



Zoeken

- Producten
- Bonus
- Allerhande box
- Recepten
- Winkels
- Acties
- Kim Verdouw-Essebaggers
- Eerder gekocht
- Mijn bestellingen
- Favorieten

Mijn lijst

Online bestellen

Klantenservice  
Zakelijk  
Over Albert Heijn

Je hebt 6  
persoonlijke  
Bonus  
aanbiedingen  
en 9 van je  
eerdere  
aankopen  
in de Bonus



Ahold  
Delhaize

# Capital Markets Day

## Digital Personalization and eCommerce

Hanneke Faber

Chief eCommerce and Innovation Officer

December 7, 2016

15% KORTING

0.99  
0.84

Marne Franse mosterd  
Per stuk  
persoonlijke Bonus

35% KORTING

1.53  
0.99

Goody Good stuff  
Per stuk  
persoonlijke Bonus

25% KORTING

0.69  
0.52

Alle AH Gedroogde  
kruiden in zakje  
Per stuk  
persoonlijke Bonus

25% KORTING

0.30  
0.23

AH Kaiserbroodjes naturel  
Per stuk  
persoonlijke Bonus

25% KORTING

1.99  
1.49

AH Citroenen  
persoonlijke Bonus

2E HALVE PRIJS

2.59

AH Excellent Spaanse  
fuet  
175 g

1 + 1 GRATIS

1.99

AH Mandarijnen net  
1 kg

# Ahold Delhaize Strategic Framework

## Our purpose

Together, we build **Great Local Brands**, bringing **Fresh Inspiration Every Day**

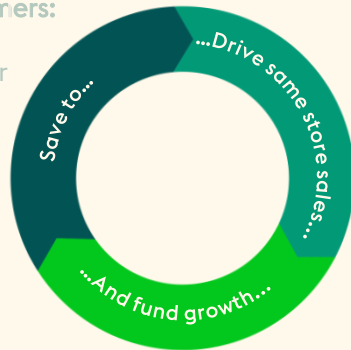
## Our sustainable business model

### Save for our customers:

- Buy better
- Operate smarter
- Waste less

### Fund growth in key channels:

- Supermarkets
- eCommerce
- Smaller formats



### Invest in our customer proposition:

- Affordable for all
- Best own brands
- Fresher & healthier
- Most local & personal service

## Our promises



## Our values

### Courage

We drive change, are open-minded, bold, and innovative.

### Integrity

We do the right thing and earn customers' trust.

### Teamwork

Together, we take ownership, collaborate, and win.

### Care

We care for our customers, our colleagues, and our communities.

### Humor

We are humble, down-to-earth, and we don't take ourselves too seriously.

## Our Sustainable Business Model

### Invest in our customer proposition

Affordable for all

Best own brands

Fresher & healthier

Most local & personal

# Most local & personal service



 Welkom Hanneke

Verpakken Zaterdag Cadeaus en Foto's

**bol.com**

Waar ben je naar op zoek?

Alle artikelen Zoeken

Speelgoed topers Elektronica laag geprijsd Kersttrends Dag- & weekaanbiedingen

Gratis verzending vanaf 23 euro, gratis retourzending, bezorging waar en wanneer je wilt met **Beleco** artikelen

**Zoek en vind**  
cadeaus voor ieder (groot) kind

**NEW Nintendo 3DS XL**  
met Pokémon

**Voor alle wizards**  
de Harry Potter shop

**Sins of Cadeau-Machine**

Interesse in meer van dit merk?

**OLAZ**

Olaz Essentials - 150 ml - Reinigende... €4,49 € 4,19

Olaz Double Action - 50 ml - Dagcrème €4,49 € 4,19

Olaz Essentials 2-in-1 - 200 ml - Re... €4,49 € 4,19

[Meer van Olaz](#)

**dagaanbieding**  
Je hebt nog 10 uur, 25 minuten, 44 seconden

TP-Link TL-PB2500 Powerbank 2500 mAh Power Bank - Wit  
Deze TP-Link TL-PB2500 Powerbank is de perfecte oplossing als je onderweg zonder kabels kunt reizen. Het formaat is klein om mee te nemen in je broekzak of tas.

**12.50 € 9,-**

[In winkelwagen](#)

[Bekijk de TP-Link Powerbank](#)

Aanbevelingen gebaseerd op je eerdere aankopen

## Our Sustainable Business Model

### Invest in our customer proposition

Affordable for all

Best own brands

Fresher & healthier

Most local & personal

# Bol.com generates about 20% of sales from personalization



4

Bol.com builds a unique experience for each customer, based on...

...which it uses to make recommendations in real time ...

