changes in gross profit and operating expenses, as explained above. At constant exchange rates, operating income was up €174 million, or 4.9%.

NET FINANCIAL EXPENSES

Net financial expenses in 2022 were up by €36 million, or 6.9%, to €552 million, compared to €517 million in 2021. The increase was primarily due to the strengthening U.S. dollar against the euro, resulting in a €47 million higher interest expense on U.S. dollar-denominated debt. This was partially compensated by higher interest income from cash and short-term deposits.

INCOME TAXES

In 2022, income tax expense was €714 million, up by €123 million, compared to €591 million in 2021. The main reason for the increase in income tax expense is the higher income before income tax.

The effective tax rate, calculated as a percentage of income before income tax, was 22.2% in 2022 (2021: 21.1%). The details behind the effective tax rate increase can be found in *Note 10*.

SHARE IN INCOME OF JOINT VENTURES

Ahold Delhaize's share in income of joint ventures was €44 million in 2022, or €11 million higher than last year.

Our share of JMR's results decreased by €5 million, compared to last year, due to an additional €11 million tax charge. Our share of Super Indo's results remained constant this year compared to last year. Our share of individually immaterial joint ventures increased by €16 million, compared to last year, related to our share in the sale of property at one of our joint ventures in the U.S. For further information about joint ventures, see *Note 15* to the consolidated financial statements.

TARGETS AND RESULTS

GROUP PERFORMANCE

UNDERLYING OPERATING INCOME AND UNDERLYING OPERATING INCOME MARGIN

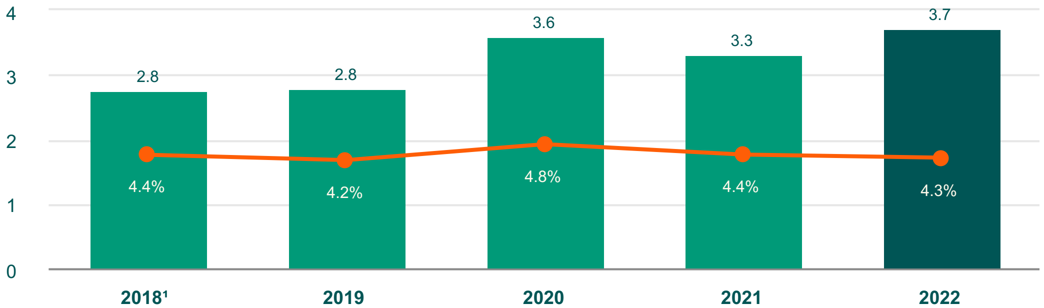
Underlying operating income was €3,728 million in 2022, up €397 million, or 11.9%, versus €3,331 million in 2021. The contribution by segment was 70% by the U.S. and 30% by Europe respectively, an eight-point movement up in the U.S. and down in Europe compared with 2021. This difference in contribution was driven by relatively stronger U.S. growth, favorable foreign currency translation benefits from U.S. dollars to euros and relatively weaker European margins. Underlying operating income margin in 2022 was 4.3%, compared to 4.4% in 2021. At constant exchange rates, underlying operating income increased by €127 million, or 3.5%, compared to 2021.

Our 2022 results were mainly driven by intensified efforts by our brands to deliver customers great value through our Save for Our Customers cost savings program, as tight cost management continues to remain a core objective of our business model.

Our Save for Our Customers program delivered €979 million in 2022, positively impacting our gross profit and operating expenses, yielding 15% more savings than originally expected in 2022, despite the challenging market environment. These savings have offset higher labor, distribution and energy costs.

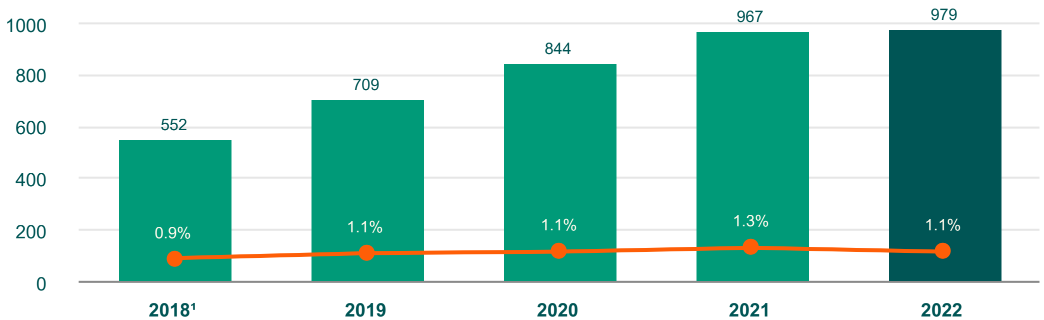
Through this program, our great local brands absorb cost increases to invest in better customer propositions and to keep shelf prices as low as possible, enabling customers to manage their shopping baskets efficiently and ensuring access to affordable and healthy food options in this inflationary environment.

Underlying operating income (€ billion)



1 2018 figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to 2018 has not been restated to reflect the impact of the implementation of IFRS 16 Leases.

Save for Our Customers (€ million)



1 2018 figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to 2018 has not been restated to reflect the impact of the implementation of IFRS 16 Leases.

Underlying operating income contribution by segment[1]

The United States	69.7%
Europe	30.3%

1 Before Global Support Office costs.

FINANCIAL POSITION

FINANCIAL POSITION

€ MILLION	January 1, 2023	% OF TOTAL	January 2, 2022	% OF TOTAL
Property, plant and equipment	**12,482**	**25.7%**	11,838	25.9%
Right-of-use asset	**9,607**	**19.8%**	9,010	19.7%
Intangible assets	**13,174**	**27.1%**	12,770	27.9%
Pension assets	**54**	**0.1%**	71	0.2%
Other non-current assets	**2,419**	**5.0%**	2,439	5.3%
Cash, cash equivalents and short-term deposits and similar instruments, and current portion investment in debt instruments[1]	**3,223**	**6.6%**	3,143	6.9%
Inventories	**4,611**	**9.5%**	3,728	8.2%
Other current assets	**2,984**	**6.1%**	2,713	5.9%
Total assets	**48,555**	**100.0%**	45,712	100.0%
Group equity	**15,405**	**31.7%**	13,721	30.0%
Non-current portion of long-term debt	**15,164**	**31.2%**	14,739	32.2%
Pensions and other post-employment benefits	**696**	**1.4%**	1,107	2.4%
Other non-current liabilities	**2,209**	**4.5%**	1,966	4.3%
Short-term borrowings and current portion of long-term debt and lease liabilities[1]	**2,476**	**5.1%**	2,350	5.1%
Payables	**8,191**	**16.9%**	7,563	16.5%
Other current liabilities	**4,415**	**9.1%**	4,266	9.3%
Total equity and liabilities	**48,555**	**100.0%**	45,712	100.0%

1 Short-term borrowings and current portion of long-term debt comprise €1,327 million lease liabilities, €204 million short-term borrowings, €712 million bank overdrafts and €233 million current portion loans (for more information see *Note 26* to the consolidated financial statements).

Ahold Delhaize's consolidated balance sheets as of January 1, 2023, and January 2, 2022, are summarized as follows:

Total assets increased by €2,843 million. Property, plant and equipment increased by €644 million, primarily driven by the appreciation of the U.S. dollar relative to the euro and by regular capital expenditures surpassing depreciation charges. For more information, see *Note 11* to the consolidated financial statements.

Right-of-use assets increased by €598 million. The main drivers of this increase were investments, reassessments, modifications to leases and the appreciation of the U.S. dollar relative to the euro, being higher than depreciation. For more information, see *Note 12* to the consolidated financial statements.

Intangible assets increased by €404 million. The higher balances in 2022 were almost entirely due to higher goodwill, driven by the appreciation of the U.S. dollar relative to the euro and, to a much lesser extent, by the acquisition of Cycloon. The goodwill recognized from this acquisition is attributable to the synergies expected from the combination of the operations with bol.com. An impairment loss related to FreshDirect was recognized for goodwill and other intangible assets. For more information, see *Note 14* to the consolidated financial statements.

Cash, cash equivalents and short-term deposits and similar instruments, and current portion investment in debt instruments increased by €80 million, mostly related to an amount held under a notional cash pooling arrangement, which is fully offset by an identical amount included under Short-term borrowings and current portion of long-term debt and lease liabilities.

Inventories increased by €884 million to €4,611 million. This increase was significantly driven by increased levels across all brands, due to higher cost inflation and the appreciation of the U.S. dollar relative to the euro. In the U.S., store inventories increased as they normalized and returned to pre-pandemic levels. In addition, the warehouse inventories increased due to the self-distribution transformation logistics program.

Payables increased by €627 million, mostly driven by an increase in inventories.

Our pension and other post-employment benefits decreased by €411 million to €696 million. For more information, see *Note 24*.

TARGETS AND RESULTS

FINANCIAL POSITION

In 2022, gross debt increased by €551 million to €17,640 million, primarily due to exchange rate movements on the U.S. dollar. primarily because of the impact of the stronger U.S. dollar on Ahold Delhaize's outstanding U.S. dollar-denominated liabilities. Other movements included an increase in lease liabilities (€227 million) partly offset by a decrease in the amount held under the notional cash pooling arrangement.

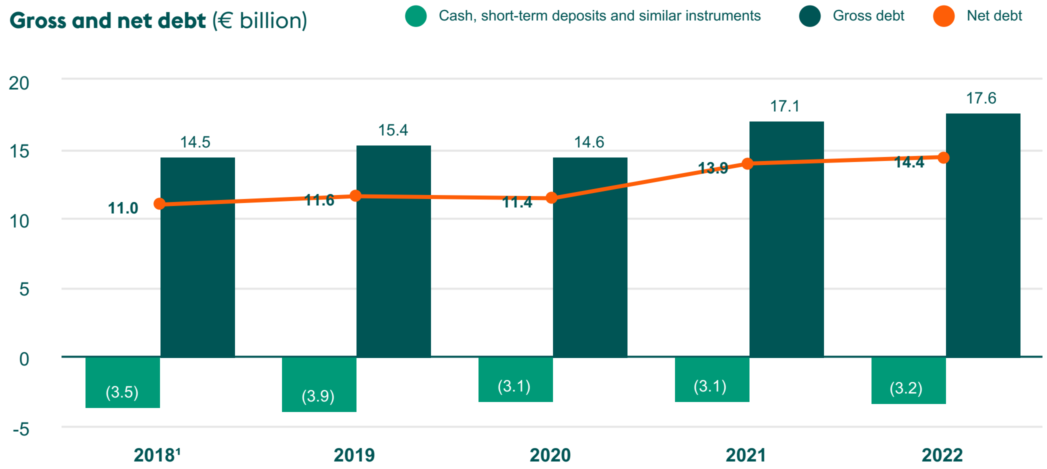
Ahold Delhaize's net debt was €14,416 million as of January 1, 2023 – an increase of €471 million from January 2, 2022. The increase in net debt was mainly the result of exchange rate movements on the U.S. dollar, an increase in leases, the payment of the common stock dividend (€979 million) and the completion of the €1 billion share buyback program, partly offset by strong free cash flow generation (€2,188 million).

