



Ahold Delhaize
**Capital
Markets
Day 2018**



Ahold
Delhaize

Stop & Shop

Mark McGowan

President Stop & Shop

Reimagining Stop & Shop:

Fresh Food & Value made Easy... So you can enjoy what matters most



We have completed standing up our local brand commercial team



We have conducted extensive customer research



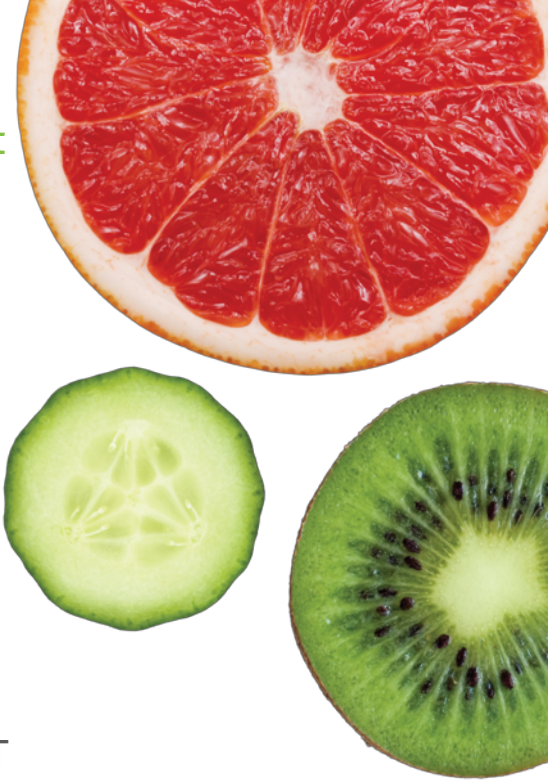
We have developed our go forward strategy



We have started to bring that strategy to life in Hartford, CT



Stop & Shop will reposition its 400+ stores over the next 5 years



We have a great history and are the market leader

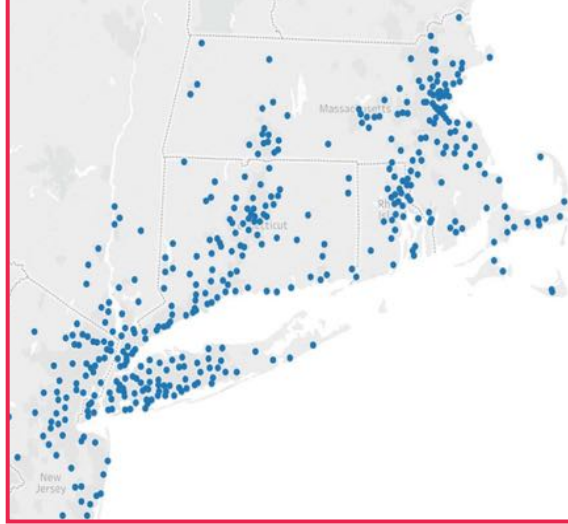


Strong Heritage



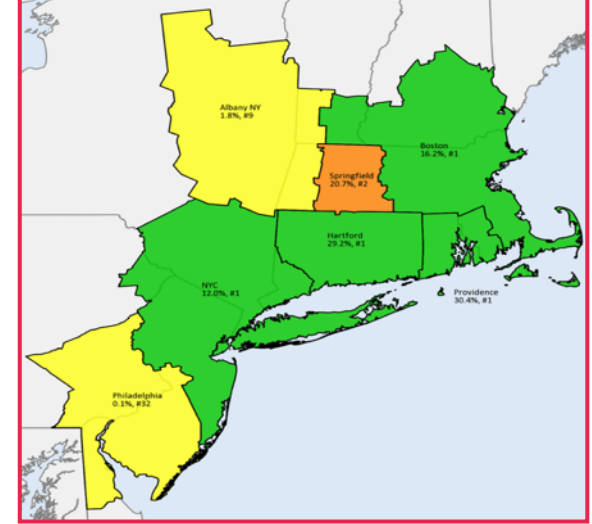
Founded in 1914

Best Locations



413 Stores in 5 states

Market Areas



#1 in all major DMA's
(Eastern MA, NY Metro, CT, RI)

Stop & Shop has a strong base, yet sales are flat



Stable Customer Base

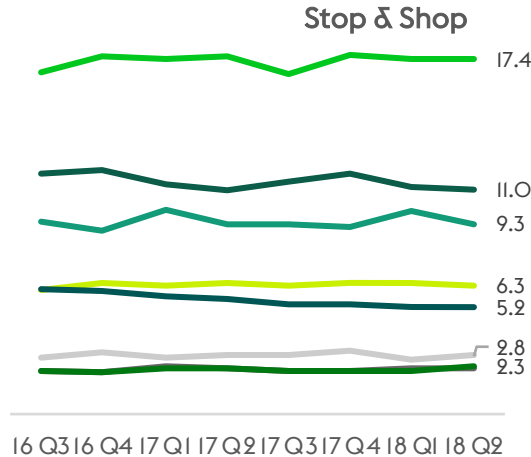


7m

Transactions each week
Growing NPS

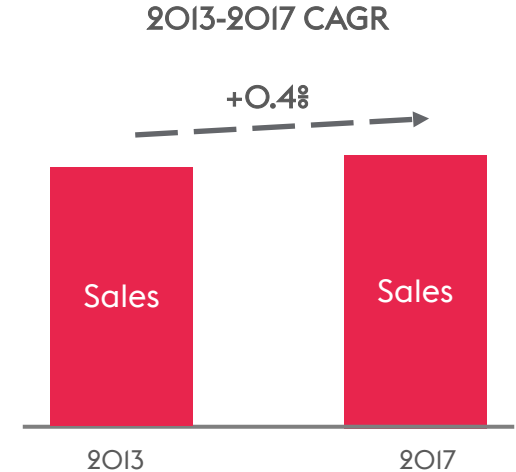
67% of all households in our
Trade Area shop with us

