

strategy day 2024

# growing together

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# cautionary notice

This communication contains information that qualifies as inside information within the meaning of Article 7(l) of the EU Market Abuse Regulation.

This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Words and expressions such as successfully, vision, purpose, 2025, 2028, inspiring, ambitions, by, values, future, success, accelerat(e)/(ating), strategic, priorities, strong, performance, key, growth, invest, densify, innovate, leverag(e)/(ing), deliver(ing), support(ing), through, reduc(tion)/(e), increasing, remains, committed, will, continue(d), monitor, developments, subject to, consistent, significant, driving, strength, steps, expand, optimiz(e)/(ing), focus(ed)/(ing), improve, leading, capabilities, create, experience, 2030, 2040, 2050, lead(ers), front-running, across, reach, engage, value, development, supporting, well positioned, strongest, impact, plans, will, raising, current, short term, long term or other similar words or expressions are typically used to identify forward-looking statements.

Forward-looking statements are subject to risks, uncertainties and other factors that are difficult to predict and that may cause the actual results of Koninklijke Ahold Delhaize N.V. (the “Company”) to differ materially from future results expressed or implied by such forward-looking statements. Such factors include, but are not limited to, risks relating to the Company’s inability to successfully implement its strategy, manage the growth of its business or realize the anticipated benefits of acquisitions; risks relating to competition and pressure on profit margins in the food retail industry; the impact of economic conditions, including high levels of inflation, on consumer spending; changes in consumer expectations and preferences; turbulence in the global capital markets; political developments, natural disasters and pandemics; wars and geopolitical conflicts; climate change; energy supply issues; raw material scarcity and human rights developments in the supply chain; disruption of operations and other factors negatively affecting the Company’s suppliers; the unsuccessful operation of the Company’s franchised and affiliated stores; changes in supplier terms and the inability to pass on cost increases to prices; risks related to environmental, social and governance matters (including performance) and sustainable retailing; food safety issues resulting in product liability claims and adverse publicity; environmental liabilities associated with the

properties that the Company owns or leases; competitive labor markets, changes in labor conditions and labor disruptions; increases in costs associated with the Company’s defined benefit pension plans; ransomware and other cybersecurity issues relating to the failure or breach of security of IT systems; the Company’s inability to successfully complete divestitures and the effect of contingent liabilities arising from completed divestitures; antitrust and similar legislation; unexpected outcomes in the Company’s legal proceedings; additional expenses or capital expenditures associated with compliance with federal, regional, state and local laws and regulations; unexpected outcomes with respect to tax audits; the impact of the Company’s outstanding financial debt; the Company’s ability to generate positive cash flows; fluctuation in interest rates; the change in reference interest rate; the impact of downgrades of the Company’s credit ratings and the associated increase in the Company’s cost of borrowing; exchange rate fluctuations; inherent limitations in the Company’s control systems; changes in accounting standards; inability to obtain effective levels of insurance coverage; adverse results arising from the Company’s claims against its self-insurance program; the Company’s inability to locate appropriate real estate or enter into real estate leases on commercially acceptable terms; and other factors discussed in the Company’s public filings and other disclosures.

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

Abbreviations and terms used in this presentation that are defined in the Ahold Delhaize Annual Report 2023 should be construed in accordance with the definitions and abbreviations appendix of the Ahold Delhaize Annual Report 2023 to the extent appropriate.



welcome to our

# 2024 strategy day

**01**

**Opening  
& Group  
Strategy**

**02**

**U.S.  
Regional  
Strategy**

**03**

**EU&I  
Regional  
Strategy**

**04**

**Deep  
Dives**

- People & Communities
- Own Brand
- Technology & AI

**05**

**Financial  
Ambitions**



# our growing together strategy

## our purpose

inspiring everyone to eat and live better, for a healthier future for people and planet

## our vision

together, we are your trusted local food retailer

## our values

integrity      care  
courage      humor  
teamwork

## our growth model



trusted product

vibrant customer experiences

healthy communities & planet

driving customer innovation

portfolio & operational excellence

thriving people

## our strategic priorities

profitable growth...

industry leading margins

strong free cash flow

growing shareholder returns

...and delivering on our purpose

## our ambitions

2025-2028

# 2021 investor day promises

## financial guidance

+€10bn sales vs. 2022

€4bn S4OC savings from 2022-2025

CAPEX at 3.0% of sales between 2022-2025 (adjusted in 2022 from 3.5%)