DEBT

€ MILLION	January 1, 2023	January 2, 2022
Loans	**4,527**	4,678
Lease liabilities	**10,637**	10,061
Non-current portion of long-term debt	**15,164**	14,739
Short-term borrowings and current portion of long-term debt[1]	**2,476**	2,350
Gross debt	**17,640**	17,089
Less: cash, cash equivalents, short-term deposits and similar instruments, and short-term portion of investments in debt instruments[2, 3, 4, 5]	**3,223**	3,143
Net debt	**14,416**	13,946

1 Short-term borrowings and current portion of long-term debt comprise €1,327 million lease liabilities, €204 million short-term borrowings, €712 million bank overdrafts and €233 million current portion loans (for more information see *Note 26* to the consolidated financial statements).
2 Short-term deposits and similar instruments include investments with a maturity of between three and 12 months. The balance of these instruments at January 1, 2023, was €16 million (January 2, 2022: €15 million) and is presented within Other current financial assets in the consolidated balance sheet.
3 Included in the short-term portion of investments in debt instruments is a U.S. Treasury investment fund in the amount of €125 million (January 2, 2022: €135 million).
4 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 January 1, 2023, was €414 million (January 2, 2022: €397 million).
5 Cash and cash equivalents include an amount held under a notional cash pooling arrangement of €712 million (January 2, 2022: €807 million). This cash amount is fully offset by an identical amount included under short-term borrowings and current portion of long-term debt.

Gross and net debt (€ billion)



1 2018 figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to 2018 has not been restated to reflect the impact of the implementation of IFRS 16 Leases.

LIQUIDITY

LIQUIDITY POSITION

€ MILLION	January 1, 2023	January 2, 2022
Total cash and cash equivalents (*Note 20*)	**3,082**	2,993
Short-term deposits and similar instruments (*Note 19*)	**16**	15
Investments in debt instruments (FVPL) – current portion (*Note 19*)	**125**	135
Cash, cash equivalents, short-term deposits and similar instruments, and short-term portion of investments in debt instruments	**3,223**	3,143
Less: Notional cash pooling arrangement (short-term borrowings)	**712**	807
Liquidity position	**2,511**	2,336

Ahold Delhaize views available cash balances and funds from operating activities as its primary sources of liquidity, complemented by external sources of funds when deemed to be required. Ahold Delhaize manages short-term liquidity based on projected cash flows. As of January 1, 2023, the Company's liquidity position primarily consisted of €2,511 million of cash (including short-term deposits and similar instruments and current portion of investments in debt instruments, adjusted for cash held under a notional cash pooling arrangement), and the undrawn portion of the €1.5 billion revolving credit facility.

Based on the current operating performance and liquidity position, the Company believes that cash provided by operating activities, the available cash balances and the undrawn portion of the revolving credit facility will be sufficient to fund working capital needs, capital expenditures, interest payments, dividends, the announced €1 billion share buyback program, and scheduled debt repayments for the next 12 months. In addition, the Company has access to the debt capital markets based on its current credit ratings.

GROUP CREDIT FACILITY

Ahold Delhaize has access to a €1.5 billion committed, unsecured, multi-currency and syndicated revolving credit facility. On December 9, 2022, the Company closed a five-year €1.5 billion sustainability-linked revolving credit facility including two one-year extension options, refinancing and upsizing the 2020-dated €1 billion facility with a maturity in December 2024. This facility links the cost of borrowing to the Company's annual performance on sustainability KPIs that are aligned with its Grounded in Goodness strategy.

The credit facility contains customary covenants and a financial covenant that requires Ahold Delhaize, in the event that its corporate rating from Standard & Poor's and Moody's is lower than BBB / Baa2, respectively, not to exceed a maximum leverage ratio of 5.5:1. The maximum leverage ratio was unchanged compared to the prior credit facility, dated 2020.

During 2022 and 2021, the Company was in compliance with these covenants. Due to its credit rating, it was not required to test the financial covenant. As of January 1, 2023, there were no outstanding borrowings under the facility.

CREDIT RATINGS

Maintaining investment grade credit ratings is a cornerstone of Ahold Delhaize's financial strategy because such ratings optimize the cost of funding and facilitate access to a variety of lenders and markets. Ahold Delhaize's current credit ratings from the solicited rating agencies are as follows:

- Standard & Poor's: corporate credit rating BBB, with a positive outlook since September 2022 (2021: BBB with stable outlook).
- Moody's: issuer credit rating Baa1, with a stable outlook since February 2018 (2021: Baa1 with stable outlook).

CASH FLOWS

CONSOLIDATED CASH FLOWS

Ahold Delhaize's consolidated cash flows for 2022 and 2021 are as follows:

€ MILLION	2022	2021
Operating cash flows from continuing operations	**6,110**	5,468
Purchase of non-current assets (cash capital expenditure)	**(2,490)**	(2,371)
Divestment of assets/disposal groups held for sale	**288**	82
Dividends received from joint ventures	**38**	28
Interest received	**56**	16
Lease payments received on lease receivables	**115**	103
Interest paid	**(174)**	(138)
Repayments of lease liabilities	**(1,755)**	(1,569)
Free cash flow	**2,188**	1,618
Proceeds from long-term debt	**—**	848
Repayments of loans	**(162)**	(427)
Changes in short-term loans	**(93)**	90
Changes in short-term deposits and similar instruments	**—**	44
Dividends paid on common shares	**(979)**	(856)
Share buyback	**(997)**	(994)
Acquisition/(divestments) of businesses, net of cash	**(7)**	(534)
Other cash flows from derivatives	**—**	—
Other	**(41)**	(7)
Net cash from operating, investing and financing activities	**(92)**	(218)

Operating cash flows from continuing operations were higher by €642 million. At constant exchange rates, operating cash flows from continuing operations were higher by €186 million, or 3.1%. The purchase of non-current assets was higher by €119 million, or €43 million lower at constant exchange rates.

FREE CASH FLOW

Free cash flow, at €2,188 million, increased by €570 million compared to 2021, mainly driven by an increase in operating cash flow of €642 million and a favorable impact from net investments of €87 million compared to last year, partially offset by higher repayment of lease liabilities of €185 million.

The positive changes in operating cash flow result from higher sales-driven operating results in the U.S. and lower income taxes paid of €534 million versus 2021. This mainly relates to the payment of an additional assessment notice of approximately €380 million that our subsidiary Delhaize Le Lion/De Leeuw SCA received and that was paid in 2021 (see *Note 34* to the consolidated financial statements for more information on this additional assessment notice). Operating cash flow was offset by a decrease of €713 million in working capital, caused by increased inventories driven by normalizing post-pandemic store inventories as well as higher warehouse inventories following the transformation to self distribution in the U.S. Unfair Trading Practice (UTP) legislation also had a negative working capital impact from payables in several of our European markets.

In 2022, the main uses of free cash flow included:

- Share buyback program, for a total amount of €997 million.
- Common stock final dividend of €0.52 per share for 2021, paid in 2022, and common stock interim dividend of €0.46 per share for 2022, resulting in a total cash outflow of €979 million.

TARGETS AND RESULTS

CAPITAL INVESTMENTS AND PROPERTY OVERVIEW

Capital expenditure (CapEx), including acquisitions and additions to right-of-use assets, amounted to €4,107 million in 2022 versus €5,776 million in 2021, reflecting the absence of major acquisitions in 2022. Total cash CapEx for the year amounted to €2,490 million in 2022, an increase of €119 million compared to the previous year. Total regular CapEx was largely unchanged compared to last year; the small reduction presented in this Annual Report is the result of a lower need for investments in logistics in 2022.

Capital investments were primarily allocated to the expansion, remodel and maintenance of our store network, online channel, supply chain and IT infrastructure and the development of our digital capabilities.

A portion of our annual investments are focused on reducing our carbon footprint, These include the replacement of refrigeration systems to allow for the use of refrigerants with lower GWP, projects to reduce the energy consumption in our facilities, the gradual phase-out of internal combustion vehicles with electric alternatives, and other initiatives. Supporting such efforts, investment proposals are required to be aligned with the latest company standards regarding energy consumption and the mitigation of potential harmful effects caused by refrigerants.

At the end of 2022, Ahold Delhaize brands operated 7,659 stores, compared to 7,452 in 2021. The Company's total sales area amounted to 9.8 million square meters in 2022, an increase of 0.6% over the prior year.

CAPITAL EXPENDITURES

€ MILLION	2022	2021	CHANGE VERSUS PRIOR YEAR	% OF SALES
The United States	**2,283**	2,235	49	4.1%
Europe	**1,743**	1,925	(181)	5.5%
Global Support Office	**26**	28	(2)	
Total regular capital expenditures	**4,053**	4,187	(134)	4.7%
Acquisition capital expenditures	**54**	1,589	(1,534)	0.1%
Total capital expenditures	**4,107**	5,776	(1,669)	4.7%
Total regular capital expenditures	**4,053**	4,187	(134)	4.7%
Right-of-use assets[1]	**(1,591)**	(1,748)	157	(1.8)%
Change in property, plant and equipment payables (and other non-cash adjustments)	**28**	(68)	96	—%
Total cash CapEx (cash capital expenditure)	**2,490**	2,371	119	2.9%
Divestment of assets/disposal groups held for sale	**(288)**	(82)	(206)	(0.3)%
Net capital expenditure	**2,202**	2,289	(87)	2.5%

1 Right-of-use assets comprises additions (€559 million), reassessments and modifications to leases (€1,035 million) (for more information see Note 12 to the consolidated financial statements) as well as additions (€2 million) and reassessments and modifications to leases (€(5) million) relating to right-of-use assets included within investment properties (for more information see Note 13 to the consolidated financial statements).

