

### **Ahold Delhaize reports Q4 results; strengthens position as industry-leading local omnichannel retailer in 2021 and beyond**

- \* In 2020, the Ahold Delhaize brands focused on fulfilling their vital role in society and meeting the challenges of COVID-19 by contributing €680 million to support customers, associates, and communities with COVID-19 relief care; brands also committed to contribute €1.4 billion to improve the security of associates' pension benefits.
- \* Associates across all the brands of Ahold Delhaize worked diligently to successfully maintain food and product supplies to local communities, to implement measures to keep customers and their colleagues safe, to care for their local communities, and to drive substantial progress in ESG initiatives in 2020; their efforts have helped Ahold Delhaize and its local brands solidify their positions as industry-leading local omnichannel retailers in each of their markets in 2021 and beyond.
- \* Net sales were €19.6 billion, up 18.0% in Q4 and up 14.2% in 2020 at constant exchange rates.
- \* In the U.S. and Europe, comparable sales excluding gas grew 11.2% and 10.6% in Q4, respectively, and were up 14.4% and 9.6% in 2020, respectively.
- \* Net consumer online sales grew 84.2% in Q4 and 67.4% in 2020 at constant exchange rates, including U.S. growth of 128.5% in Q4 and 105.1% in 2020.
- \* Underlying operating margin was 4.1% in Q4 and 4.8% in 2020; diluted underlying EPS was €0.53 in Q4 and €2.26 in 2020.
- \* IFRS-reported operating margin was 0.1% in Q4 and 2.9% in 2020, impacted by the U.S. pension plan withdrawals; as such, diluted EPS was €(0.01) in Q4 and €1.30 in 2020.
- \* 2020 free cash flow was €2.2 billion compared to guidance of at least €1.7 billion, despite a total of €609 million related to pension plan withdrawals and incremental pension funding payments, and net capital expenditures of €2.6 billion.
- \* 2021 outlook: Group net consumer online sales to grow over 30%; underlying operating margin to be at least 4%; underlying EPS to grow by mid- to high-single digits versus 2019; free cash flow to be approximately €1.6 billion, resulting in €5.6 billion in cumulative free cash flow from 2019-2021, which exceeds the Capital Markets Day 2018 target of €5.4 billion.

*Zaandam, the Netherlands, February 17, 2021 – Ahold Delhaize, one of the world's largest food retail groups and a leader in both supermarkets and e-commerce, reports fourth quarter results today.*

The summary report for the fourth quarter can be viewed and downloaded at [www.aholddelhaize.com](http://www.aholddelhaize.com).

#### **Summary of key financial data**

€ million, except per share data	Ahold Delhaize Group		The United States		Europe		Ahold Delhaize Group		The United States		Europe	
	Q4 2020	% change constant rates	Q4 2020	% change constant rates	Q4 2020	% change constant rates	2020	% change constant rates	2020	% change constant rates	2020	% change constant rates
	(14 weeks 2020 vs. 13 weeks 2019)						(53 weeks 2020 vs. 52 weeks 2019)					
Net sales <sup>1</sup>	19,600	18.0 %	11,425	18.7 %	8,175	17.1 %	74,736	14.2 %	45,470	15.6 %	29,266	12.1 %
Comparable sales growth excl. gas	11.0 %		11.2 %		10.6 %		12.5 %		14.4 %		9.6 %	
Online sales <sup>1</sup>	1,869	75.1 %	632	128.5 %	1,236	56.5 %	5,547	59.8 %	1,968	105.1 %	3,579	42.7 %
Net consumer online sales <sup>1</sup>	2,604	84.2 %	632	128.5 %	1,972	73.4 %	7,576	67.4 %	1,968	105.1 %	5,608	57.4 %
Operating income (loss)	16	(97.7) %	(417)	NM <sup>2</sup>	481	46.5 %	2,191	(16.6) %	1,006	(43.0) %	1,380	21.4 %
Operating margin	0.1 %	(4.2)pts	(3.6)%	NM <sup>2</sup>	5.9 %	1.2 pts	2.9 %	(1.1)pts	2.2 %	(2.0)pts	4.7 %	0.4 pts
Underlying operating income	811	10.8 %	442	7.9 %	418	18.4 %	3,594	31.2 %	2,466	45.5 %	1,325	10.3 %
Underlying operating margin <sup>1</sup>	4.1 %	(0.3)pts	3.9 %	(0.4)pts	5.1 %	0.1 pts	4.8 %	0.6 pts	5.4 %	1.1 pts	4.5 %	(0.1)pts
Diluted EPS	(0.01)	NM <sup>2</sup>					1.30	(16.8) %				
Diluted underlying EPS <sup>1</sup>	0.53	7.3 %					2.26	35.3 %				
Free cash flow	262	(73.1) %					2,199	22.2 %				