Flat Market Share



Largest market share within
our Trade Area

Flat Sales



Flat sales over past 5 years

We understand our customers' changing expectations



Time is a most valuable possession



Convenience is a must



Healthy options are a top priority



Customers expect a personalized experience



Redefining value

Our strategy is set to deliver on meeting their needs



5 Key Areas



Best in Fresh



Value for Money



Right for Me Assortment



Make it Easy



Emotionally Connected

Best in Fresh



- Bigger Fresh footprint in Store
- Differentiation in Produce & Meat through freshness, quality, value and variety



- Expanding & innovating our home meal solutions
- Ready to eat, heat or complete

Value for Money



MORE WAYS TO SAVE



- Meaningful price investment
- Amped up value messaging and visual merchandising to improve price perception
- Fully integrated omnichannel commercial planning

Right for Me Assortment



- Building new tools and processes to develop assortments by category by store
- Optimizing assortment and space
- Creating experiences in the center store

Make it Easy



- Frictionless checkout
- Interactive kiosks
- Digital coupons & loyalty



- Click & Collect at all stores
- Micro-fulfillment center partnering with **Takeoff Technologies**
- Stop & Shop e-Commerce enabled through full **Peapod** integration



- Simplified layout for different trip missions
- Engaging and uncluttered store format

Emotionally Connected



- Helping our communities enjoy better food and better lives
- Building on our legacy of caring....customers, communities and each other
- Growing NPS and associate engagement

21 Stores in Hartford



A man with a goatee and a black baseball cap is working in a kitchen. He is wearing a black chef's jacket. The background shows a commercial kitchen with stainless steel surfaces and a large vent hood. The word "STOP" is visible on the cap and the jacket.

Video



New In Store Kitchens

Hartford test & learn market is showing positive early results



Testing Initiatives in our 5 Key Areas



Best in Fresh

Expanding our fresh footprint and innovating in HMR



Value for Money

Investing in price and simplifying value messaging



Right for Me Assortment

Optimizing space, focus on local, bringing excitement to center store



Make it Easy

Digital, eCommerce and Format enhancements

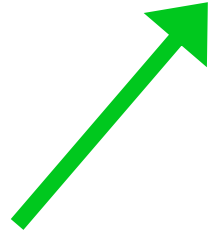


Emotionally Connected

Community spaces, cafes and culture change program

Early Results

- Sales
- Transactions
- Volume
- NPS



Proforma sales uplift

- 4% - 6% in year 1
- 2% - 4% in year 2
- 2% in year 3

Customer feedback has been very positive



"I **like** that items such as **organic** produce are more accessible..."

– Consumer Insights Review



"I **love** the remodeling"

– Charlene Weech
Manchester, CT

"Because the first thing I see is this **new, fresh, bright, clean** section, I am left with a **positive** feeling for the remainder of the trip"

– Consumer Insights Review

"I **love** how it is so **bright** and open... it (the store) looks **fresh** and **clean**..."

– Consumer Insights Review



"Newly renovated, **extremely clean**, pretty **well organized**. Lots of new products, plenty of self check-out stations. Will definitely be coming to this location more!"

– John, Newington, CT

"I went to the Stop & Shop on the Berlin Turnpike yesterday and was **pleasantly surprised**! People were passing out cheese, crackers, and shrimp and were very **helpful**. The store looks **beautiful**...!"

– Piper Sue, Wethersfield, CT

Refreshing our stores



Hartford Capex Investment

	Capex Range	Stores (#)	Capex (\$M)
Hartford	\$1m - \$7m	21	\$70m

- Core / value / upscale stores
- Low / medium / high investment stores

Rest of Chain Investment

	Capex Range	Stores (#)	Capex (\$M)
Total Chain	\$1m - \$10m	412	\$1.6b - \$2b

- Roll out planned 60-80 stores per year
- Incremental Capex \$100m-\$150m per year at Stop & Shop

Iterative learning, refining market by market



Hartford Market
Oct 2018



Market 2
Spring 2019



Market 3
Fall 2019



Market 4
2020



Market 5
2020



Full Chain Completion
2023

Our next market – Long Island, NY



Growing Stop & Shop



Strengthen our position as the market leader by growing share



Accelerate top-line sales growth by creating a merchant-driven selling culture



Improving the shopping experience through ongoing innovation

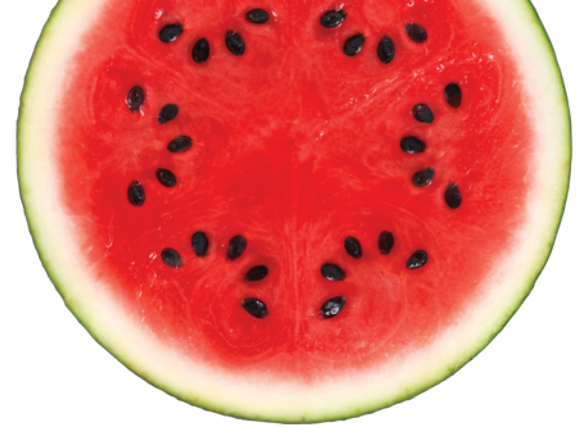


Deliver on the 5 key areas to better meet our customer's needs



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Cautionary notice

This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Words such as will, expectations, set to deliver, to be, planned, ongoing or other similar words or expressions are typically used to identify forward-looking statements.

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