NUMBER OF STORES

The total number of stores (including stores operated by franchisees) is as follows:

	OPENING BALANCE	OPEN/ ACQUIRED	CLOSED/ SOLD	CLOSING BALANCE
The United States	2,048	9	(6)	**2,051**
Europe	5,404	286	(82)	**5,608**
Total number of stores	7,452	295	(88)	**7,659**

	2022	2021	CHANGE VERSUS PRIOR YEAR
Number of stores operated by Ahold Delhaize	**5,619**	5,553	66
Number of stores operated by franchisees	**2,040**	1,899	141
Number of stores operated	**7,659**	7,452	207

Franchisees operated 2,040 stores in the Netherlands, Belgium, Luxembourg and Greece.

The total number of pick-up points is as follows:

	2022	2021	CHANGE VERSUS PRIOR YEAR
The United States	**1,549**	1,389	160
Europe	**263**	253	10
Total	**1,812**	1,642	170

At the end of 2022, Ahold Delhaize operated 1,812 pick-up points, which was 170 more than in 2021. These are either standalone, in-store or office-based and include 1,549 pick-up points in the U.S., of which 1,547 are click-and-collect points.

TARGETS AND RESULTS

CAPITAL INVESTMENTS AND PROPERTY OVERVIEW

Ahold Delhaize also operated the following other properties as of January 1, 2023:

Warehouse/distribution centers/ production facilities/offices	**180**
Properties under construction/ development	**89**
Investment properties	**741**
Total	**1,010**

Investment properties consist of buildings and land not employed in support of our retail operations. The vast majority of these properties were subleased to third parties. Of these, many consisted of shopping centers containing one or more Ahold Delhaize stores and third-party retail units generating rental income.

The total number of retail locations owned or leased by Ahold Delhaize was 6,293 in 2022. This total includes 662 stores subleased to franchisees and 12 pick-up points in stand-alone locations. Ahold Delhaize also operates 223 gas stations in the premises of some of the group's stores. The total number of retail locations owned or leased increased by 113 compared to 2021.

The following table breaks down the ownership structure of our 6,293 retail locations (inclusive of stores subleased to franchisees) and 1,010 other properties as of January 1, 2023.

	RETAIL LOCATIONS	OTHER PROPERTIES
Company owned % of total	20%	49%
Leased % of total	80%	51%

TARGETS AND RESULTS

EARNINGS AND DIVIDEND PER SHARE

Income from continuing operations per common share (basic) was €2.56, an increase of €0.38, or 17.2% compared to 2021. The main driver of this increase came from favorable foreign currency translation impacts related to a strengthening U.S. dollar in 2022 versus 2021, and higher constant currency sales. The decrease in the number of outstanding shares as a result of a €1 billion share buyback program carried out in 2022 provided a further contribution (see *Note 21* to the consolidated financial statements for more information on the share movements). Underlying income from continuing operations per common share (diluted) was €2.55, an increase of €0.36, or 16.5%, compared to 2021, also driven by favorable foreign currency translation.

Ahold Delhaize's policy is to target a dividend payout ratio range of 40-50% of its underlying income from continuing operations. Underlying income from continuing operations for 52 weeks amounted to an estimated €2,551 million in 2022 and €2,262 million in 2021. As part of our dividend policy, we adjusted income from continuing operations as follows:

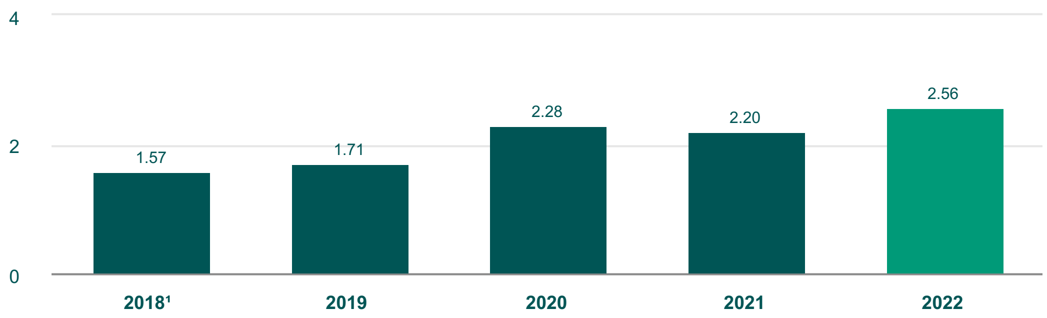
€ MILLION	2022 (BASED ON 52-WEEKS)	2021 (BASED ON 52-WEEKS)
Income from continuing operations	**2,546**	2,246
Adjusted for:		
Impairment losses and reversals – net	**235**	61
(Gains) losses on leases and the sale of assets – net	**(198)**	(76)
Restructuring and related charges and other items	**(78)**	26
Unusual items in net financial expense	**—**	—
Tax effect on adjusted and unusual items	**44**	6
Underlying income from continuing operations	**2,551**	2,262
Income from continuing operations per share attributable to common shareholders	**2.56**	2.18
Underlying income from continuing operations per share attributable to common shareholders	**2.56**	2.20
Diluted underlying income per share from continuing operations	**2.55**	2.19

We propose a cash dividend of €1.05 per share for the financial year 2022, an increase of 10.5% compared to 2021, reflecting our ambition to sustainably grow dividend per share. This represents a payout ratio of 40% of underlying net income from continuing operations for 52 weeks.

If approved by the General Meeting of Shareholders, a final dividend of €0.59 per share will be paid in April 2023. This is in addition to the interim dividend of €0.46 per share, which was paid in September 2022. In 2022, dividend payments totaled €979 million (vs. €961 million in 2021).

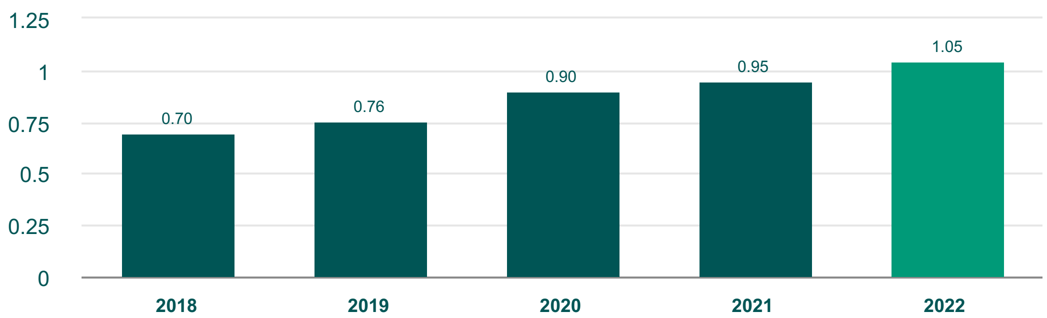
See **Information about Ahold Delhaize shares** for further details.

Underlying income from continuing operations per common share (basic)



1 Our 2018 figures have been restated to reflect the impact of the implementation of IFRS 16 Leases.

Dividend per common share



FINANCIAL REVIEW BY SEGMENT

KEY FINANCIAL AND NON-FINANCIAL INFORMATION

The segmental key financial and non-financial information per region for 2022, 2021, 2020 and 2019 is presented below:

	THE UNITED STATES				EUROPE			
	2022	2021	2020	2019	2022	2021	2020	2019
Net sales (€ millions)	**55,218**	45,455	45,470	40,066	**31,767**	30,147	29,266	26,194
Net sales ($ millions)	**57,959**	53,699	51,838	44,841				
Of which: online sales (€ millions)	**4,157**	3,228	1,968	985	**4,461**	4,477	3,579	2,508
Of which: online sales ($ millions)	**4,367**	3,814	2,259	1,101				
Net sales growth in local currency	**7.9%**	3.6%	15.6%	1.5%	**5.0%**	2.8%	12.1%	3.5%
Comparable sales growth[1]	**7.4%**	2.6%	13.3%	1.1%	**2.9%**	2.8%	9.5%	2.7%
Comparable sales growth (excluding gasoline sales)[1]	**6.8%**	1.9%	14.4%	1.4%	**2.9%**	2.8%	9.6%	2.7%
Net consumer online sales (€ millions)	**4,157**	3,228	1,968	985	**7,166**	7,173	5,608	3,562
Net consumer online sales ($ millions)	**4,367**	3,814	2,259	1,101				
Operating income (€ millions)	**2,605**	2,231	1,006	1,668	**1,173**	1,209	1,380	1,140
Operating income ($ millions)	**2,733**	2,631	1,064	1,867				
Underlying operating income (€ millions)	**2,603**	2,150	2,466	1,712	**1,131**	1,306	1,325	1,205
Underlying operating income ($ millions)	**2,727**	2,543	2,789	1,916				
Underlying operating margin	**4.7%**	4.7%	5.4%	4.3%	**3.6%**	4.3%	4.5%	4.6%
Number of employees/headcount (at year-end in thousands)	**239**	239	239	215	**175**	174	175	165
Number of employees/FTEs (at year-end in thousands)[2]	**155**	160	158	143	**94**	99	91	88
Contribution to Ahold Delhaize net sales	**63.5%**	60.1%	60.8%	60.5%	**36.5%**	39.9%	39.2%	39.5%
Contribution to Ahold Delhaize underlying operating income[3]	**69.7%**	62.2%	65.0%	58.7%	**30.3%**	37.8%	35.0%	41.3%

1 For the year 2022, 2021 and 2019, comparable sales growth is presented on a comparable 52-week basis. In the year 2020, comparable sales growth is presented on a 53-week basis.
2 Included in the 94,000 FTEs in Europe in 2022 (2021: 99,000; 2020: 91,000; 2019: 88,000) are 40,000 FTEs in the Netherlands (2021: 40,000; 2020: 32,000; 2019: 31,000).
3 Before Global Support Office costs.