UOM of  $\geq 4\%$

high-single-digit CAGR underlying EPS growth 2023-2025

€7.5bn free cash flow 2022-2025 (adjusted in 2022 from 6bn)

## e-commerce

2x net consumer online sales by 2025

profitable fully allocated e-commerce by 2025

€1bn complementary revenue by 2025

## sustainability

52.3% own-brand healthy sales by 2025 (adjusted in 2023 from >55%)

50% food waste reduction between 2016-2030

net zero carbon emissions on scope 1 & 2 by 2040

**4% growth**

CAGR net sales

**4% UOM**

on average

**high-single-digit**

**EPS growth**

(diluted underlying EPS)

**€3bn**

**complementary  
income streams**

**€5bn savings**

save for our customers

intention for

**€1bn**

**annual share buy-back<sup>1</sup>**

**~3%**

**gross cash capex**

as % of sales

**€9bn**

**free cash flow**

(post-tax)

**increasing  
dividend<sup>1</sup>**

on an annual basis with 40-50%  
dividend payout corridor

Note: All future looking statements assume constant FX and interest rates

<sup>1</sup> Management remains committed to our share buyback and dividend programs, but, given the uncertainty caused by the wider macro-economic consequences due to increased geopolitical unrest, management will continue to monitor macro-economic developments. The program is also subject to changes resulting from corporate activities, such as material M&A activity

our  
**growth  
model**





grow own brand



grow healthy sales



enhance price position

~45%

own brand food share

invest in our winning CVP

deliver trusted products, vibrant customer experiences and support healthy communities & planet



densify and grow markets

grow customer reach and market density with portfolio excellence

FOOD LION



densify & expand markets

DEEN

• SUPERMARKTEN •



BI LO

Jan Linders

actively pursue bolt-on acquisitions and partnerships



STOP&SHOP

timely interventions when and where required

80%

omnichannel loyalty sales

~30m

monthly active users

innovate for growth  
and efficiency

drive growth  
through  
innovation  
and new  
business

unlock  
deeper data  
analytics & AI  
capabilities



**kickstart** AI

test, learn,  
scale  
mechanization  
and  
automation



accelerate  
retail media

adhese  
**Epsilon**  
Retail Media

seize circular  
business  
model  
opportunities

**bol.**

capture new  
capability  
and business  
model  
innovation  
across the  
ecosystem

