Ahold Delhaize

Q3 2021

Ahold Delhaize Results

November 10, 2021

Cautionary notice

This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Words and expressions such as raising guidance, full-year, remain, on track, to delivery, by, 2022, continue(s), end of the year, expectation, new step, will or other similar words or expressions are typically used to identify forward-looking statements.

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

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

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Business Highlights

Frans Muller, President & CEO

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Ahold Delhaize maintains momentum, reporting **strong Q3 results** and **raising guidance** on full-year underlying operating margin, earnings and free cash flow

- On a two-year comparable sales growth basis**, comparable sales excluding gas in the U.S. were up **15.3%** and in Europe were up **7.3%** in Q3 2021, both of which remain elevated relative to historic levels.
- Q3 Group net sales were **€18.5 billion**, up **4.6%** at constant exchange rates
- In Q3, net consumer online sales grew **29.2%** at constant exchange rates, building on top of the significant **62.6%** growth in Q3 2020
- Q3 diluted underlying EPS was **€0.53,** representing an increase of **8.1%** at constant exchange rates versus the prior year. Q3 IFRS-reported operating income was **€780 million**; Q3 IFRS-reported diluted EPS was **€0.51**
- In the U.S., Q3 comparable sales excluding gas grew **2.9%**, while in Europe Q3 comparable sales were stable **(0.2%)** versus Q3 2020
- Q3 underlying operating margin was **4.4%**
- Raising 2021 Group underlying margin, underlying EPS and free cash flow outlook; expect Group underlying operating margin to be approximately **4.4%**, underlying EPS to grow in the **low- to mid- 20s** range versus 2019 and free cash flow expected to be approximately **€1.7 billion**

1. Two-year comparable sales growth is a stack of the comparable sales growth excluding gasoline in the current year period added to the comparable sales growth excluding gasoline in the prior year period. This measure may be helpful to improve the understanding of trends in periods that are affected by variations in prior year growth rates

Strengthening position as industry-leading local omnichannel retailer in 2021

Group net consumer online sales remain on track to deliver 40%+ growth in 2021

Step-up **online capacity, supply chain and technological capabilities**

- **All 5 facilities** transitioned in **U.S. supply chain transformation**; **65% of procured center store volumes** are now self-managed**; 85% by 2022** with 5 additional facilities
- **Albert Heijn's 8th home delivery fulfillment center** opened **in week 46**

Advance **omnichannel offerings**

- **Giant Food will soon launch Ship2me, an online marketplace** solution, initially offering an **additional ~40,000 general merchandise and food items**
- U.S. brands introduced **30-minute grocery delivery services featuring 20,000 – 40,000 products** including fresh, prepared foods, and essential household products
- **Albert Heijn launched 'Albert Heijn Premium', a subscription program** offering a wide range of **discounts** on organic products, double savings, and discounts on subscription programs at other brands including Gall & Gall and bol.com
- **Albert expanded its online grocery delivery service** to more than **300,000 people in Czech Republic**; **Greece** expanded **same day delivery to additional 3 cities**

Improving **omnichannel productivity** is a high priority

- **Recent opening of an automated micro-fulfillment center** in Philadelphia for Giant Company; driving efficiency and productivity gains

Highlights: United States

- **52.9% online sales** growth in Q3 (constant rates); Excluding the FreshDirect acquisition, U.S. online sales grew **26.2%** in Q3 2021 (constant rates), building on top of the significant **114.7% growth** in the year ago period
- **102 click & collect** points added in Q3; remain on track to open **1,400 Click & Collect** locations in the U.S. by the end of the year
- Completed **11 Stop & Shop** remodels in Q3; progressing as planned to complete **50 stores** in 2021; stores continue to exceed sales expectations
- Food Lion achieved its **36th** consecutive quarter of positive comparable sales growth; The **71 stores** added in early 2021 continue to exceed sales expectation