FINANCIAL REVIEW BY SEGMENT

THE UNITED STATES

NET SALES

€55.2bn 7.9%*

2021: €45.5bn 21.5% vs. 2021

COMPARABLE SALES GROWTH (EXCLUDING GASOLINE SALES)

6.8%

OPERATING INCOME

€2.6bn 3.9%*

2021: €2.2bn 16.8% vs. 2021

UNDERLYING OPERATING INCOME

€2.6bn 7.2%*

2021: €2.2bn 21.1% vs. 2021

UNDERLYING OPERATING MARGIN

4.7% —pp*

2021: 4.7% — pp vs. 2021

NET CONSUMER ONLINE SALES

€4.2bn 14.5%*

2021: €3.2bn 28.8% vs 2021

*At constant rates.

GROUP PERFORMANCE

€ MILLION	2022	2021	CHANGE VERSUS PRIOR YEAR	% CHANGE	% CHANGE AT CONSTANT RATES
Net sales	**55,218**	45,455	9,763	21.5%	**7.9%**
Of which online sales	**4,157**	3,228	**929**	28.8%	**14.5%**
Comparable sales growth	**7.4%**	2.6%			
Comparable sales growth excluding gasoline	**6.8%**	1.9%			
Operating income	**2,605**	2,231	375	16.8%	**3.9%**
Adjusted for:					
Impairment losses and reversals – net	**212**	48	164		
(Gains) losses on leases and the sale of assets – net	**(181)**	(49)	(132)		
Restructuring and related charges and other items	**(33)**	(80)	47		
Underlying operating income	**2,603**	2,150	453	21.1%	**7.2%**
Underlying operating income margin	**4.7%**	4.7%			

In 2022, net sales were €55,218 million, an increase of €9,763 million or 21.5% compared to 2021. At constant exchange rates, net sales showed an increase of 7.9%. Sales growth was positively impacted by inflation, the store remodel program (mainly at Stop & Shop and Food Lion), the acquisition of 71 stores from Southeastern Grocers in 2021 and online channel acceleration.

Online sales were €4,157 million, up by 14.5% compared to the prior year at constant exchange rates. The increase versus last year was primarily driven by the addition of 160 pick-up locations, annualized sales for 272 pick-from-store locations opened in 2021, and the expansion of e-commerce offerings across the U.S. brands.

In addition, sales growth was further supported by the strong performance and development of partnerships with third-party delivery services; reduced customer lead and wait times; improving customer value through reduced fees and reducing minimum order values, service and delivery fees; and continued work on product launches and new releases. This year, we also invested in improving the digital experience and modernizing our technology to support peak traffic.

FINANCIAL REVIEW BY SEGMENT

THE UNITED STATES

Own-brand food sales (%)

Branded food sales	67.9%
Own-brand food sales	32.1%

Net sales by category (%)

Fresh	45.6%
Non-perishables	37.9%
Non-food	9.3%
Pharmacy	4.8%
Gas	2.4%

The Ahold Delhaize USA brands continue to strengthen the value proposition by expanding their leading own-brand offerings. In 2022, own-brand food sales as a percentage of total food sales accounted for 32.1%.

As a percentage of total sales, the relative share of fresh, pharmacy and gas in total sales remained constant, while the share of non-perishables increased and the share of non-food decreased this year compared to last year.

Comparable sales excluding gasoline for the segment increased by 6.8%, with most of the growth attributable to food inflation and strong performance across our brand offerings, notably at Food Lion. In addition, sales in the U.S. benefited this year from nine new store openings and 104 remodels.

Operating income increased by €375 million, or 16.8%, compared to 2021. Underlying operating income was €2,603 million and is adjusted for the following items:

- Impairment losses and reversals – net: in 2022, impairment charges amounted to €212 million, versus €48 million in 2021. In 2022, the impairments related primarily to the goodwill and other intangible assets of FreshDirect. The impairments in 2021 related primarily to investment properties and underperforming stores at Stop & Shop.
- (Gains) losses on leases and the sale of assets – net: in 2022, this total net gain was €181 million, mainly related to the sale of four investment properties to US Foods. In 2021, a €49 gain was recorded mainly from the sale of land, the sale of pharmacy scripts, lease terminations and new subleases.
- Restructuring and related charges and other items: in 2022, the net gain in the amount of €33 million was mainly attributed to a further reduction of the defined benefit obligation of the FELRA and MAP, related to the American Rescue Plan Act (see *Note 24*). In 2021, this income also resulted from a partial release of defined benefit obligation of the FELRA and MAP (see *Note 24*).

In 2022, underlying operating income was €2,603 million, up by €453 million or 21.1% compared to last year. At constant exchange rates, underlying operating income increased by 7.2%.

The United States' underlying operating margin in 2022 was 4.7%, the same as in 2021. The 2022 sales were positively affected by inflation. Inflationary pressures in both product cost and operating expenses, related to supply chain, such as fuel, labor challenges and the labor market, as well as energy costs, created pressure on our margins and operating income in the U.S. This negative impact was offset by positive insurance results, which reflects the favorable discounting effect on the Company's insurance provisions driven by the increase in interest rates and a provision reduction for holiday pay.

THE UNITED STATES

GROWTH DRIVERS IN ACTION

Drive omni-channel growth

The Ahold Delhaize USA brands have continued to invest in the digital channel and remodeling of stores. Peapod Digital Labs announced an end-to-end, in-house retail media business, building on the existing AD Retail Media network to create a simplified, measurable way to engage omnichannel customers.

The brands also continue to invest in infrastructure to support the growth of e-commerce. Peapod Digital Labs and the local retail brands invested in fulfillment operations, both in-store and in central fulfillment warehouses, to automate picking, optimize delivery routes and get orders to customers faster, with less manual effort. This year, our U.S. brands reached 1,547 click-and-collect points.

The U.S. brands are enhancing their offerings, increasing the quality of services and maximizing value for customers. They invest in remodeling programs to keep stores fresh and modern and incorporate omnichannel elements, such as pick-up and order storage areas. Stop & Shop has continued to focus on the New York City market, with 45 store remodels completed, while Food Lion has continued to integrate the acquired Southeastern Grocer stores, remodeling 29 stores this year. Stop & Shop has also done extensive work to review assortments for customers in multicultural areas, such as the Bronx, New York.

Elevate healthy and sustainable

During the year, the U.S. brands have further expanded their innovation and partnership opportunities. Starting with Food Lion, all the U.S. brands, collaborated with ExxonMobil, Cyclyx International and Sealed Air, to become the first retailers in the U.S. to successfully launch a circular food packaging demonstration. Giant Food partnered with Loop to sell an assortment of products with reusable packaging at stores in the Washington D.C. area.

In addition, Stop & Shop and The GIANT Company reduced food waste in their stores by rolling out the Flashfood concept. In another great example of their dedication to sustainability, all the brands now offer sustainably sourced seafood across their entire assortments of seafood products.

In order to reach its net-zero ambitions, Hannaford announced its commitment to 100% renewable energy by 2024.

Lastly, the brands are partnering with leading non-profits like World Wildlife Fund and The Nature Conservancy to prioritize sustainability issues and opportunities, such as regenerative agriculture and deforestation in line with our healthy and sustainable ambitions.

Cultivate best talent

During the year, our great local brands maintained a strong focus on our DE&I aspiration of creating an environment that is 100% gender balanced, 100% reflective of the brands' markets and 100% inclusive.

At the forefront of DE&I are courageous conversations that foster greater awareness. For example, FreshDirect hosted its first panel of LGBTQ+ associates for an open conversation about the importance of Pride Month and the challenges and opportunities the LGBTQ+ community faces in today's society.

In addition, the growth of Business Resource Groups (BRGs) is driving change among our people, communities and culture. RBS, The GIANT Company and Giant Food all hosted BRG summits that spanned many topics, such as allyship, breaking the gender and racial gap and much more.

Mental health and well-being remains a key focus to help our people lead balanced lives. For example, Stop & Shop hosted a well-attended virtual session for store managers on using the My Rewards Every Day Employee Assistance Program to help their teams and themselves.

Strengthen operational excellence

Ahold Delhaize USA continues its journey of supply chain transformation, digitalization and optimization of operations, to enhance its productivity.

In 2022, ADUSA Supply Chain successfully transitioned the York, Pennsylvania, automated DC into its self-managed network. This brings our total number of network facilities to 19. ADUSA Supply Chain also implemented a new solution for all direct-to-store delivery vendors, providing better visibility into cost, margins and profits on items received at stores.

In addition, Ahold Delhaize USA companies are advancing their technological capabilities to provide improved insights and create business efficiencies. One of the projects completed in 2022 was the successful implementation of SAP S/4HANA to transform the brands' legacy finance systems.

In the midst of high inflation, the U.S. brands are helping customers efficiently manage their spending. Supported by our Save for Our Customers cost savings program, our brands are working with suppliers to mitigate cost increases for customers, introducing more value-oriented products, expanding high-quality own-brand assortments and delivering personalized value through digital omnichannel loyalty programs.

FINANCIAL REVIEW BY SEGMENT

EUROPE

NET SALES
€31.8bn 5.0%*
2021: €30.1bn 5.4% vs. 2021

COMPARABLE SALES GROWTH (EXCLUDING GASOLINE SALES)
2.9%

OPERATING INCOME
€1.2bn (3.3)%*
2021: €1.2bn (2.9)% vs. 2021

UNDERLYING OPERATING INCOME
€1.1bn (13.7)%*
2021: €1.3bn (13.4)% vs. 2021

UNDERLYING OPERATING MARGIN
3.6% (0.8) pp*
2021: 4.3% (0.8) pp vs. 2021

NET CONSUMER ONLINE SALES
€7.2bn (0.1)%*
2021: €7.2bn (0.1)% vs. 2021

*At constant rates.