1. For comparable information on a pro forma 13/52-week basis, refer to section [Pro forma information: financial data on a 13/52-week basis](#) in this press release.

2. Not meaningful, as operating income in the U.S. was a loss and diluted underlying EPS was negative in Q4 2020.

**Comments from Frans Muller, President and CEO of Ahold Delhaize**

"In 2020, the effects of COVID-19 and social unrest deeply impacted the communities we serve, and created unprecedented challenges for the Ahold Delhaize brands. Despite these challenges, the hundreds of thousands of associates across all our brands, distribution centers, and support offices demonstrated courage and care in protecting the safety of our stores and distribution centers, while providing great customer service and community support. I would like to once again thank each and every one of them for their tremendous efforts in 2020.

"To support the efforts of associates across our brands and businesses, we made significant investments in additional safety measures, enhanced associate pay and benefits, and substantial charitable donations, which resulted in approximately €210 million in COVID-19-related costs in the fourth quarter, and a total of approximately €680 million in 2020. We also committed to contribute over €1.4 billion to improve the security of pension benefits for associates and reduce financial risk for Giant Food and Stop & Shop. In addition, we shifted capital expenditure spending in 2020 to accelerate investments in digital and omnichannel capabilities. As a result of these combined efforts, we believe we ended 2020 in a strategically stronger position than before the COVID-19 pandemic began. We remain focused on making additional investments, as needed, to meet associate, customer and community needs – including continued support of health and safety, which remains a top priority to enable us to further strengthen our brands' positions as leading local omnichannel retailers, now and in the future.

"We are pleased with the underlying Q4 performance in both the U.S. and Europe. Our leading local omnichannel platform generated nearly 130% net consumer online sales growth in the U.S. and nearly 75% growth in Europe in the quarter, at constant exchange rates. This strong Q4 performance allowed us to exceed our underlying EPS outlook and produce €2.2 billion in free cash flow in 2020, despite significant payments to withdraw or improve the security of pension plans in the U.S. and the Netherlands, and our accelerated investments in digital and omnichannel capabilities.

"Last quarter, we outlined plans to invest in our business to solidify our position as an industry-leading local omnichannel retailer in 2021 and beyond in order to increase our share of the consumer wallet, and find ways to improve our online productivity. Since then, we continued to bring to life, and build upon, several important initiatives, including significantly increasing our online capacity, driven in part by opening over 1,130 U.S. click-and-collect locations to date; launching the GIANT Company Choice Pass on January 19th, which offers unlimited free grocery delivery and pickup with an annual membership fee of \$98; and rolling out the no-fee home delivery service AH Compact to additional markets in the Netherlands. We are also exceeding the key multi-year financial targets we outlined at our 2018 Capital Markets Day. As a result, we feel increasingly confident about our prospects in 2021 and beyond, and are now setting more ambitious targets in several key areas of our business, which include:

- Group net consumer online sales grew to €7.6 billion in 2020, exceeding our target of €7 billion one year early. This includes bol.com net consumer online sales of €4.3 billion in 2020, which surpassed our target of €3.5 billion, also one year early. With increased capacity and continued momentum, we now expect Group net consumer online sales to grow over 30% in 2021, which includes over 60% growth in U.S. online sales and achieving a new target of at least €5 billion in net consumer online sales at bol.com.
- Improving online productivity across all of our brands is one of our highest priorities for 2021 and beyond. We will accelerate U.S. online grocery fulfillment productivity growth through end-to-end improvement of processes, systems, operating practices and innovation, beginning in 2021 and continuing through the end of 2022, which should result in a lower cost to serve. To improve efficiency even further, we will open an additional micro-fulfillment center with Autostore/Swisslog inside of a new omnichannel fulfillment center in Philadelphia in Q4 2021. In both the U.S. and Europe, we will utilize technology to improve route optimization in order to reduce last-mile costs. At bol.com, we are pleased with the team's ability to drive positive operating profits and double-digit return on capital in 2020, and we expect this to continue in 2021.

- We are raising our cumulative cost savings target for 2019-2021 to €2.3 billion, up from our previous target of €1.9 billion. We achieved €844 million in cost savings in 2020 and expect to achieve at least €750 million in additional cost savings in 2021, which is above our previous annual targets of €600 million for both years. These cost savings efforts will enable our brands to invest in providing more value and convenience to customers, and help us mitigate cost pressures in the business, which we expect will lead to a solid Group underlying operating margin profile in 2021, which is expected to be at least 4%.

"Importantly, for the benefit of all our stakeholders, we aim to strike the appropriate balance between investing in the health and safety of associates and customers, supporting our local communities, prioritizing environmental, social, and governance (ESG) initiatives, and returning capital to shareholders. We therefore propose a cash dividend of €0.90 for the financial year 2020, an increase of 18.4% compared to 2019, reflecting our ambition to sustainably grow our dividend per share. This represents a payout ratio of 40%, based on the expected dividend payment on underlying income from continuing operations on a comparable 52-week period."

### **Continued progress on initiatives to solidify position as industry-leading local omnichannel retailer in 2021+**

Ahold Delhaize will continue to solidify its position as industry-leading local omnichannel retailer in 2021 and beyond, concentrating on (1) significantly stepping up online capacity, supply chain and technological capabilities; (2) advancing omnichannel offerings to customers; and (3) addressing the call to action in ESG. We would like to highlight the following initiatives, which add to and build upon many of the initiatives announced in Q3 2020:

#### **Continuing to solidify our position as an industry-leading local omnichannel retailer in 2021+**

- \* *We will expand our reach to additional customers in the New York trade area, adding incremental sales in the U.S., with the acquisition of Fresh Direct, an online grocer based in New York City, which closed on January 5, 2021.*
- \* *The acquisition of 39 stores from Deen Supermarkets in the Netherlands will expand our reach to additional customers in the region. The deal is expected to close in the second half of 2021.*
- \* *We will continue to optimize our fulfillment capabilities, while maintaining the flexibility to adapt with the marketplace; to this end, we announced a new partnership with Autostore/Swisslog to open a micro-fulfillment center inside of a new omnichannel fulfillment center in Philadelphia in Q4 2021.*
- \* *Albert Heijn expanded its "AH Compact" no-fee home delivery service targeting smaller households to additional markets in the Netherlands, with plans to expand to more markets in 2021.*
- \* *In November, Ahold Delhaize was recognized as a world leader in the Food and Staples Retailing sector according to the 2020 Dow Jones Sustainability World Index (DJSI World), based on climbing to the #1 position in the U.S./Europe and #2 globally in the S&P Global CSA. Our score of 83 out of 100 was a 14-point improvement on 2019 and well above the industry average of 31 points.*
- \* *We are committed to science-based targets for 2030 to halve carbon emissions from our operations and reduce value chain emissions by 15%. The Company achieved 17% emissions reduction from own operations in 2020 compared to 2018.*
- \* *In January, Albert Heijn announced it halved carbon emissions per store since 2008 and switched to 100% Dutch wind energy.*

**Continuing to solidify our position as an industry-leading local omnichannel retailer in 2021+**

- \* U.S. is partnering with HowGood to bring customers an easy-to-use environmental and social impact rating system. Giant Food, The GIANT Company, and Stop & Shop began to offer the rating system to customers shopping online last week.
- \* U.S. brands joined the CEO Action for Diversity & Inclusion program, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.
- \* U.S. brands were recognized as "Best Places to Work for LGBTQ+ Equality," receiving a perfect score on the Human Rights Campaign Foundation's 2021 Corporate Equality Index.
- \* In December, we closed a €1 billion sustainability-linked revolving credit facility. The facility draws a connection between its cost of borrowing and the achievement of the Company's ambitions to reduce food waste, reduce carbon emissions, and promote healthier eating as measured by percentage of own-brand food sales from healthy products.