Highlights: Europe

- **Q3 market share gains** in the Benelux, market share remained stable in CSE
- **20.1% net consumer online sales** growth in Q3, on top of **48.6% growth** in the year ago period
- Bol.com grew net consumer online sales by **19.2% in Q3**; on top of **45.6% growth** in the year ago period. Bol.com added roughly 1,000 merchant partners to the platform, bringing the total ~48,000 merchant partners; sales from third-party sellers grew ~25% in Q3
- Albert Heijn completed the acquisition of **38 DEEN stores** in Q3; expect all stores to be remodeled to the new AH fresh and technology focused format by mid of November
- Delhaize SuperPlus loyalty plan providing rewards and discounts to consumers of healthy and sustainable products ended Q3 with more than **2M members** (up from 1.9M in Q2) and continued to provide sales uplift

ESG Highlights

Ahold Delhaize achieves "AA" MSCI ESG 2021 ranking

Ahold Delhaize is ranked in the

top 25% of all food retailers

MSCI

bol.com

bol.com takes a new step towards the sustainable ambition by introducing the **multi-packing machine; bol.com is the first in the world to pack with multiple customized items in one box;** a fast and more sustainable process by **improving efficiency, reducing transportation, and saving packaging material**

albert

In September, Albert was recognized as **the leader in organic own brands products** by customers in Czech Republic according to the Millward Brown Survey

Following its successful SuperPlus program, Delhaize has launched a **healthy membership program for companies**, providing discounts on healthy products with NutriScore of A and B at Delhaize Belgium

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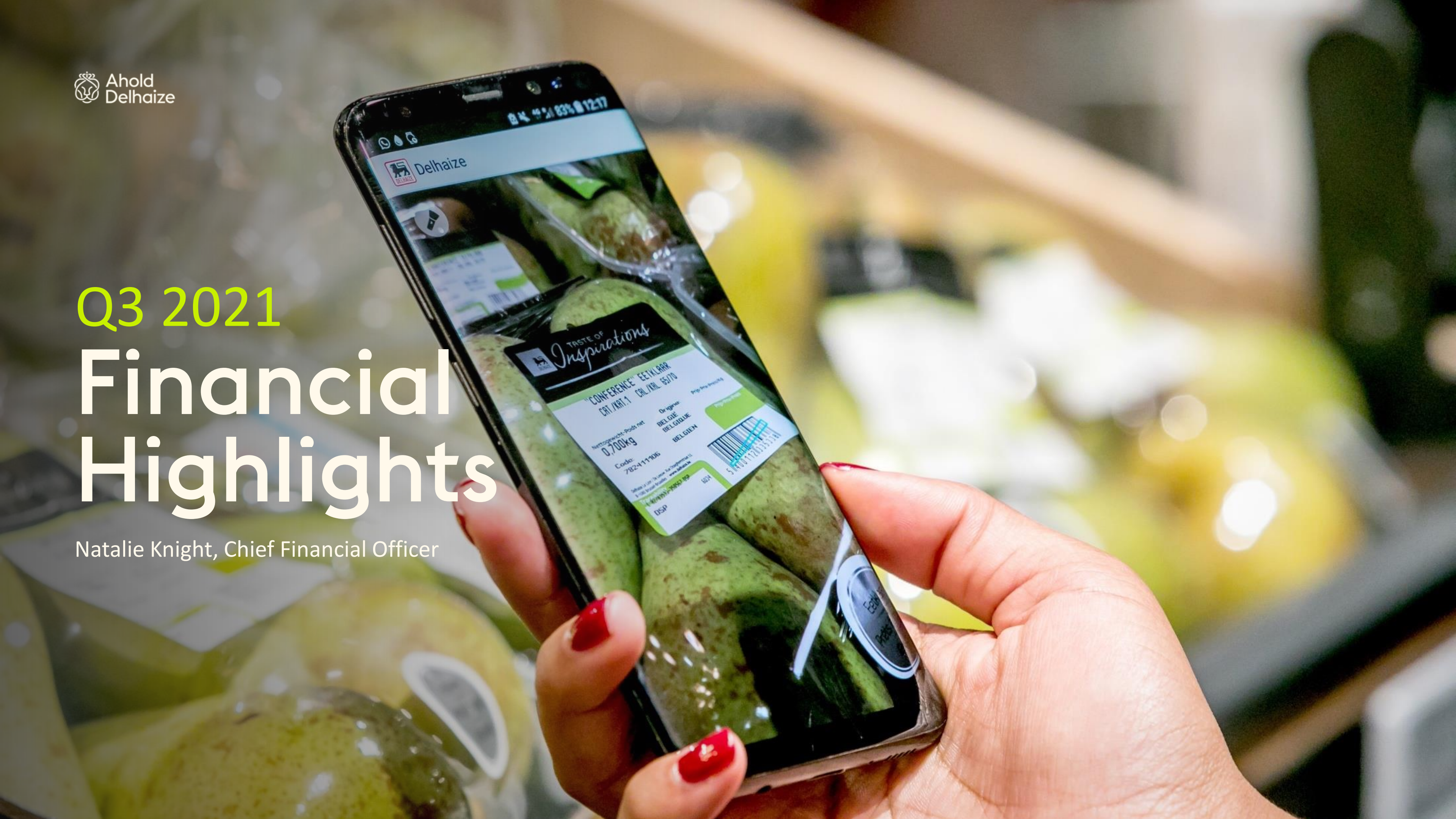