EUROPE SEGMENT

€ MILLION	2022	2021	CHANGE VERSUS PRIOR YEAR	% CHANGE	% CHANGE AT CONSTANT RATES
Net sales	**31,767**	30,147	1,620	5.4%	**5.0%**
Of which online sales	**4,461**	4,477	(15)	(0.3)%	**(0.3)%**
Net consumer online sales	**7,166**	7,173	(7)	(0.1)%	**(0.1)%**
Comparable sales growth	**2.9%**	2.8%			
Comparable sales growth excluding gasoline	**2.9%**	2.8%			
Operating income	**1,173**	1,209	(36)	(2.9)%	**(3.3)%**
Adjusted for:					
Impairment losses and reversals – net	**24**	13	11		
(Gains) losses on leases and the sale of assets – net	**(17)**	(21)	4		
Restructuring and related charges and other items	**(49)**	106	(155)		
Underlying operating income	**1,131**	1,306	(175)	(13.4)%	**(13.7)%**
Underlying operating income margin	**3.6%**	4.3%			

Net sales in 2022 were €31,767 million, up by €1,620 million or 5.4% compared to 2021. At constant exchange rates, net sales were up by 5.0%. Sales growth was driven by high price inflation, in particular in the second half of the year and by the acquisition of 38 DEEN stores in the Netherlands with incremental sales contribution up to Q4 2022. With high levels of inflation, our brands were focused on helping customers efficiently manage their spending. Our cost reduction programs also helped the local brands to absorb cost increases relating to energy, transport and labor, enabling us to keep prices as low as possible.

Net consumer online sales were €7,166 million, down by 0.1% compared to last year, mainly driven by non-food e-commerce. With COVID-19 restrictions being lifted, the overall e-commerce market in Europe declined. Within these market conditions, the first half of 2022 was characterized by lower year-over-year results. However, bol.com was able to limit sales decline by (1.8)% in 2022 after growing 26.6% last year. In addition, the brand was able to increase its market share in a declining market. Bol.com's market share growth was largely driven by its successful customer proposition, including its loyalty program, category expansion and strong campaigns and a new logistical service proposition that enabled the brand to build stronger relationships with suppliers and Plaza network partners. Its third-party platform, which currently offers a marketplace to more than 50,000 Plaza partners, remains an important growth driver for bol.com. The European brands' robust online grocery offering continued to serve consumers well, with sales largely compensating for the loss in non-food.

FINANCIAL REVIEW BY SEGMENT
EUROPE

Own-brand food sales (%)

Branded food sales	50.8%
Own-brand food sales	49.2%

Net sales by category (%)

Fresh	44.1%
Non-perishables	31.4%
Non-food	24.5%

The Ahold Delhaize brands in Europe continued to grow their already relatively high own-brand share in 2022 by expanding their own-brand assortments. This enabled our brands to offer value and help consumers manage their spending in a time of cost increases and uncertain outlooks. In 2022, own-brand food sales comprised 49.2% of total food sales.

As a percentage of total sales, the relative share of non-food and non-perishables decreased, while the share of fresh increased.

Comparable sales excluding gasoline increased by 2.9%, mainly driven by higher prices and partly offset by lower volumes. Simultaneously, most of our local brands were able to increase market share. Albert Heijn and our brands in Romania and Czech Republic were the largest contributors to this comparable sales increase.

Operating income decreased by €36 million, or 2.9%, to €1,173 million, affected by the following items that Ahold Delhaize adjusts to arrive at underlying operating income:

- Impairment losses and reversals – net: In 2022, impairment charges amounted to €24 million. Belgium, the Netherlands and Serbia account for the majority of impairment charges. In the Netherlands and Belgium, this was mainly related to underperforming stores. In Serbia, it related to a fire in a hypermarket. In 2021, impairment charges amounted to €13 million, mainly related to underperforming stores in Greece, the Czech Republic, and the Netherlands.
- (Gains) losses on leases and the sale of assets – net: In 2022, the total net gain was €17 million, mainly related to the Netherlands (€10 million), driven by the sale of store operations and by the Czech Republic (€6 million). In 2021, this total net gain was €21 million, also mainly related to the Netherlands (€8 million) and the Czech Republic (€8 million)
- Restructuring and related charges and other items: In 2022, the charges amounted to a net gain of €(49) million, mainly driven by a release of a wage tax provision in Belgium, partially offset by one-off items in the Netherlands. In 2021, the charges amounted to €106 million, and included one-off items mainly related to restructuring and settlements in the Netherlands (€36 million) and in Belgium (€66 million).

In 2022, underlying operating income in Europe was €1,131 million, down by €175 million, or 13.4%, compared to 2021. Underlying operating margin was 3.6% in 2022, down 0.8 percentage points compared to 2021. Margins in Europe were severely affected by rising energy and utility costs and a challenging economic environment. Other cost escalations and volume deleveraging added pressure, and an increased cost of product combined with higher operating expenses diluted margins further. Savings from our brands' Save for Our Customers programs helped to mitigate this impact.

The European brands' net sales consist of sales to consumers and to franchise stores. Franchise stores operate under the same format as Ahold Delhaize-operated stores. Franchisees purchase merchandise primarily from Ahold Delhaize, pay a franchise fee and receive support services.

GROWTH DRIVERS IN ACTION

Drive omni-channel growth

Our brands in Europe expanded their ecosystem and increased personalized omnichannel offerings by leveraging technology and innovative customer solutions. The brands have 11.4 million loyal customers with around 51% loyalty sales penetration. They are making great progress in expanding market share, with the vast majority gaining share across different markets. They have implemented various initiatives to improve long-term e-commerce profitability, by driving new complementary revenue streams and cost improvements, such as reducing structural fulfillment and home delivery costs.

Our brands are strengthening their premium loyalty programs; for example, Delhaize enhanced its SuperPlus loyalty program with a 10% discount on fresh products. They are also building deeper digital relationships with customers while accelerating their digital media businesses. For example, we acquired a stake in advertising technology company, Adhese, to drive the development of digital advertising opportunities. At the same time, Albert Hejin and bol.com continued to grow their digital media businesses by optimizing digital advertising opportunities. Bol.com acquired a majority stake in Cycloon, the largest sustainable social bicycle network in the world. It began delivering for bol.com in September.

Elevate healthy and sustainable

Our European brands have made great progress elevating health and sustainability in 2022.

To reduce energy costs, electricity consumption and carbon emissions, Alfa Beta installed LED lighting in its warehouses, Mega Image installed solar systems in 20 stores and Delhaize Serbia turned off all illuminated advertising in stores and beverage refrigerators.

Albert Heijn adapted the scope 3 CO_2 reduction target for its full value chain from 15% in 2018 to 45% by 2030. In addition, Albert Heijn was named the most sustainable supermarket chain in the Netherlands for the sixth consecutive year. For the second year in a row, bol.com was named the most sustainable e-commerce brand, according to the Sustainable Brand Index™. The brand was also the first e-commerce company in the Netherlands and Belgium to receive the Climate Neutral Certification label.

Albert was awarded the TOP Responsible Company 2022, by the largest platform for responsible business in the Czech Republic and placed among the 10 best ESG-rated companies in their country.

Lastly, Delhaize Belgium improved its discount system with "No waste corners" initiatives in its stores to reduce food waste.

Cultivate best talent

Our European brands have strong working cultures, in line with our DE&I ambition, "We are open for everyone," and our belief that diversity leads to fresh ideas and positive change. Their workforces tend to be highly multi-generational. For example, Gen Z makes up 41% of the total Ahold Delhaize workforce; in the Netherlands this figure is above 80%. Our Young Ahold Delhaize BRG is helping accelerate the development of young team members in the Netherlands and several of our other European brands. Our Czech brand, Albert, launched the Experienced Albert BRG, geared at more experienced associates.

Our European brands continue to expand their unified HR and payroll SAP SuccessFactors platform, bringing more associates into this environment. The successful launch in the Netherlands in 2020 will be mirrored in early 2023 in (Albert Heijn) Belgium, Greece, Romania and the Czech Republic. Preparations throughout 2022 have provided a robust foundation for the transition that will help improve digital and data fluency.

Strengthen operational excellence

In 2022, our European brands delivered record-high savings through our Save for Our Customers program.

They continued to improve productivity by means of automation and standardization through initiatives that include the rollout of electronic shelf labels, dynamic pricing, automated self checkouts and the expansion of robot process automation (RPA).

In addition, the European brands continued to drive sourcing efficiencies on own-brand procurement, A-brand negotiations and Fresh partnerships. In order to accelerate the own-brand procurement savings all our European brands focused on rolling out a harmonized and scalable value offering, to better serve customers in times of declining purchasing power, as well as to unlock additional costs savings.

For example, Delhaize opened the biggest winery facility in the Benelux (9,500 m2). This facility serves as the key wine bottling site and logistics hub for our Benelux brands and will facilitate increased speed of innovation, while improving the cost structure.

GLOBAL SUPPORT OFFICE

GLOBAL SUPPORT OFFICE

€ MILLION	2022	2021	CHANGE VERSUS PRIOR YEAR	% CHANGE
Global Support Office costs	**(10)**	(119)	109	(91.6)%
(Gains) losses on leases and the sale of assets net	**0**	(6)	6	NM
Restructuring and related charges and other items	**4**	0	4	NM
Underlying Global Support Office costs	**(6)**	(125)	119	(95.3)%
of which related to self-insurance activities	**152**	35	117	NM
Underlying Global Support Office costs excluding self-insurance	**(158)**	(160)	2	(1.1)%

Global Support Office costs in 2022 were €10 million, down €109 million compared to the prior year, driven by a better insurance result of €117 million. In 2022, discount rates increased compared to 2021; the increase of 325 basis points led to an insurance result of €117 million.

Underlying Global Support Office costs were €6 million, €119 million lower than 2021. The €117 million increase in self-insurance activities was the result of a significant increase in discount rates. Underlying Global Support Office costs, excluding self-insurance, were €158 million, down €2 million versus last year. This decrease was mainly driven by favorable exchange rate differences.

GLOBAL SUPPORT OFFICE

GROWTH DRIVERS IN ACTION

Drive omni-channel growth

As our tech landscape matures, executing on our Leading Together strategy through our group focus areas (GFAs) is helping enhance our capabilities and drive regional and global opportunities to save both time and costs. These four GFAs are: mechanization, monetization, payments and last mile and multi-fulfillment orchestration.

We believe our GFAs are helping us evolve our business model and drive our ambition to accelerate investments in building scalable and repeatable operational capabilities, with a sharper focus on digital, online, data and automation/mechanization. They are also critically important for omnichannel profitability. We look to collaborate across the brands and support organizations to continue to move forward in these areas.

So far, the GFA teams have already identified opportunities in mechanization by collaborating better; bundling expertise, knowledge and scale; and drafting converging paths on various topics. With the benefits of our GFAs already coming to life, we expect our work in these areas to be mainly self-funded in 2023.

