

Ahold Delhaize provides Q1 update and reiterates 2020 profit outlook and strong cash position

Zaandam, the Netherlands, April 7, 2020 – Ahold Delhaize, one of the world’s largest food retail groups and a leader in both supermarkets and eCommerce, provides an update on Q1 results and the 2020 guidance outlook today.

Q1 Update

Regarding preliminary Q1 results, which will be reported in full on May 7th, Frans Muller, President and CEO of Ahold Delhaize, said: “We are extremely proud of the talented and hardworking associates across our brands around the globe, who have worked tirelessly to serve their local communities in this time of need during the COVID-19 crisis. Every one of our local brands remains committed to protecting the health and safety of associates and customers, and some of the steps being taken are detailed in a recent press release, which can be found [here](#).

“Due to COVID-19, demand across our multichannel network in the Eastern U.S. and Europe increased significantly in Q1. As a result, we expect Group net sales growth of approximately 15% in Q1, or 13% in constant currency. Comparable sales growth excluding gasoline is expected to be approximately 14% in the U.S., and 10% in Europe in Q1. In the U.S., we saw customers begin stockpiling in March, and experienced approximately 34% comparable sales growth excluding gasoline in the month. In Europe, we saw slightly earlier customer stockpiling, beginning in late February, which accelerated into March. Europe comparable sales excluding gasoline were up approximately 16% in March.

“We expect underlying operating margin in Q1 to be above the prior year. This is partly due to a timing effect. The Q1 margin has benefitted from the higher sales trends experienced at an earlier stage compared to the timing of the significant investments made enhancing associate pay and benefits and implementing additional safety and protective measures, which have become material towards the end of Q1.”

Reiterating 2020 profit outlook and expecting to exceed prior FCF Guidance

Regarding the 2020 outlook, Frans Muller said: “COVID-19 has created uncertainty for our 2020 outlook, and it is too early to know how this will ultimately impact our great local brands and the communities that they serve. Although we continued to experience higher than normal sales growth through the end of March, there is increased uncertainty in sales over the course of the year, especially as it applies to changes in consumer shopping patterns and behavior.

“Uncertain times call for a commitment to our purpose and especially our values, one of which is care. We are committing to this in abundance as we focus on operating our brands and supply chains smoothly, with associate and customer health and safety as

our first and foremost priority. Investing in safeguarding associate and customer wellbeing will ensure our brands will continue to be able to serve the communities that rely on us in this time of great need.

“The timing of these investments in associate and customer safety and protection have become material towards the end of Q1. This means we are not likely to sustain the underlying operating margin level experienced in Q1. Nevertheless, we maintain our full year outlook, that the group underlying operating margin will be broadly in line with 2019. We continue to expect underlying earnings per share growth in the mid-single-digit range for the year.

“We expect free cash flow to exceed our previous guidance of €1.5 billion, due to our expectation that some capital programs will likely be delayed due to COVID-19. The free cash flow guidance expressly excludes M&A activity.

“Our cash and liquidity positions remain strong. We propose a cash dividend of €0.76 per common share for the financial year 2019, up 8.6% from last year. Our policy continues to be to target a dividend payout of 40-50% of underlying income from continuing operations in 2020. We have acquired €348.7 million of our own shares this year as of April 3, and intend to continue repurchases under the €1 billion share buyback program. However, given the uncertainty caused by COVID-19, we will continue to assess these policies throughout the year.

“We look forward to reporting our Q1 earnings in full on May 7, 2020.”

Cautionary notice

This communication contains information that qualifies as inside information within the meaning of Article 7(1) 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 such as outlook, guidance outlook, remains, expect, expected to be, ultimately, are, ensure, will, continue, sustain, expecting to exceed, expectation, likely to, to target, continues to, intend, look forward 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, the risk factors set forth 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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Ahold Delhaize is one of the world’s largest food retail groups and a leader in both supermarkets and e-Commerce. Its family of great, local brands serves 54 million customers each week in Europe, the United States, and Indonesia. Together, these brands employ 380,000 associates in 6,967 grocery and specialty stores and include the top online retailer in the Benelux and the leading online grocers in the Benelux and the United States. Ahold Delhaize brands are at



the forefront of sustainable retailing, sourcing responsibly, supporting local communities and helping customers make healthier choices. Headquartered in Zaandam, the Netherlands, Ahold Delhaize is listed on the Euronext Amsterdam and Brussels stock exchanges (ticker: AD) and its American Depositary Receipts are traded on the over-the-counter market in the U.S. and quoted on the OTCQX International marketplace (ticker: ADRNY). For more information, please visit www.aholddelhaize.com.



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