...and to keep innovating

- Browse, buy & response behavior
- Demographic and socio-economic data, preferences
- Timing & trigger events
- For **7 million** active customers and **32 million** customer visits/month...
- ...and **>14 million** products
- **1.3** petabytes of big data

*Promotions based on current search & browse*

*Suggest relevant products or other inspiration*



*Follow-up with survey, use tips & offers (e.g. sequel to the movie)*

*Suggest complementary products "frequently bought together"*

- World class data science and machine learning capabilities
- ~200 FTEs across 'Shopping Experience' team, including IT
- Attracting top university talent
- Home-built algorithms
- Continuous learning loops

SOURCE: Press search, Expert interviews.

# We are sharing bol.com personalization capabilities across supermarket brands



Customer behavior data is fed back into the databases and used to drive new growth

- Infrastructure increasingly run on public cloud (central, scalable, connectable)
- >30 million customer members around the world; >80% of sales covered
- Incremental sales from personalization up ~50% this year

## Our Sustainable Business Model

### Invest in our customer proposition

Affordable for all

Best own brands

Fresher & healthier

Most local & personal

# ...to offer personalized benefits for every customer<sup>6</sup>

## Recent examples:

**Saving money:**  
Personal promo & pricing



**YOUR MVP WEEKLY SPECIALS**

Weekly Ad Recipes Coupons

Shoknia, you've saved \$31.29 this year at Food Lion!

**YOU'LL FALL FOR FRESH AND AFFORDABLE**

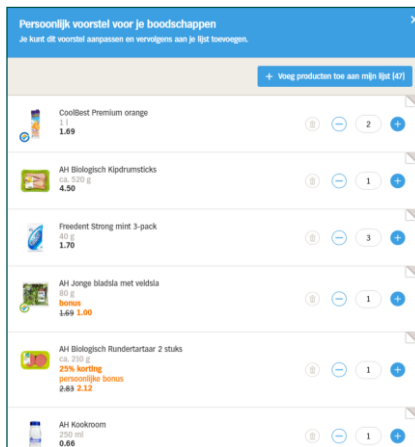
**99¢** Roma Tomatoes (10.99 LB) **3.99** Horizon Organic Milk (64 Oz - Select Varieties) (Without MVP Card \$4.99 EA)\*\*

**coupon HUB** PUT THE SCISSORS DOWN! LOAD VALUABLE COUPONS DIRECTLY TO YOUR MVP CARD

**Sept 14th - Oct 11th** GET A QUARTER BACK FOR EVERY PRIVATE BRAND ITEM PURCHASED

**EARN \$20 EASY AS PIE**

**Saving time:**  
Advanced list building



Persoonlijk voorstel voor je boodschappen

Je kunt dit voorstel aanpassen en vervolgens aan je lijst toevoegen.

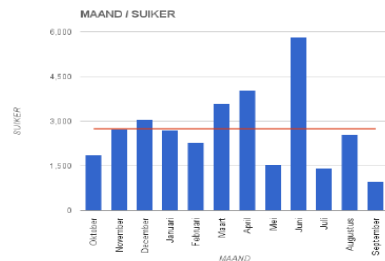
+ Voeg producten toe aan mijn lijst [4/7]

- CoolBest Premium orange 1.69
- AH Biologisch Kipdrametieks (ca. 200 g) 4.50
- President Strong mint 3-pack 1.70
- AH Jonge blaadjes met veldia (ca. 200 g) 1.69 1.00
- AH Biologisch Runderharttaar 2 stuks (ca. 200 g) 2.83 2.12
- AH Kookroom 250 ml 0.66






Predicting supermarket shopping list based on personal data, time, promotions and other triggers

Will be predicting 1.3 billion product-customer combinations each week, by executing 25 billion calculations at Albert Heijn

**Eating healthier:**  
Personal health dashboards



## Sugar in shopping list per month

-  Puur 2 x aangeschaft 27 gram per 100 gram
-  Chocolate Fudge Brownie 1 x aangeschaft 27 gram per 100 gram
-  Tomato ketchup topdown 1 x aangeschaft 22 gram per 100 gram
-  Finest extra noir 78 % 1 x aangeschaft 22 gram per 100 gram
-  Groentechips 2 x aangeschaft



## Our Sustainable Business Model

### Invest in our customer proposition

Affordable for all

Best own brands

Fresher & healthier

Most local & personal

# The future: more data & relevance; global expansion<sup>7</sup> of digital personalization across all brands

Customer  
transaction data

Web/app data

Previous offer  
response data

Avg. product use  
time (e.g. eggs 4  
days)