Elevate healthy and sustainable

During 2022, we continued to increase our focus on environmental, social and governance topics. We aligned our scope 3 carbon emissions plan with a 1.5-degree scenario and increased our target to 37% reduction by 2030 compared to our 2020 baseline. In addition, we added a target on reducing absolute virgin primary own-brand plastic product packaging to our existing target on sustainable packaging.

We also set up a dedicated ESG reporting team as part of our Accounting and Reporting department. This team will improve ESG reporting going forward and implement the EU taxonomy and the EU Corporate Sustainability Reporting Directive requirements.

We held our first global meeting since the COVID-19 pandemic where we discussed future expectations around our healthy and sustainable growth driver and worked with all the brands to identify improvements and share best practices to help us achieve our ambitions on healthier people and a healthier planet.

Cultivate best talent

People's mental health and well-being is a priority at our Global Support Office and all the brands. External factors over the past year, ranging from the global pandemic to the war in Ukraine, have taken their toll on communities around the world and associates. Maintaining a healthy balance and ensuring associates can be their authentic selves in a safe environment is important to us. We can proudly say that these values are reflected in this years' associate engagement score of 79%.

Leaders from across Ahold Delhaize were immersed in the dynamics of psychological safety, which fosters trust and allows one to speak up without fear of punishment or humiliation, during a leadership event in the fall. Since then, psychological safety trainings have continued within the Global Support Office and several brands. The four elements of psychological safety – open conversation, willingness to help, attitude to risk and failure and DE&I – are essential to maintaining our culture.

Our recent mental health and awareness week gave associates the opportunity to attend webinars, trainings and even a concert where the stories of refugees were shared.

Strengthen operational excellence

In 2022, we continued to support business growth and realize cost reductions. We want to create organizations and a culture of alignment and collaboration and find new ways to unlock value for critical investments, while accelerating our Save For Our Customers ambition.

In relation to IT, for example, we allocated focus to securing IT product deliveries and mitigating inflation. Our IT service operations team worked to minimize the (potential) business impact of developments such as the war in Ukraine and supply chain disturbances by pro-actively engaging with our supplier base to identify our risk profile and to agree on mitigation measures. In addition, our Global Technology Sourcing & Vendor Management team continued to leverage Ahold Delhaize's scale to achieve further synergies across our regions and brands.

OUTLOOK

SUMMARY

Below is a summary of the full-year outlook for 2023:

PERFORMANCE MEASURE	OUTLOOK 2023
Underlying operating margin	≥ 4%
Diluted underlying EPS growth	Around 2022 levels
Save for Our Customers	≥ €1 billion
Capital expenditures[1]	~ €2.5 billion
Free cash flow	~ €2.0 billion
Dividend payout ratio[2, 3]	40-50% (and year-over-year increase in dividend per share)
Share buyback[3]	€1 billion

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, they will continue to monitor macro-economic developments. The program is also subject to changes in corporate activities, such as material M&A activity.

CONTINUED SALES GROWTH EXPECTED IN 2023

The macro environment has become increasingly difficult for consumers, who contended with mounting inflation throughout 2022. Inflation levels are expected to remain elevated throughout 2023. In this context, our brands are working hard to reduce costs and create additional efficiencies in order to keep prices as low as possible for customers.

We believe this should ensure continued constant-currency sales growth for our business in 2023, as consumers continue to find significant value at our brands. This is supported by our strong own-brand portfolio, which made up 49% of sales in Europe in 2022, and 32% of sales in The United States. In 2023, we expect to further expand own-brand sales as a percentage of our overall Group sales, with our own-brand portfolio continuing to play a pivotal role in keeping consumers in our stores and supporting our leading local market shares.

Consistent demand from the food-at-home market, in conjunction with the strength of our leading local brands, should drive continued comparable sales growth for our business in 2023, which is likely to be supported once again by above average rates of shelf price inflation.

Expected 2023 comparable sales gains will be supported by new store expansions, particularly across our Central and Southeastern Europe markets, which continue to benefit from a shift in consumer spending away from traditional food markets and towards modern classes of trade for food-at-home purchases. These favorable factors should drive positive 2023 constant currency sales growth and offset modest headwinds from lower gasoline sales owing to reduced fuel prices.

Furthermore, our position as a leading omnichannel supermarket should also serve us well as more consumers are searching for omnichannel solutions and, in turn, spending more of their food-at-home budgets online. We believe our continued investments into our digital platform should foster continued over-proportionate sales growth in this channel during 2023.

WEAK MACRO-ECONOMIC INDICATORS FORECASTED IN 2023, BUT FOOD-AT-HOME DEMAND HAS HISTORICALLY PROVEN RESILIENT

On a macro level, the IMF's January 2023 outlook forecasts weak real GDP growth in both the U.S. and Europe during 2023 of +1.4% and +0.7%, and 2024 of 1.0% and 1.6%, respectively. This comes as elevated inflation rates are expected to place continued pressure on consumers in 2023, with the IMF forecasting overall consumer CPI growth of +3.5% in the U.S. (2022: +8.1%) and +10.9% in Europe (2022: +15.3%).

While tepid economic growth and continued pressure from inflation are likely to dampen consumer spending in 2023, food-at-home demand has historically been very consistent, growing under a variety of economic climates. This notion is supported by data from the U.S. Department of Agriculture (USDA) that indicates U.S. food-at-home sales have only declined once on an annual basis in the last 50 years.

Importantly, our brands continue to serve communities by providing a strong range of offerings for consumers seeking value, as demonstrated by their high own-brand penetration rates. And with consumers' wallets being stretched by inflation, food-at-home demand is likely to remain resilient in 2023, given its proposition as a cheaper alternative to eating outside of the home.

FURTHER EXPANDING OUR OMNICHANNEL STRATEGY IN 2023

Our approach to being a leading local omnichannel food retailer continues to serve us well, and we expect further disproportionate growth in our e-commerce business during 2023, with growing online penetration rates across our business.

At the same time, we will continue to reinvest in our brands' brick-and-mortar store locations, which we believe will continue to drive sequential improvement in volume and market share trends at the brand.

OUTLOOK

ACCELERATING COST SAVINGS PROFILE TO SUPPORT MARGINS IN 2023

Our 2023 margins will encounter mounting pressure from higher expenses related to energy, labor and product costs, among others. These issues are compounded by economically challenged consumers, who are contending with high rates of CPI inflation and declining purchasing power.

Nonetheless, we expect to sustain our industry-leading Group underlying operating margin of at least 4%. This outlook reflects a balanced approach with strong cost savings and expected sales leverage largely offsetting cost pressures.

Given the challenging cost environment for our brands' operations, we have made additional plans in 2023 over and above our typical Save for Our Customers program to reduce costs and gain operational efficiencies. We are introducing a new initiative called "Accelerate." This initiative builds on our existing Leading Together efforts to create more agile organizations, capture more scale and empower associates to take action to drive efficiency. By evaluating additional savings and efficiency levers to streamline our organizations and processes, optimize go-to-market propositions, further increase joint sourcing and consolidate IT, our clear priority is to unlock resources to accelerate and further support our Save for Our Customers program and focus investments on high-return, high-impact projects to enhance the customer experience at our brands.

After achieving cost savings of €979 million in 2022, our Save for Our Customers program is expected to yield at least €1 billion in 2023, as we continue along the path towards our target of a cumulative €4.0 billion in cost savings over the four-year period ending in 2025.

Our 2023 Save for Our Customers program will be aided by our U.S. supply chain transformation, through which over 90% of our center-store volumes will be self distributed by year end. Other drivers are expected to come from our initiatives in joint sourcing, automation and data and media monetization, among others.

In Europe, we continue to identify opportunities to drive synergies and scale across our businesses through product sourcing and operating model alignment, such as in our Central and Southeastern Europe markets.

We plan on improving online profit margins in 2023 as part of our ambition to make e-commerce profitable on a fully allocated channel basis by 2025. For example, we plan to open our first automated e-commerce fulfillment center in the Netherlands in late 2023 as part of our brands' initiatives to drive growth and efficiencies in their online operations.

STRONG FREE CASH FLOW GENERATION EXPECTED AGAIN IN 2023

Our operational outlook for 2023 translates into strong cash flow generation, which is reflected in our 2023 free cash flow forecast of approximately €2.0 billion[1]. This starts with our expectation of strong 2023 operating cash flows, predicated on solid sales growth and good margins.

Meanwhile, pressure on working capital, driven largely by the activation of UTP law in several of our European markets and the continuation of U.S. self distribution with new facilities, is expected to be partially offset by supply chain-driven stock optimization programs focusing on improved forecasting and replenishment. Overall, we expect our free cash flow generation to remain strong over the upcoming years as well, in line with our medium-term cumulative free cash flow forecast of €7.5 billion over the four-year period from 2022 to 2025.

NET CAPITAL EXPENDITURE OF APPROXIMATELY €2.5 BILLION[1]

We anticipate 2023 net capital expenditures of €2.5 billion, up from €2.2 billion in 2022, with increased investments into our digital and online capabilities, as well as our healthy and sustainable initiatives. Over the next four years, we will maintain strong levels of reinvestment back into our businesses, with net capital expenditures expected to average 3.0% of sales.

RETURNING CAPITAL TO SHAREHOLDERS CONTINUES

The strong level of free cash flow embedded in our 2023 outlook supports our €1 billion share repurchase authorization announced in November 2022, as well as our dividend policy, which calls for sustainable growth in our annual cash dividend and a 40%-50% payout ratio from underlying net income.

We propose a cash dividend of €1.05 for the financial year 2022, an increase of 10.5% compared to 2021. If approved by the General Meeting of Shareholders, a final dividend of €0.59 per share will be paid on April 27, 2023. This is in addition to the interim dividend of €0.46 per share, which was paid on September 2, 2022.

CULTIVATE BEST TALENT TARGETS

The growth and development of associates is at the core of our commitment to cultivate best talent. High engagement helps drive business, professional and personal growth. In 2023, we will continue to target the following metrics: an associate engagement score of 79% or greater and an inclusive workplace score of 80% or greater. We will also ensure that the development indices are aligned across all brands, to allow Ahold Delhaize to uniformly assess associates' voices in this focus area.