Q3 2021

Financial Highlights

Natalie Knight, Chief Financial Officer

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Q3 Underlying Performance

Net sales

€ 18,545 million

vs LY constant rates 4.6%

Comparable Sales Growth excl. gas

1.7%

U.S. 2.9%
E.U. (0.2)%

Net Consumer Online Sales

€ 2,295 million

vs LY constant rates 29.2%

Underlying operating income

€ 812 Million

vs LY constant rates 0.7%

Underlying operating margin

4.4%

vs LY constant rates (0.2) pts

Underlying Income from continuing operations

€ 547 Million

vs LY constant rates 4.1%

Diluted Underlying EPS

€ 0.53

vs LY constant rates 8.1%

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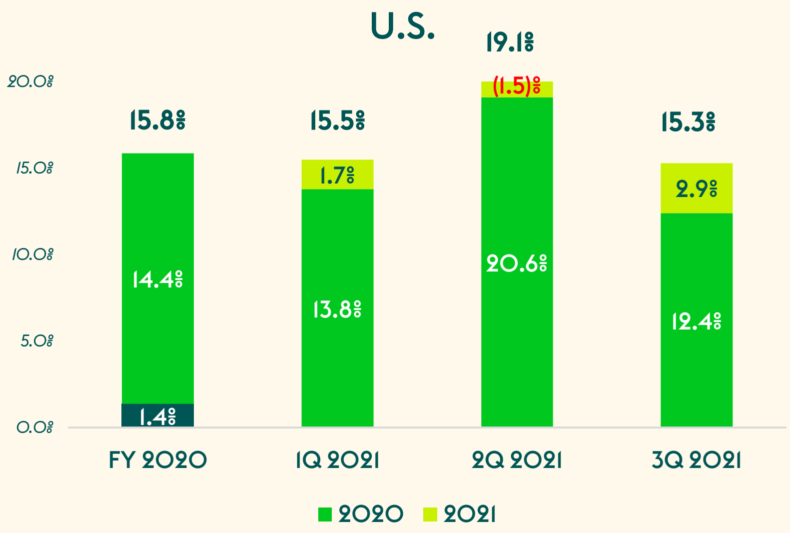
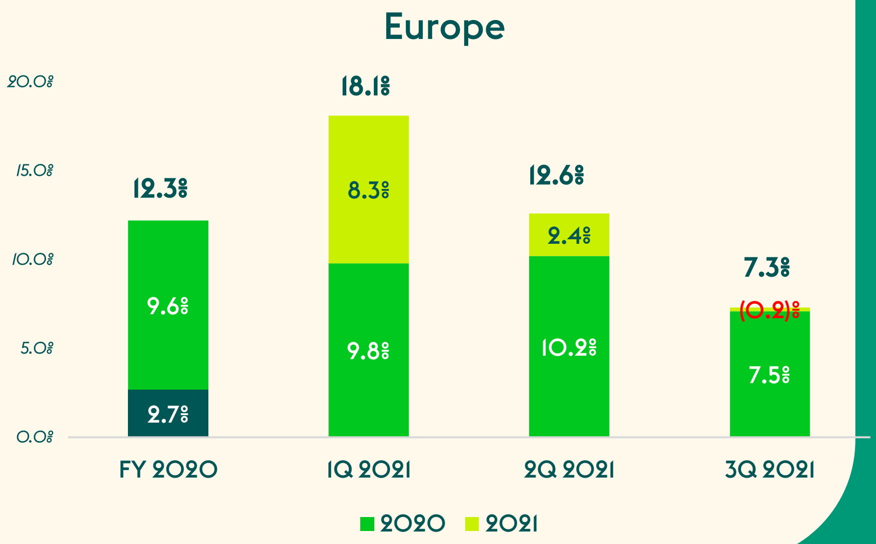
Q3 IFRS-reported results