What people like  
you buy

Product  
ingredients and  
provenance

Available offers

Other data

*ACCELERATE  
BRANDS*

*TRANSFORM  
TO DIGITAL  
BRANDS*

*START  
BRANDS*

FOOD LION

GIANT



## Our Sustainable Business Model

# Our sustainable business model

### Save for our customers:

- Buy better
- Operate smarter
- Waste less

### Fund growth in key channels:

- Supermarkets
- eCommerce
- Smaller formats



### Invest in our customer proposition:

- Affordable for all
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Our  
Sustainable  
Business  
Model

Fund growth  
in key channels

Supermarkets

eCommerce

Smaller formats

# eCommerce: Where did we leave you in 2014?

9

2014  
€1.4 billion  
online sales\*



■ bol.com ■ Peapod ■ Albert Heijn Online

Ambition 2017  
€2.5 billion  
online sales\*  
20-25% CAGR



\*(Estimated) consumer sales includes sales from third parties (f.e. Market Place sales)

## Strategy:



More customers



More places



More choices

## Our Sustainable Business Model

### Fund growth in key channels

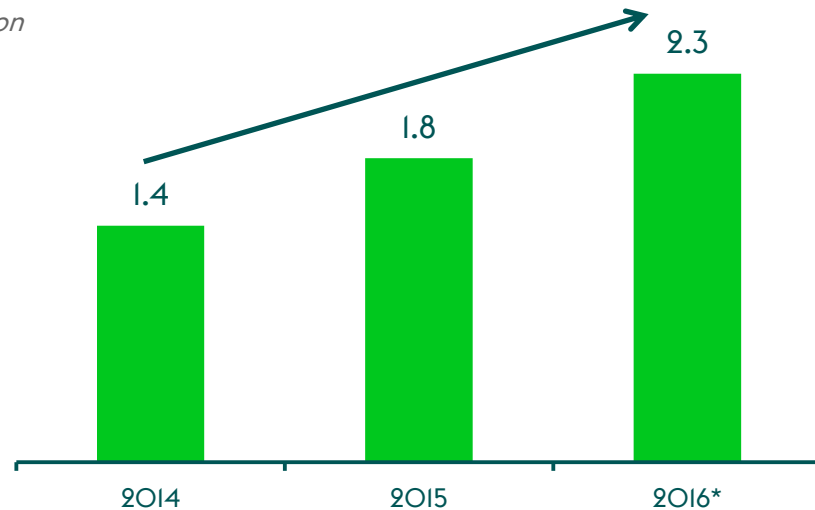
Supermarkets

eCommerce

Smaller formats

# Where are we today? Well on track to € 2.5 billion<sup>10</sup>

*In € billion*



Growth is accelerating,  
new brand opportunities



**hannaford to go**  
Shopping made easy.



\*Estimated consumer sales includes sales from third parties (f.e Market Place sales), including sales from Delhaize brands

## Our Sustainable Business Model

### Fund growth in key channels

Supermarkets

eCommerce

Smaller formats

# More customers, more places, more choices

## More customers



NPS: (%promoters / % detractors)\*100 -- promoters defined 9 & 10 and detractors 0-6).

## More places



Belgium: Bol.com '16  
sales growth >50%



NYC: Peapod '16  
sales growth >25%

## More choices

### Assortment



Increased assortment to  
>14 million products

### Delivery

Select

- Same day delivery
- Sunday delivery
- Evening delivery



Delivery by bike

### For media partners



Net media revenue  
from zero to  
~1% of sales in '16, with  
growth potential

## Our Sustainable Business Model

### Fund growth in key channels

Supermarkets

eCommerce

Smaller formats

# A clear roadmap to profitability

Online grocery delivers **3-5% EBITDA margins** in dense home delivery areas and B2B ; overall still negative due to investments in new growth areas

Amsterdam



Boston



Five must-have's for online grocery profitability:

1. Large baskets
2. High density routes
3. Productivity
4. Delivery fee
5. Media & advertising income



Bol.com profitable today in more **established categories...**



...while **investing in innovation and growth** from new categories, places and services