ESG AMBITIONS EXTENDED TO INCLUDE SCOPE 3

In addition to our formal financial outlook, during 2023, we expect to continue to make progress on the ESG initiatives embedded in our "Grounded in Goodness" strategy, which focuses on healthier people and a healthier planet. This comes on the heels of an active 2022, in which we updated our scope 3 CO_2-emissions reduction target, issued our second Human Rights Report, and closed on a new €1.5 billion Sustainability-linked Revolving Credit Facility.

Specifically, our new CO_2-emissions reduction target for our entire value chain (scope 3) was updated to at least 37% by 2030 compared to 2020, and to become net zero by 2050. This goes along with our prior net-zero target on our scope 1 and 2 emissions by 2040, bringing us in line with the UN's goal of keeping global warming below 1.5°C.

1 Excludes M&A

OUTLOOK

Meanwhile, our 2022 Human Rights Report provided an update on our efforts to ensure human rights are respected, both within Ahold Delhaize and the brands and across the supply chains they rely on. Additionally, the report gave an update on key programs in our own operations, including the DE&I aspiration to achieve 100% gender balance at all levels, to be 100% reflective of the markets the brands serve, and to strive for 100% inclusion.

Lastly, we ended the year by closing on a new €1.5 billion Sustainability-linked Revolving Credit Facility in December. The facility links the cost of borrowing to Ahold Delhaize's annual performance on sustainability KPIs, including our scope 1 and 2 emissions-reduction targets, food waste reduction, and our initiatives to help customers make healthier choices.

In 2023, we remain focused on executing our "Grounded in Goodness" strategy, aimed at making healthy and sustainable choices easy for everyone.

Our brands will continue to promote healthy and sustainable diets by reformulating own-brand products and using their loyalty programs to reward customers for making healthier choices.

We also plan to provide further color on our new scope 3 CO_2-emissions reduction targets during 2023. And we aim to make progress on our approach to biodiversity, to help reduce deforestation and land conversion.

Our ability to engage associates and give them opportunities to develop are critical drivers of our business performance. We will continue to create a culture where all associates are respected, driven by our strategic DE&I framework.

This section provides an overview of the most important ESG targets that will drive our Healthy and Sustainable strategy and that represent the areas where we want to make a difference in years to come.

ESG performance indicators

PERFORMANCE INDICATOR DESCRIPTION	2023 TARGET	2025 TARGET[1]	2030 TARGET	2040 TARGET	2050 TARGET
% of healthy own-brand food sales as a proportion of total own-brand food sales	55.0%	55.6%			
Reduction in tonnes of food waste per food sales (t/€ million) against 2016 baseline	34%	>38%	50%		
Absolute CO_2-equivalent emissions from own operations (scope 1 and 2) (thousand tonnes) against 2018 baseline		34%	50%	Net zero	
% reduction in absolute CO2-equivalent emissions from our value chain (scope 3) against 2020 baseline			37%		Net zero

1 2025 targets for healthy sales, food waste and scope 1 and 2 carbon emissions increased due to strong 2022 performance.

INFORMATION ABOUT AHOLD DELHAIZE SHARES

SHARES AND LISTINGS

Koninklijke Ahold Delhaize N.V. is a public limited liability company registered in the Netherlands with a listing of shares on Euronext's Amsterdam Stock Exchange (AEX) and Euronext Brussels (Ticker: AD, Bloomberg code: AD NA, ISIN code: NL0011794037, CUSIP: N0074E105, Reuters code: AD.AS).

Ahold Delhaize's shares trade in the United States on the over-the-counter (OTC) market (www.otcmarkets.com) in the form of American Depositary Receipts (ADRs) (ticker: ADRNY, Bloomberg code: ADRNY US, ISIN code: US5004675014, CUSIP: 500467501).

The ratio between Ahold Delhaize ADRs and the ordinary Netherlands (euro-denominated) shares is 1:1, i.e., one ADR represents one Ahold Delhaize ordinary share.

Structure: Sponsored Level I ADR

J.P. Morgan (the Depositary) acts as the depositary bank for Ahold Delhaize's ADR program. Please also see *Contact information* for details on how to contact J.P. Morgan regarding the ADR program.

SHARE PERFORMANCE IN 2022

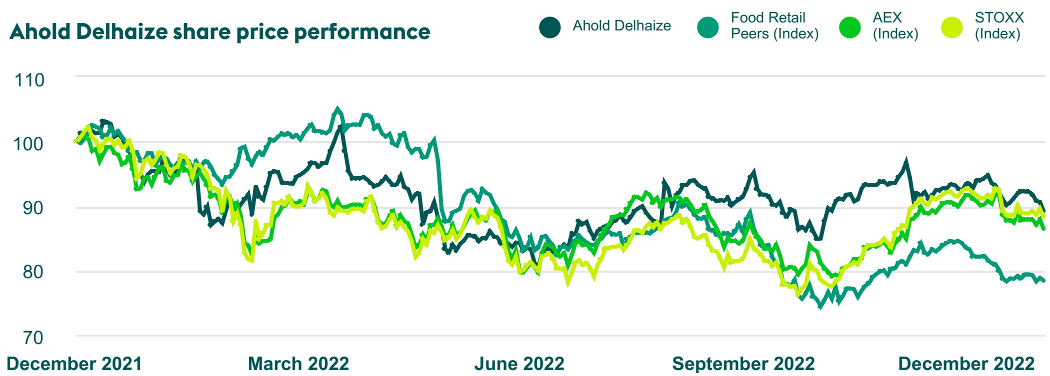
On December 30, 2022, the closing price of an Ahold Delhaize ordinary share on Euronext Amsterdam was €26.84, a 10.9% decrease compared to €30.14 on December 31, 2021. During the same period, the Euro STOXX 50 index decreased by 11.7% and the AEX index decreased by 13.7%.

During 2022, Ahold Delhaize shares traded on Euronext Amsterdam at an average closing price of €27.53 and an average daily trading volume of 2.9 million shares. Ahold Delhaize's market capitalization was €26.2 billion at year-end 2022. The highest closing price for Ahold Delhaize's shares on Euronext Amsterdam was €31.09 on January 11, 2022, and the lowest was €24.21 on June 23, 2022.

The complete list of the select peer group includes: Walmart Inc., Kroger Co., Tesco Plc., Costco Wholesale Corporation, Carrefour SA, J Sainsbury Plc., Target Corporation, Albertsons Companies, Inc and Casino SA. The chart represents the performance of Ahold Delhaize shares along with the AEX, Euro Stoxx 50, and our peer group, on an equal weighted basis. The price performance of our shares shown in the graph above is not necessarily indicative of future stock performance.

On December 30, 2022, the closing price of Ahold Delhaize's ADR was 16.4% lower than the closing price on December 31, 2021 ($34.27). In the same period, the Dow Jones Index decreased by 8.8% and the S&P 500 decreased by 19.4%. In 2022, the average daily trading volume of Ahold Delhaize American Depositary Receipts (ADRs) was 110,558.

Ahold Delhaize share price performance



Ahold Delhaize share price (£)

PERFORMANCE REVIEW

INFORMATION ABOUT AHOLD DELHAIZE SHARES

Performance of Ahold Delhaize's common shares on Euronext Amsterdam

	2022	2021
Closing common share price at calendar year-end (in €)	**26.84**	30.14
Average closing common share price (in €)	**27.53**	25.98
Highest closing common share price (in €)	**31.09**	30.86
Lowest closing common share price (in €)	**24.21**	21.72
Average daily trading volume	**2,902,713**	3,103,721
Market capitalization (€ million)	**26,232**	30,482

Source: FactSet

EARNINGS PER SHARE

During 2022, Ahold Delhaize realized a basic income from continuing operations per share of €2.56 and diluted income from continuing operations per share of €2.54. Basic underlying income from continuing operations was €2.56 per share, and diluted underlying income from continuing operations was €2.55 per share. This difference between our reported and underlying income from continuing operations is related to a net €4 million of one-time charges.

SHARE CAPITAL

During 2022, Ahold Delhaize's issued and outstanding share capital decreased by approximately 34 million common shares to 977 million common shares. This decrease resulted mainly from the share buyback of €1 billion as announced on November 15, 2021, marginally offset by the issuance of shares for the Company's share-based compensation program.

The common shares issued decreased by 52 million to 994 million at the end of 2022. The difference between the common shares outstanding and common shares issued are the treasury shares.

As of January 1, 2023, there were 16,372 thousand shares held in treasury, the majority held by Ahold Delhaize to cover the equity-based long-term incentive plan.

Ahold Delhaize's authorized share capital as of January 1, 2023, comprised the following:

- 1,923,515,827 common shares at €0.01 par value each
- 326,484,173 cumulative preferred financing shares at €0.01 par value each
- 2,250,000,000 cumulative preferred shares at €0.01 par value each

For additional information about Ahold Delhaize's share capital, see *Note 21* to the consolidated financial statements.

Distribution of shares

Shareholders by region[1]:

%	JANUARY 2023	JANUARY 2022
U.K./Ireland	**19.1**	15.8
North America	**30.3**	28.0
Rest of Europe	**10.9**	9.8
France	**8.6**	7.3
The Netherlands[2]	**5.3**	5.3
Rest of the world	**2.5**	3.4
Germany	**5.5**	5.5
Undisclosed[2]	**17.8**	24.8

1 Source: CMi2i.
2 The Netherlands excludes the percentage of shareholdings of all retail holdings and treasury shares, which are included in Undisclosed.

PERFORMANCE REVIEW

INFORMATION ABOUT AHOLD DELHAIZE SHARES

Significant ownership of voting shares

According to the Dutch Financial Markets Supervision Act, any person or legal entity who, directly or indirectly, acquires or disposes of an interest in Ahold Delhaize's capital or voting rights must immediately give written notice to the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten or AFM) if the acquisition or disposal causes the percentage of outstanding capital interest or voting rights held by that person or legal entity to reach, exceed or fall below any of the following thresholds:

3%	5%	10%	15%	20%
25%	30%	40%	50%	60%
75%	95%			

The obligation to notify the AFM also applies when the percentage of capital interest or voting rights referred to above changes as a result of a change in Ahold Delhaize's total outstanding capital or voting rights. In addition, local rules may apply to investors.

The following table lists the shareholders on record in the AFM register on February 21, 2023, that hold an interest of 3% or more in the share capital of the Company[1].

