During the busy Easter period, the strike at Stop & Shop, in New England, had a significant impact on our results. In the end, Stop & Shop was able to reach fair and responsible agreements for local associates, and I am pleased and grateful that customers returned to its stores during the second half of the year.

**Q** How would you characterize our 2019 financial results?

**A** Thanks to our omnichannel strategy, we had a strong performance in 2019, both in stores and online. Our net sales were €66.3 billion. We grew net consumer online sales 28.6% at constant exchange rates across the group; we saw it accelerate in the U.S. and continue at a very strong pace in Europe. In addition, we officially closed our merger integration efforts and overdelivered on the synergies we promised.

We exceeded our full-year 2019 guidance outlook for underlying earnings per share with 8.4% growth, and met our free cash flow guidance of €1.8 billion. I was pleased that we also surpassed our guidance for our Save for Our Customers program, generating €709 million in savings compared to our guidance of €600 million. In addition, we have proposed a 2019 dividend increase of 8.6%, which reflects our ambition to sustainably grow the dividend per share.

In 2019, we also had our challenges. In October, we experienced a terrible tragedy when a bus accident in Romania took the lives of eight Mega Image associates and injured seven more. It’s so important that we come together in times like these, and I was moved by how colleagues across the company showed their sympathy by contributing to a fund in support of the victims and their families.

**Q** What were the most important achievements the company made on the growth drivers over the year?

**A** Our growth drivers are the areas that we need to focus on, working together as a company, in the coming years to drive sustainable, profitable growth. We made a lot of progress on these in 2019 – you’ll find examples throughout this report, but I’ll mention three highlights.

First, omnichannel growth has been an important area of focus. We’ve expanded our store network with innovative new urban formats – such as Giant Heirloom in the U.S. and Fresh Atelier in Belgium. And we’re helping people save time by rolling out frictionless shopping solutions. Our U.S. businesses did a phenomenal job in expanding the number of click-and-collect points, resulting in a total of 692 locations at the end of 2019, boosting our omnichannel growth considerably.

In addition, we have proposed a 2019 dividend increase of 8.6%, which reflects our ambition to sustainably grow the dividend per share.

Since this is the last Annual Report our CFO Jeff Carr will be a part of before he leaves our company, I want to take the opportunity to thank him for all his contributions. He has been a great partner in shaping Ahold Delhaize over the past eight years, helping us drive our Save for Our Customers program and deliver on our commitments.
Q&A with Frans Muller

In both Europe and the U.S., we’re linking together with other companies and educational institutes to make sure we have the capabilities and the talent to drive advances in digital and technology.

Second, we continued to reduce CO2 emissions from our own operations as well as from the production of our own-brand products, investing in more efficient energy, refrigeration and transportation systems. We also made progress on plastic waste reduction; for example, we reduced the number of non-reusable bags used in our businesses by more than 600 million.

Finally, health is another big area of focus. In 2019, many of our brands continued reformulating their own-brand products to make them healthier and expanded their use of nutritional navigation programs such as Guiding Stars and Nutri-Score to help customers make healthier choices as they shop.

And “live better” has everything to do with how we can contribute as a company to make communities thrive, to improve health – especially for children and young people – and to support the well-being of our associates. People across our company feel a strong responsibility for doing our part to make our communities healthier, happier and more successful.

Why is the new healthy and sustainable ambition for £0.25 so important?

Our world today is facing serious challenges – many of which are related to food and the food chain; for example, the rise of lifestyle-related diseases like diabetes, which places stress on global health systems, and climate change, which is putting pressure on global food production. We want to help make a positive change in people's well-being and build the foundation of our business in the long run through our healthy and sustainable growth driver.

We are on track towards most of our 2020 Sustainable Retailing targets – which were quite ambitious when we set them in 2016. I was pleased that we once again ranked among industry leaders in the Dow Jones Sustainability World Index. We’ve made progress in almost every area we chose to focus on and have developed more professionalism around sustainable retailing within our company.

What were you most proud of during the year?

I’m proud of the positive way we stepped up collaboration between teams – how we came together across countries, brands and geographies – to fulfill our purpose, but also contribute more to our communities. We ramped up our digital strategy and organization and became more of an omnichannel company.
Q&A with Frans Muller

Of course, everything we achieved comes down to our people. I’m proud of and grateful to our associates, whose hard work and dedication made it all happen. They are there for our customers and communities in countless ways, every day. One notable example from the year was the Food Lion team, who not only pledged to expand the fight against hunger and donate one billion meals to neighbors in need – a promise they are already well on their way to fulfilling – but also provided tireless support when Hurricane Dorian hit the U.S. East Coast. Local teams worked day in and day out to supply communities with food and other supplies – it showed me the meaningful ways that we can impact people’s lives.

And I’m also proud that we improved our associate engagement – which shows that we’re creating a culture where people feel included, can relate to our purpose and see growth opportunities. We also improved our performance in diversity and inclusion, an area that is very important to me as we strive towards a workforce that reflects the diversity of the communities we serve. I was especially proud to sign Empowerment Principles during the year, as a sign of my own personal commitment to gender equality.

And I want us to become a true omnichannel company, not just in terms of our store network, online, and pickup but in providing meal solutions and making fresh foods affordable and accessible so that they can occupy a bigger portion of the plate for the customers and communities we serve.

Contributing to our communities in this way is an important part of our values – and has been for a very long time. Many of our local brands started as family businesses, as far back as 150 years ago. It’s in our DNA to want to take care of the people living in our communities and working for our company, to maintain long-standing relationships with vendors, and to contribute wherever we can. As a food retailer, I believe we have a chance to do great things – and that’s why I’m happy to be a part of our company and our industry – Leading Together!

2019 Timeline

- **January**: Giant/Martin’s launched “Giant Direct,” its new online brand, and opened an eCommerce hub in partnership with Peapod Digital Labs
- **April**: Stop & Shop’s management and local unions agreed on a fair and responsible agreement after 11-day strike
- **June**: Giant Delhaize Issued our first sustainability bond
- **August**: Food Lion pledged to donate one billion meals to fight hunger
- **September**: Albert Heijn Albert Heijn started piloting a fully digital AH to go store
- **October**: Bol.com expanded into French-speaking Belgium and rolled out pick-up points at Delhaize stores in Flanders
- **November**: Fatal traffic accident occurred at Mega Image in Romania
- **December**: Announced we will invest $480 million in our U.S. supply chain to create a fully integrated, self-distribution model