## Our Sustainable Business Model

### Fund growth in key channels

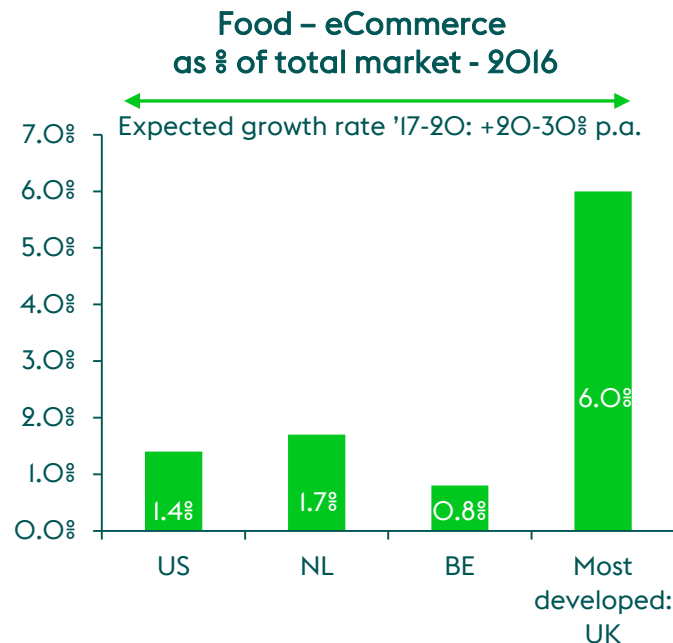
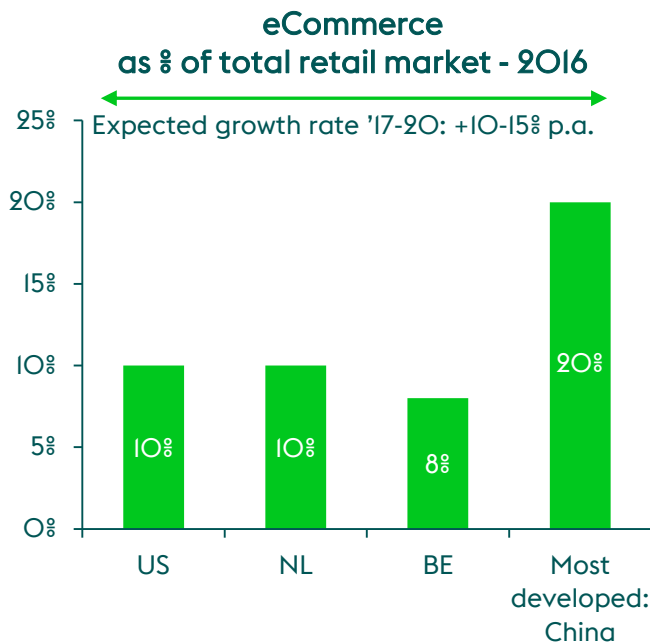
Supermarkets

eCommerce

Smaller formats

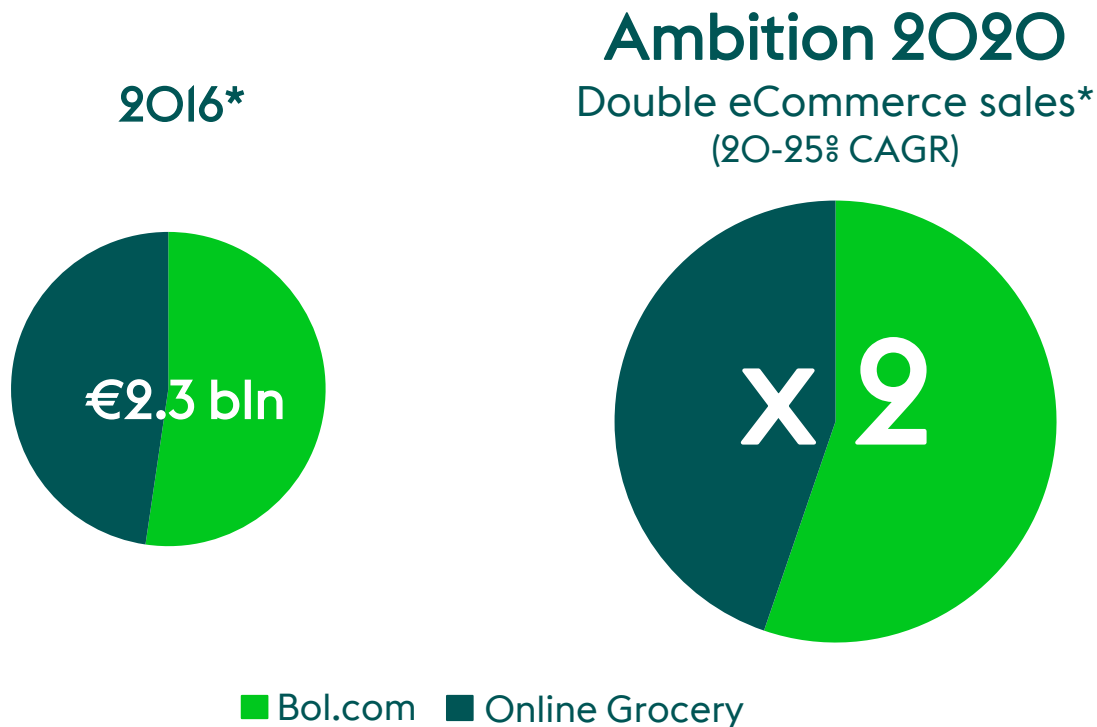
# Continued strong market growth expected

13



Source: combination of McKinsey, Euromonitor, Forrester, Ahold research, US Census Bureau, Morgan Stanley, RNG

# Our 2020 ambition: double eCommerce sales



\*Estimated consumer sales includes sales from third parties (f.e. Market Place sales) and includes Delhaize brands

## Our Sustainable Business Model

### Fund growth in key channels

Supermarkets

eCommerce

Smaller formats

# Continued investments to support further growth <sup>15</sup>

Investing  
in talent,  
capabilities

...