- Norges Bank. – 3.00% shareholding (3.00% voting rights) disclosed on January 16, 2023
- Goldman Sachs Group Inc. – 4.76% shareholding (4.76% voting rights) disclosed on December 16, 2022
- State Street Corporation – 3.12% shareholding (2.40% voting rights) disclosed on December 1, 2022
- Amundi Asset Management – 3.22% shareholding (3.22% voting rights) disclosed on August 22, 2022
- BlackRock, Inc. – 5.61% shareholding (6.94% voting rights) disclosed on August 19, 2022

1 In accordance with the filing requirements, the percentages shown include both direct and indirect capital interests and voting rights and both real and potential capital interests and voting rights. Further details can be found at *www.afm.nl*.

For further details on the number of outstanding shares, and the percentages of the issued share capital they represent, see *Note 21* to the consolidated financial statements.

Shareholder returns

On April 13, 2022, the General Meeting of Shareholders approved the dividend over 2021 of €0.95 per common share. The interim dividend of €0.43 per common share was paid on September 2, 2021. The final dividend of €0.52 per common share was paid on April 28, 2022.

We propose a cash dividend of €1.05 for the financial year 2022, an increase of 10.5% compared to 2021, reflecting our ambition of sustainable growth of the dividend per share. This represents a payout ratio of 40%, based on the expected dividend payment on 52 weeks of underlying income from continuing operations.

If approved by the General Meeting of Shareholders, a final dividend of €0.59 per share will be paid on April 27, 2023. This is in addition to the interim dividend of €0.46 per share, which was paid on September 1, 2022.

Share buyback

On November 15, 2021, Ahold Delhaize announced it would return €1 billion to shareholders by means of a share buyback program, which was completed on December 15, 2022. An additional €1 billion share buyback program was announced on November 9, 2022, which is expected to be completed before the end of 2023. Maintaining a balanced approach between funding growth in key channels and returning excess liquidity to shareholders is part of Ahold Delhaize's financial framework to support our Leading Together strategy. The purpose of the program is to reduce Ahold Delhaize's capital, by canceling all or part of the common shares acquired through the program.

Shareholders key performance indicators 2018-2022

	2022	2021	2020	2019	2018
Dividend per common share[1]	**1.05**	0.95	0.90	0.76	0.70
Final dividend	**0.59**	0.52	0.40	0.46	0.70
Interim dividend	**0.46**	0.43	0.50	0.30	N/A
Dividend yield	**3.9%**	3.2%	3.9%	3.3%	3.2%
Payout ratio	**40%**	42%	40%	44%	42%

1 2022 dividend subject to the approval of the annual General Meeting of Shareholders.

MULTIPLE-YEAR OVERVIEW

The multiple-year overview is provided for ten years, except for environmental, social and governance information. However, the figures prior to 2018 are not comparable because they have not been restated for the impact of IFRS 16. In addition, it should be noted that years prior to 2016 only relate to the former Ahold business. The former Delhaize business is included as of July 24, 2016.

RESULTS, CASH FLOW AND OTHER INFORMATION

€ MILLION EXCEPT PER SHARE DATA, EXCHANGE RATES AND PERCENTAGES	2022	2021	2020	2019	2018 restated[1]	2017[1]	2016[1,2]	2015[1]	2014[1]	2013[1]
Net sales	**86,984**	75,601	74,736	66,260	62,791	62,890	49,695	38,203	32,774	32,615
Of which online sales	**8,618**	7,704	5,547	3,493	2,817	2,393	1,991	1,646	1,267	1,086
Net sales growth at constant exchange rates[3]	**6.9%**	5.0%	12.3%	2.3%	2.5%	28.9%	32.3%	2.3%	0.8%	2.0%
Operating income	**3,768**	3,320	2,191	2,662	2,623	2,225	1,584	1,318	1,250	1,239
Underlying operating income margin	**4.3%**	4.4%	4.8%	4.2%	4.4%	3.9%	3.8%	3.8%	3.9%	4.2%
Net financial expense	**(552)**	(517)	(485)	(528)	(487)	(297)	(541)	(265)	(235)	(291)
Income from continuing operations	**2,546**	2,246	1,397	1,767	1,797	1,817	830	849	791	805
Income (loss) from discontinued operations	**—**	—	—	(1)	(17)	—	—	2	(197)	1,732
Net income	**2,546**	2,246	1,397	1,766	1,780	1,817	830	851	594	2,537
Earnings and dividend per share										
Net income per common share (basic)	**2.56**	2.18	1.31	1.60	1.51	1.45	0.81	1.04	0.68	2.48
Net income per common share (diluted)	**2.54**	2.17	1.30	1.59	1.49	1.43	0.81	1.02	0.67	2.39
Income from continuing operations per common share (basic)	**2.56**	2.18	1.31	1.60	1.53	1.45	0.81	1.04	0.90	0.79
Income from continuing operations per common share (diluted)	**2.54**	2.17	1.30	1.59	1.51	1.43	0.81	1.02	0.88	0.77
Dividend per common share	**1.05**	0.95	0.90	0.76	0.70	0.63	0.57	0.52	0.48	0.47
Cash flows										
Free cash flow	**2,188**	1,618	2,199	1,843	2,165	1,926	1,441	1,184	1,055	1,109
Net cash from operating, investing and financing activities	**(92)**	(218)	(383)	535	(1,587)	827	2,114	73	(1,005)	681
Capital expenditures (including acquisitions)[4]	**4,107**	5,776	4,456	3,604	2,838	1,822	16,775	1,172	1,006	843
Capital expenditures as % of net sales	**4.7%**	7.6%	6.0%	5.4%	4.5%	2.9%	33.8%	3.1%	3.1%	2.6%
Regular capital expenditures[5]	**4,053**	4,187	4,448	3,512	2,772	1,723	1,377	811	740	830
Regular capital expenditures as % of net sales	**4.7%**	5.5%	6.0%	5.3%	4.4%	2.7%	2.8%	2.1%	2.3%	2.5%
Average exchange rate (€ per $)	**0.9515**	0.8461	0.8770	0.8934	0.8476	0.8868	0.9038	0.9001	0.7529	0.7533

1 2018 figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to 2018 has not been restated for the impact of the implementation of IFRS 16 Leases.
2 Included former Delhaize business as of July 24, 2016.
3 Net sales growth in 2021, 2020, 2016 and 2015 is adjusted for the impact of week 53 in 2020 and 2015. Net sales growth in 2021 and 2016 is calculated based on a 52-week comparison to 2020 and 2015 respectively. Net sales growth in 2020 and 2015 is calculated based on a 53-week comparison to 2019 and 2014, respectively.
4 The amounts represent additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets. The amounts exclude discontinued operations.
5 The amounts represent additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets, excluding the impact from acquisitions. The amounts exclude discontinued operations.

MULTIPLE-YEAR OVERVIEW

BALANCE SHEET AND OTHER INFORMATION

€ MILLION, EXCEPT FOR NUMBER OF STORES AND OTHERWISE INDICATED	January 1, 2023	January 2, 2022	January 3, 2021	December 29, 2019	December 30, 2018, restated[1]	December 31, 2017[1]	January 1, 2017[1]	January 3, 2016[1]	December 28, 2014[1]	December 29, 2013[1]
Group equity	**15,405**	13,721	12,432	14,083	14,205	15,170	16,276	5,621	4,844	6,520
Share buyback[2]	**(998)**	(995)	(1,001)	(1,002)	(1,997)	(998)	—	(161)	(1,232)	(768)
Gross debt	**17,640**	17,089	14,554	15,445	14,485	7,250	7,561	3,502	3,197	3,021
Cash, cash equivalents, and short-term deposits and similar instruments and investments in debt instruments – current portion	**3,223**	3,143	3,119	3,863	3,507	4,747	4,317	2,354	1,886	3,963
Net debt	**14,416**	13,946	11,434	11,581	10,978	2,503	3,244	1,148	1,311	(942)
Total assets	**48,555**	45,712	40,692	41,490	39,830	33,871	36,275	15,880	14,138	15,142
Number of stores[3]	**7,659**	7,452	7,137	6,967	6,769	6,637	6,556	3,253	3,206	3,131
Number of employees (in thousand FTEs)[3]	**250**	259	249	232	225	224	225	129	126	123
Number of employees (in thousands headcount)[3]	**414**	413	414	380	372	369	370	236	227	222
Common shares outstanding (in millions)[2]	**977**	1,011	1,047	1,088	1,130	1,228	1,272	818	823	982
Share price at Euronext (€)	**26.84**	30.14	23.11	22.75	22.07	18.34	20.03	19.48	14.66	13.22
Market capitalization[2]	**26,232**	30,482	24,197	24,751	24,938	22,508	25,484	15,944	12,059	12,989
Year-end exchange rate (€ per $)	**0.9341**	0.8795	0.8187	0.8947	0.8738	0.8330	0.9506	0.9208	0.8213	0.7277

1 2018 figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to 2018 has not been restated for the impact of the implementation of IFRS 16 Leases.
2 In 2016 and 2014, an additional €1,001 million and €1,007 million, respectively, were returned to shareholders through a capital repayment.
3 At December 29, 2013, the number of stores and employees include discontinued operations (Slovakia).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE INFORMATION

	2022	2021 restated	2020	2019	2018
Healthy own-brand food sales (€ million)[1]	**14,491**	12,321	11,516	9,982	9,533
% of healthy own-brand food sales of total own-brand food sales[1]	**54.4%**	53.4%	49.8%	47.9%	47.0%
% reduction in tonnes of food waste per food sales (t/€ million)[2]	**33%**	20%	17%	9%	5%
% reduction in absolute CO2-equivalent emissions from own operations (scope 1 and 2)[3]	**32%**	31%	23%	8%	Baseline

1 2021 figures are restated, see *ESG statements* for more information. Note that the 2020, 2019 and 2018 figures were not restated to the same ESG reporting scope.
2 The reduction is measured against the restated 2016 baseline: 5.09 t/€ million. See *ESG statements* for more information. Note that the 2020, 2019 and 2018 figures were not restated to the same ESG reporting scope and are still reported against the baseline used in 2021, which was 5.48t/€ million.
3 The reduction is measured against the restated 2018 baseline: 4,164 thousand tonnes CO_2-equivalent emissions. See *ESG statements* for more information. Note that the 2020 and 2019 figures were not restated to the same ESG reporting scope and are still reported against the baseline used in 2021, which was 4,073 thousand tonnes.