Net sales	€ 18,545 Million	vs LY constant rates	4.6%
Comparable Sales Growth excl. gas	1.7%	U.S.	2.9%
		E.U.	(0.2)%
Online Sales	€ 1,735 million	vs LY constant rates	30.6%
Operating income	€ 780 million	vs LY constant rates	251.0%
Operating margin	4.2%	vs LY constant rates	3.0 pts
Income from continuing operations	€ 522 Million	vs LY constant rates	550.6%
Diluted EPS	€ 0.51	vs LY constant rates	575.4%

Two-year comparable sales stack[1] trend in Q3 remained strong in the U.S.

Value above the bar is 2-year comparable sales ex-gas stack; within the bar is the 1-year comparable sales ex-gas for each quarter

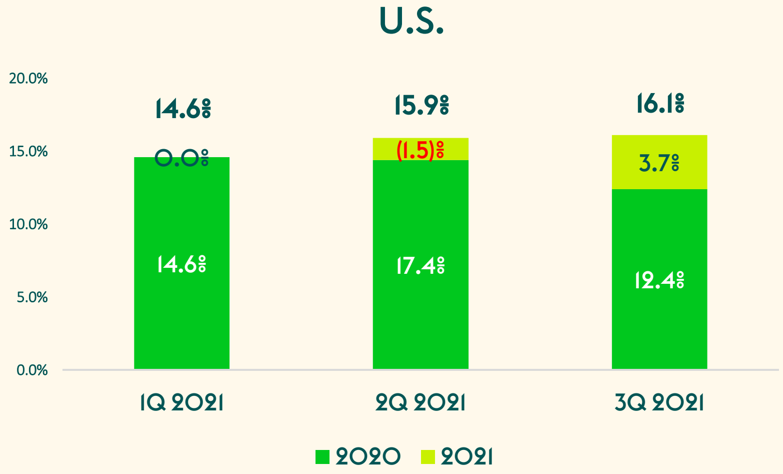


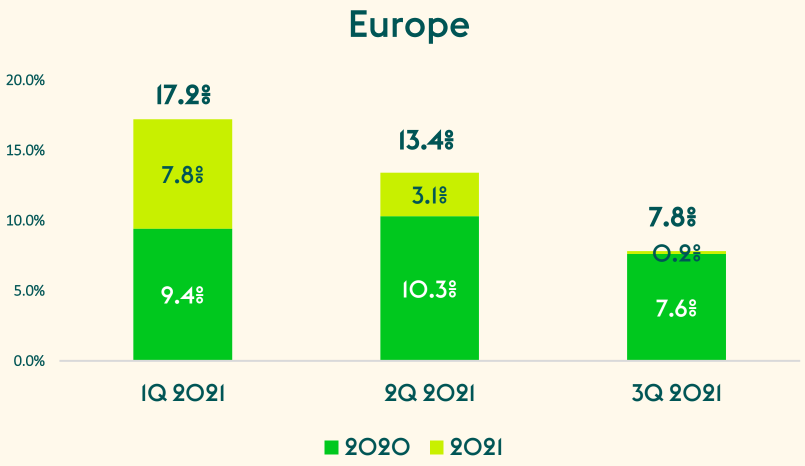


[1] Two-year comparable sales stack is the comparable sales growth excluding gasoline in the current year period added to the comparable sales growth excluding gasoline in the prior year period. This measure may be helpful to improve the understanding of trends in periods that are affected by variations in prior year growth rates.