...  
and in  
operational  
capacity

- Continued EBIT investments; decreasing as % of sales
- Underlying EBITDA levels of 2-3% in mature markets
- Dilutive impact of Bol.com growth on NL margin ~60 bps in 2017
- Capital expenditure going forward broadly in line with prior years



# Our eCommerce strategy

Lead in online grocery



No. 1 eCommerce platform  
in NL & Belgium

Sell Business Gift voucher Photo service



**bol.com**

Waar ben je naar op zoek?

Choose a category

Discount Saint gifts

Low priced toys

Free shipping from 20 euros, free returns, delivery where and when you want with **Select** articles

Christmas gifts and trends



# Winning in online grocery

## Our Sustainable Business Model

### Fund growth in key channels

Supermarkets

eCommerce

Smaller Formats

1. Strong brands in Europe and US

Peapod



**hannaford to go**  
Shopping made easy.

2. High quality, cost efficient operations



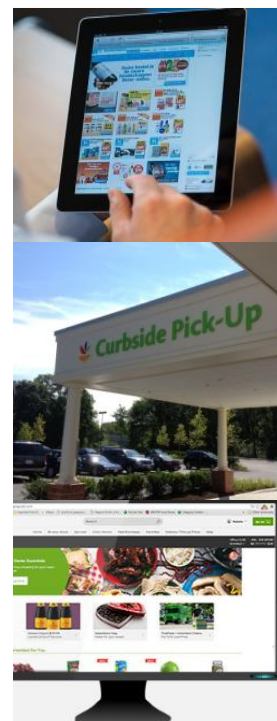
3. Fresh Assortment



4. Own brand products



5. Omni-channel leverage



# I: Strong online grocery brands in Europe

## #1 online food retailer in the Netherlands

- #1 most trusted brand
- Covers **86%** of Dutch households with home delivery, also offers Pick Up
- **NPS at 36**, adding halo to the Albert Heijn brand
- Fast growing **market share** in grocery



## Unique in Belgium

- Relaunched **Delhaize.be** Oct '16
- Strong growth in **Click & Collect** (113 points)...
- ...*and* introduced home delivery to **~65%** of Belgian households
- **NPS at 27** and rising



## ...and new 'small gems'



## Our Sustainable Business Model

### Fund growth in key channels

Supermarkets

eCommerce

Smaller formats

# I: Strong online grocery brand potential in the US <sup>19</sup>

## #1 online grocery brand in the United States

- 80% brand awareness in mature markets; high scores for 'ease' and 'innovation'
- NPS Score of 59
- 80% of Peapod customers also shop at Giant / Stop&Shop
- Fast growing 'Podpass' membership

Peapod® by  Stop&Shop

by  Giant

by **GIANT**

## Significant opportunities for growth:

- ~140 million customers in Ahold Delhaize trading area, Peapod service available for ~40%
- Growing market share where available, but share of total grocery still <1%
- New Jersey warehouse capacity up +50% vs LY



...and a 'small gem':





## Our Sustainable Business Model

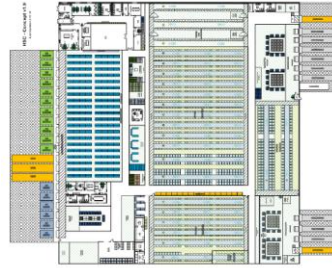
Fund growth  
in key channels

Supermarkets

eCommerce

Smaller formats

## 2: A winning operational model, ready to expand <sup>20</sup>



	Ah.nl	Best in class automated warehouse benchmark
All in Productivity	135	150-160
Item completeness	99.6%	~99%
Driver timeliness	98.8%	~95%
Capex	~10M	>100M

## Our Sustainable Business Model

### Fund growth in key channels

Supermarkets

eCommerce

Smaller formats

# 3/4: Proven Fresh and Own Brand advantages

21

HI '16 as % of sales	Peapod	AUSA stores
% Fresh / Frozen	41%	40%
% Organic	7%	3%
% Own Brand	32%	39%

HI '16 as % of sales	Ah.nl	AH
% Fresh / Frozen	56%	56%
% Organic	5%	4%
% Own Brand	51%	52%