///23

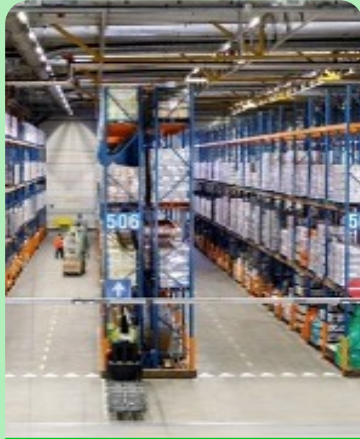
**€3bn**

complementary  
income streams

**x2**



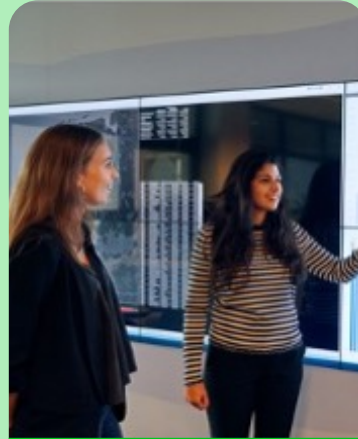
**cost of goods sold**



**logistics & distribution**



**store operations**



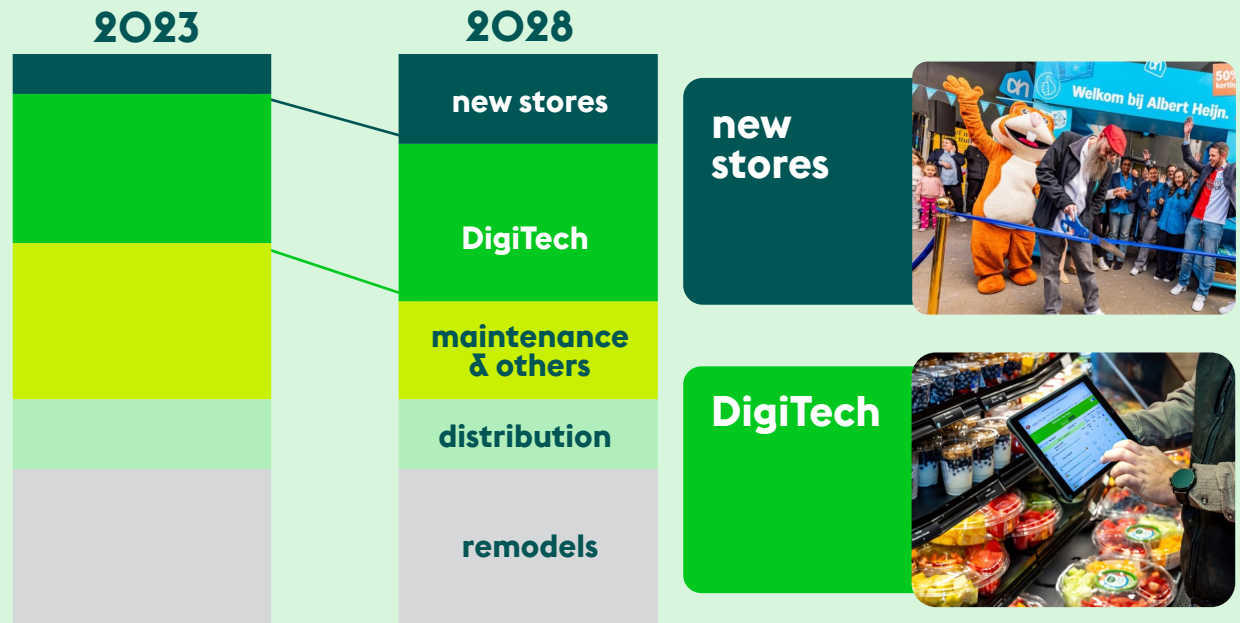
**general and administrative**

leverage and lower our cost base

**lower our cost  
and unlock  
funding to fuel  
growth**

**€5bn**

**save for  
our customer**



fueling growth through capital expenditure

~3%  
gross cash capex

our purpose

inspiring everyone to eat and live better, for a healthier future for people and planet



material growth in healthy sales %

across the full store

50% reduction in food waste by 2030

versus 2016 baseline

5% reduction in virgin plastic by 2025

across own brand versus 2021 baseline

50% reduction in scope 1&2 by 2030

versus 2018 baseline

30% FLAG and 42% non-FLAG reduction

on scope 3 by 2030 versus 2020 baseline

net zero across the value chain

scope 1 & 2 by 2040 and scope 3 by 2050

100/100/100  
gender balanced, reflective of our communities, inclusive

#1-2 employer of choice

be the cornerstone of our communities

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**raising the bar  
on free cash  
flow delivery**

**>€8bn**



**2017-2020**

**>€8bn**



**2021-2024**

**€9bn**



**2025-2028**

**cumulative free cash flow delivery**

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**4% UOM**

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# strong financial position

**2.0**

net debt/  
underlying EBITDA

**BBB+**

S&P

**13.3%**

return on capital (2023)

**Baa1**

Moody's

healthy financial  
ratios

investment grade  
rating

**current  
incentives  
aligned with  
our ambitions**

### short term incentives

sales  
growth  
**30%**

UOM  
**25%**

cash flow  
**20%**

strategic  
imperatives  
**25%**

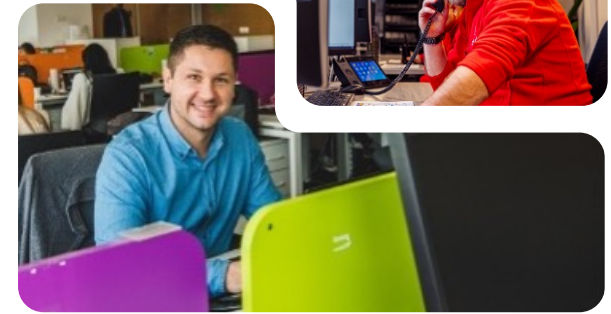
### long term incentives

ROC  
**35%**

carbon  
emissions  
**25%**

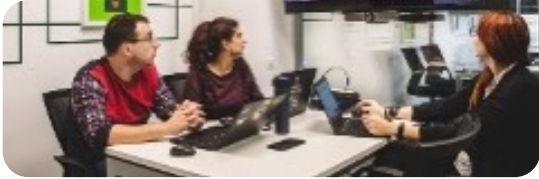
EPS  
**25%**

TSR  
**15%**



**our ambitions are realized by our people**

**thriving people**



our brands have been  
**successfully**  
serving  
**customers**  
for more than  
**150 years**