Adjusted for the effects of weather and calendar; Q3 2021 two-year comparable sales stack[1] stronger than reported figures in both regions

Value above the bar is 2-year comparable sales ex-gas stack; within the bar is the 1-year comparable sales ex-gas for each quarter





Adjustments exclude U.S. calendar shift and weather impacts Q1 2020, Q1 2021 and Q3 2021 periods; excludes lapping effect of Stop & Shop strike in Q2 2020; excludes Europe calendar shift impacts Q1 2021, and Q1 2020, Q2 2020, and Q2 2021; excludes Europe weather impacts of Q3 2021

[1] Two-year comparable sales stack is the comparable sales growth excluding gasoline in the current year period added to the comparable sales growth excluding gasoline in the prior year period. This measure may be helpful to improve the understanding of trends in periods that are affected by variations in prior year growth rates.

Strong sales and margin levels continued in Q3 despite re-openings of society

Group net consumer online sales remain strong at 29.2%, building on top of the significant growth of 62.6% Q3 2020

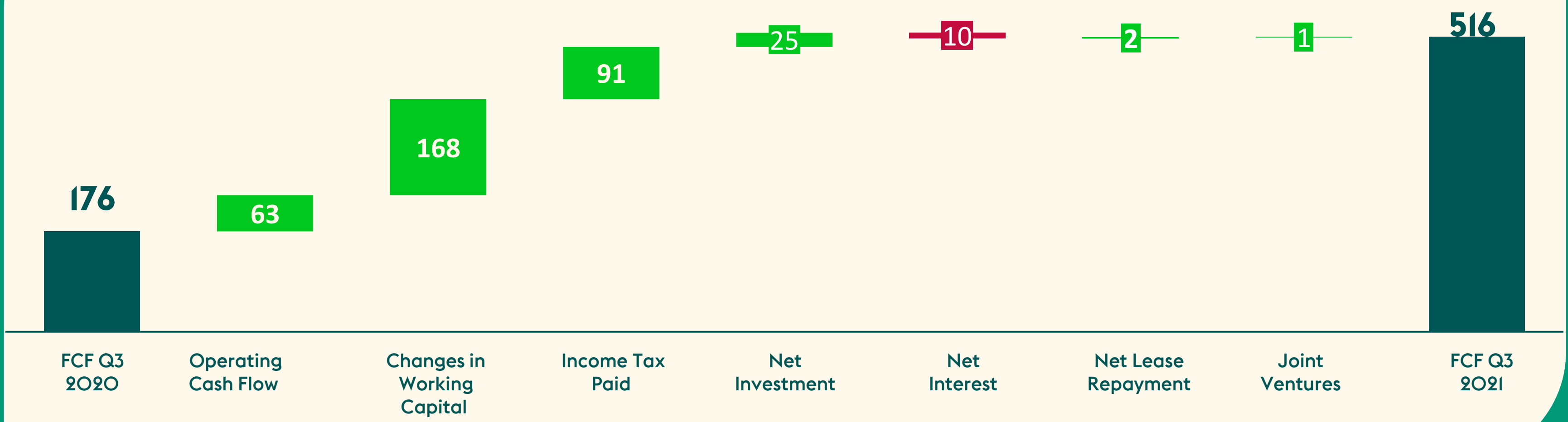
€ million, except per share data	Ahold Delhaize Group		The United States		Europe	
	Q3 2021	% change constant rates	Q3 2021	% change constant rates	Q3 2021	% change constant rates
Net sales	18,545	4.6 %	11,502	6.8 %	7,043	1.1 %
Comparable sales growth excl. gas	1.7 %		2.9 %		(0.2)%	
Online sales	1,735	30.6 %	757	52.9 %	979	17.3 %
Net consumer online sales	2,295	29.2 %	757	52.9 %	1,538	20.1 %
Operating income	780	251.0 %	534	NM[1]	287	3.6 %
Operating margin	4.2 %	3.0 pts	4.6 %	4.9 pts	4.1 %	0.1 pts
Underlying operating income	812	0.7 %	551	1.9 %	303	0.9 %
Underlying operating margin	4.4 %	(0.2)pts	4.8 %	(0.2)pts	4.3 %	— pts
Diluted EPS	0.51	575.4 %				
Diluted underlying EPS	0.53	8.1 %				
Free cash flow	516	210.9 %				

Group underlying operating margin remained strong, but YOY was unfavorably impacted by tough comparisons due to operating leverage from higher sales related to COVID-19 in 2020

[1] Not meaningful, as operating income in the U.S. was a loss in Q3 2020.