Strong shares of fresh, organic and own brands

### Continuous fresh innovation

**WHATS FOR DINNER?**  
— HAS NEVER BEEN EASIER —

ONLY THE FRESHEST MEAT & PRODUCE

STEP-BY-STEP RECIPE CARDS

**1 WE PREP**  
PORTIONED INGREDIENTS

**2 YOU COOK**  
EASY STEP-BY-STEP RECIPES

**3 ENJOY!**  
IN 35 MIN. OR LESS

kits for 2  
**\$14.99**



## Our Sustainable Business Model

### Fund growth in key channels

Supermarkets

eCommerce

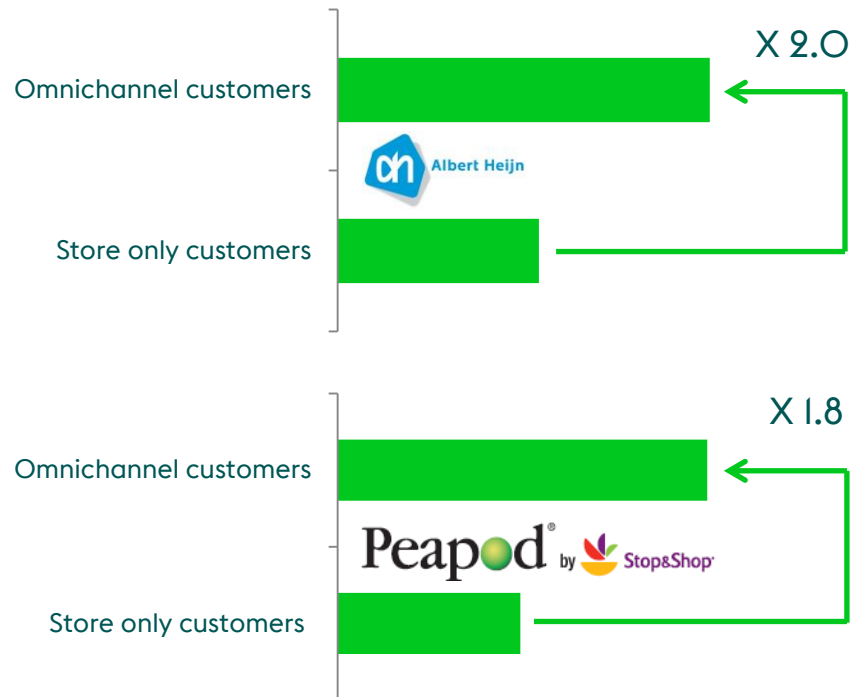
Smaller formats

## 5: Omni-channel leverage

22



Omni-channel customers' annual spend  
= ~2x store-only customers





## Our Sustainable Business Model

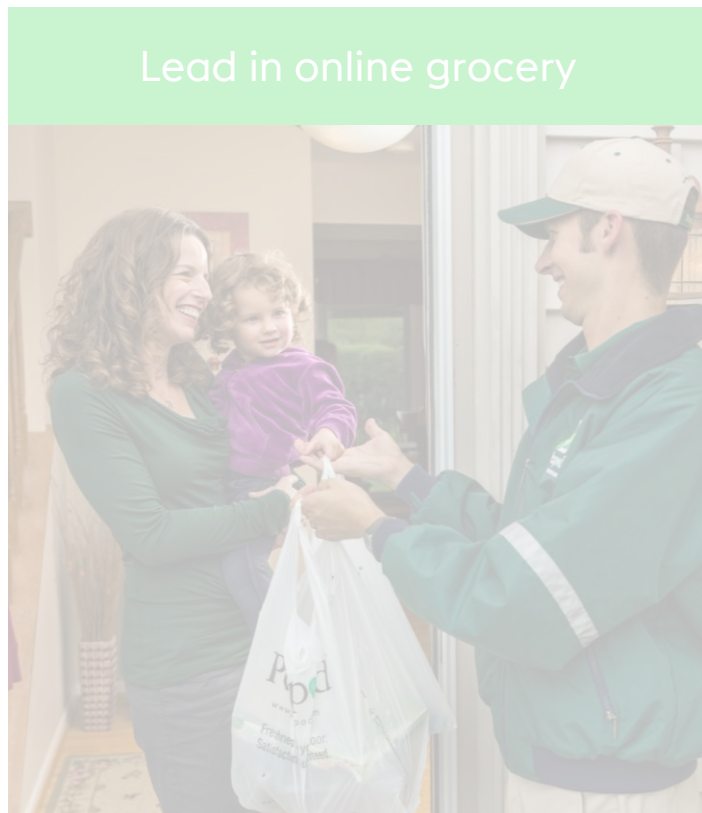
### Fund growth in key channels

Supermarkets

eCommerce

Smaller formats

# Our eCommerce strategy



## No. 1 eCommerce platform in NL & Belgium

Sell Business Gift voucher Photo service



**bol.com**

Waar ben je naar op zoek?