Q3 Free Cash Flow

FCF Q3 2021 vs Last Year (in €m)



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Raising full year 2021 underlying margin, EPS and free cash flow guidance

- COVID-19 continues to create significant uncertainty in 2021 and created difficult prior year comparisons. The strong Q3 results provide management the confidence to raise the 2021 outlook for underlying operating margin, underlying EPS growth, and free cash flow
- Raising underlying operating margin outlook to be approximately 4.4% versus approximately 4.3% previously; reflects the strong margin performance year-to-date. The outlook continues to reflect over €750 million in cost savings largely offsetting cost pressures related to COVID-19, and the negative impact from increased online sales penetration
- Underlying EPS guidance raised: now expected to grow in the low- to mid- 20s range relative to 2019 versus high-teen growth previously
- Free cash flow outlook raised to ~€1.7 billion compared to the previous outlook of ~€1.6 billion; Company on track to reach €5.7 billion in cumulative free cash flow from 2019-2021 (averaging €1.9 billion annually), which exceeds the Capital Markets Day 2018 target of €5.4 billion (averaging €1.8 billion annually)
- Capital expenditure of ~€2.2 billion are unchanged ; reflects higher investments in digital/omnichannel capabilities and for improvements due to recent M&A

	Full-year outlook	Underlying operating margin[1]	Underlying EPS	Save for Our Customers	Capital expenditures	Free cash flow[2]	Dividend payout ratio[3 4]	Share buyback[4]
Updated outlook	**2021**	**~4.4%**	**Low- to mid- 20s vs. 2019**	**> €750 million**	**~ €2.2 billion**	**~ €1.7 billion**	**40-50% pay-out; YOY growth in dividend per share**	**€1 billion**
Previous outlook	2021	~4.3%	High- teen growth vs. 2019	> €750 million	~ €2.2 billion	~ €1.6 billion	40-50% pay-out; YOY growth in dividend per share	€1 billion

1. No significant impact to underlying operating margin from returning to a 52-week calendar versus a 53-week calendar in 2020, though the return to a 52-week calendar will negatively impact net sales for the full year by 1.5-2.0%. Comparable sales growth will be presented on a comparable 52-week basis.
2. Excludes M&A.
3. Calculated as a percentage of underlying income from continuing operations. Management remains committed to the share buyback and dividend program, but given the uncertainty caused by COVID-19, will continue to monitor macroeconomic developments. The program is also subject to changes in corporate activities, such as material M&A activity
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Wrap-up

- Maintained **strong sales momentum** in Q3; Two-year Q3 comparable sales stack remained strong in the U.S.
- High growth in **net consumer online sales of 29.2%** in Q3, on top of ~63% growth in the year ago period; driven by ~53% in the U.S. and 20.1% in Europe
- **Solid underlying operating margin** in Q3, in the context of historical levels prior to COVID-19
- **U.S. Supply chain completed all 5 facilities** into transition; marks **65% self-distributed**
- Opening of automated **micro-fulfillment center in Philadelphia for Giant Company**; to drive growth and improve efficiency in productivity
- Albert Heijn completed the acquisition of **38 DEEN stores.** Albert Heijn also completed its target of **60 remodeled stores in 2021**
- **Raising 2021 underlying operating margin, EPS and Free Cash Flow outlook** due to **strong 3Q21 results;** Group underlying **operating margin raised to be ~4.4%** , vs. ~4.3% previously; **EPS growth** compared to 2019 **raised to low- to mid- 20s** vs. high teen previously; **Free cash flow outlook raised to ~€1.7 billion** compared to the previous outlook of ~€1.6 billion; Group net consumer online sales growth remains on track to be over 40% in 2021
- Ahold Delhaize's 2021 **MSCI ESG ranking upgraded to 'AA' from 'A' ranking**; reflects our ambition to be an ESG leader
- Ahold Delhaize will provide an **update on our strategy** at our **first virtual Investor Day on November 15**

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Thank you

Proud companies of Ahold Delhaize