Choose a category

Discount Saint gifts

Low priced toys

Free shipping from 20 euros, free returns, delivery where and when you want with **Select** articles

### Christmas gifts and trends



# Netherlands/Belgium vision:

Bol.com is the  
  
undisputed **#1 retail platform**  
  
for **anyone**  
  
who wants to **buy or sell anything**  
  
in the **Netherlands and Belgium**



## Our Sustainable Business Model

### Fund growth in key channels

Supermarkets

eCommerce

Smaller formats

# Bol.com is an unrivalled proposition for NL & BE customers<sup>25</sup>

Large, relevant assortment

>14.000.000 items

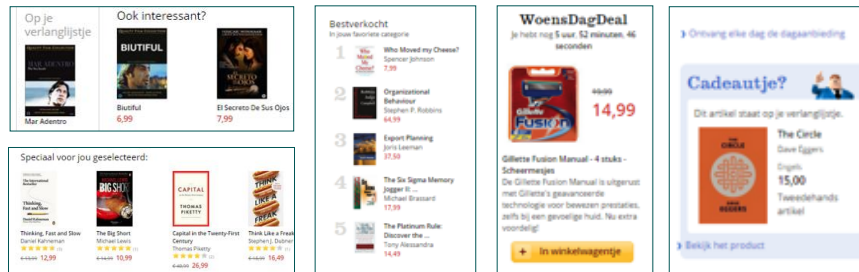


>14.000 marketplace business partners

Fast, free delivery (order before midnight, delivered tomorrow)

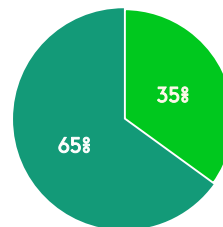


Uniquely personalized shopping experience



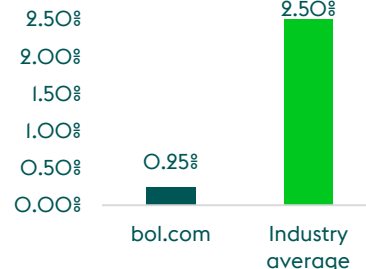
Unique open invoice payment option, yet low bad debt

Customer payment methods - 2016 %



■ Payment afterwards ■ Payment on purchase

Bad debt rate 2016 (%) of sales



## Our Sustainable Business Model

Fund growth in key channels

Supermarkets

eCommerce

Smaller formats

# ...leading to a very strong brand

## Indispensable Dutch brands <sup>1</sup>

1. Hema
2. **bol.com**
3. Ikea
4. Kruidvat
6. Albert Heijn
11. Google
28. Facebook

## Brand awareness <sup>2</sup>

No. 1 brand associated with shopping online in NL and BE <sup>3</sup>



>86%



>96%

<sup>1</sup> Eurib (European Institute for Brand Management) 2015

<sup>2</sup> 2016

<sup>3</sup> Flemish part of Belgium

## Strongest Dutch retail brands <sup>4</sup>

1. **bol.com**
2. Kruidvat
3. Hema
4. Albert Heijn
5. Action

## Most trusted Dutch brands <sup>5</sup>

1. Albert Heijn
2. Philips
3. Google
4. **bol.com**
5. Samsung

<sup>4</sup> Retail Merkenonderzoek 2016, Hendrik Beerda

<sup>5</sup> Synergie, de Inspirerende 40 van Nederland 2015

## Top marks customer for satisfaction



## Our Sustainable Business Model

### Fund growth in key channels

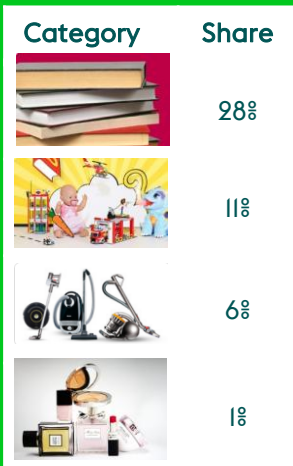
Supermarkets

eCommerce

Smaller formats

# Bol.com is well positioned for future platform growth<sup>27</sup>

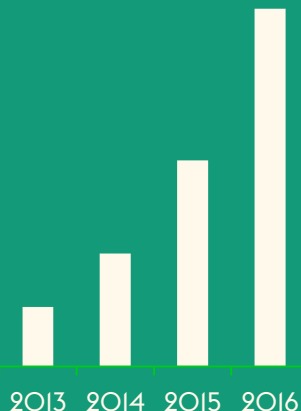
## Category growth



Annual spend per customer up from €111 in 2011 to €167 in 2016

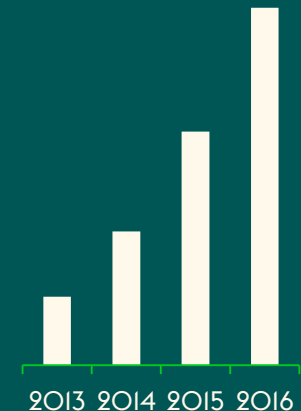
## Belgium

CAGR '13-'16: ~+70%



## Marketplace

CAGR '13-'16: +~80%



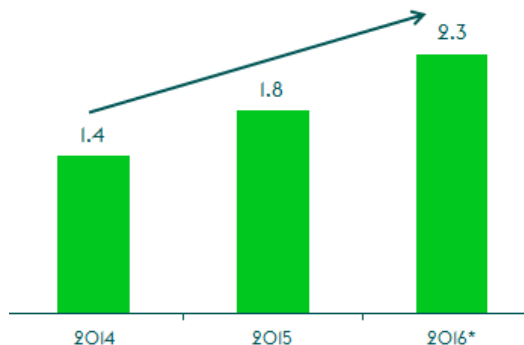
## Cross brand



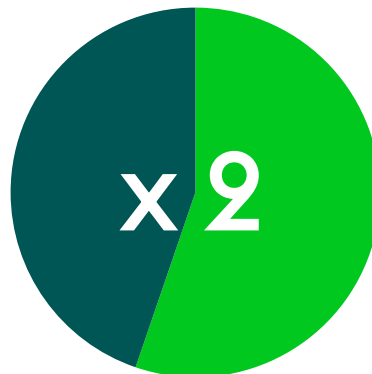
# In summary: Ahold Delhaize eCommerce

Our  
Sustainable  
Business  
Model

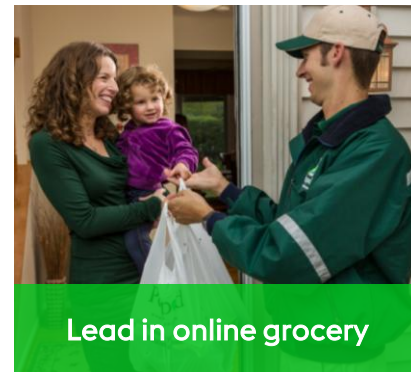
Proven track  
record of growth



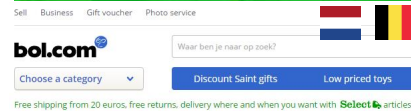
Ambition 2020  
Double eCommerce sales<sup>1</sup>



Clear strategy



Lead in online grocery



Christmas gifts and trends



No. 1 eCommerce platform  
in NL/Belgium

Fund growth  
in key channels

Supermarkets

eCommerce

Smaller formats

\* Expected 2016

<sup>1</sup> From base year 2016 including Delhaize brands



*This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Words such as strategic, sustainable, buy better, operate smarter, waste less, growth, invest, customer proposition, promises, follow-up, accelerating, opportunities, continuous learning, increasingly, incremental, future, road map, ambition, growth, going forward, model, innovation, leverage, proposition, leading to and well positioned 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 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 competition and pressure on profit margins in the food retail industry; the impact of the Company's outstanding financial debt; future changes in accounting standards; the Company's ability to generate positive cash flows; general economic conditions; the Company's international operations; the impact of economic conditions on consumer spending; turbulences in the global credit markets and the economy; the significance of the Company's U.S. operations and the concentration of its U.S. operations on the east coast of the U.S.; increases in interest rates and the impact of downgrades in the Company's credit ratings; competitive labor markets, changes in labor conditions and labor disruptions; environmental liabilities associated with the properties that the Company owns or leases; the Company's inability to locate appropriate real estate or enter into real estate leases on commercially acceptable terms; exchange rate fluctuations; additional expenses or capital expenditures associated with compliance with federal, regional, state and local laws and regulations in the U.S., the Netherlands, Belgium and other countries; product liability claims and adverse publicity; risks related to corporate responsibility and responsible retailing; the Company's inability to successfully implement its strategy, manage the growth of its business or realize the anticipated benefits of acquisitions; its inability to successfully complete divestitures and the effect of contingent liabilities arising from completed divestitures; unexpected outcomes with respect to tax audits; disruption of operations and other factors negatively affecting the Company's suppliers; the unsuccessful operation of the Company's franchised and affiliated stores; natural disasters and geopolitical events; inherent limitations in the Company's control systems; the failure or breach of security of IT systems; changes in supplier terms; antitrust and similar legislation; unexpected outcome in the Company's legal proceedings; adverse results arising from the Company's claims against its self-insurance programs; increase in costs associated with the Company's defined benefit pension plans; 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.*



**Together, we build Great Local Brands,  
bringing Fresh Inspiration Every Day**