**Q4 Financial highlights**

Group net sales were €19.6 billion, up 12.8%, or 18.0% at constant exchange rates, driven largely by 11.0% comparable sales growth excluding gasoline. Group comparable sales were positively impacted by demand related to COVID-19. Group net consumer online sales grew 84.2% in Q4 at constant exchange rates. Group underlying operating margin in Q4 was 4.1%, down 0.3 percentage points from the prior year at constant exchange rates. Underlying operating margin was impacted by significant costs related to COVID-19, which amounted to approximately €210 million in Q4, a planned pension expense increase in the Netherlands, transition expenses related to the U.S. supply chain transformation initiative, and other one-time items in the U.S. These impacts were partly offset by a margin benefit of 0.2 percentage points from the calendar effect of a 14-week quarter, compared to 13-week quarter in 2019. Group IFRS-reported operating margin was 0.1% in Q4, impacted by the U.S. multi-employer pension plan withdrawal and settlement agreements.

U.S. comparable store sales excluding gasoline grew 11.2%, due largely to the COVID-19 outbreak. Brand performance was strong across the board. Online sales in the segment were up 128.5% in constant currency. Underlying operating margin in the U.S. was 3.9%, down 0.4 percentage points from the prior year at constant exchange rates, impacted by significant costs related to COVID-19. One-time items and the previously announced transition expenses related to the U.S. supply chain transformation initiative also unfavorably impacted margins by 0.5 percentage points. These impacts were partly offset by a margin benefit of 0.4 percentage points from the calendar effect of a 14-week quarter, compared to 13-week quarter in 2019.

Europe's comparable sales excluding gasoline grew 10.6%, positively impacted by demand related to COVID-19. Net consumer online sales in the segment were up 73.4%. Underlying operating margin in Europe was 5.1%, up 0.1 percentage points from the prior year at constant exchange rates. Operating leverage from higher sales growth was offset in part by higher costs related to COVID-19 as well as €11 million of pension expense in the Netherlands during the quarter. There was a margin benefit of 0.1 percentage points from the calendar effect of a 14-week quarter, compared to a 13-week quarter in 2019.

At bol.com, the online retail platform in the Benelux included within the Europe segment's results, net consumer sales grew by 69.6%. Bol.com's sales from third-party sellers grew 110% in the quarter, with over 41,000 merchant partners on the platform.

Underlying income from continuing operations was €561 million, down 1.0% in the quarter. Ahold Delhaize's net loss was €9 million, down in the quarter due primarily to previously announced provisions for U.S. multi-employer pension plan withdrawal and settlement agreements, which amounted to €841 million. Diluted EPS was €(0.01) and diluted underlying EPS was €0.53, up 2.8%. In the quarter, 12.3 million shares were purchased for €296 million, bringing the total amount to €1,001 million in 2020.

## **Outlook**

COVID-19 continues to create significant uncertainty in 2021. In addition, COVID-19, and to a smaller extent, a 53-week calendar, significantly distorted Ahold Delhaize's 2020 financial results. Lapping these effects will impact 2021 results, which returns to a 52-week calendar.

In 2021, underlying operating margin is expected to be at least 4%. This outlook reflects a balanced approach with cost savings largely offsetting cost pressures. As there continues to be significant uncertainty due to COVID-19, a more specific range is not provided.

Underlying EPS is expected to grow by mid- to high-single digits relative to 2019. Management believes that framing 2021 underlying EPS guidance relative to 2019, which was prior to COVID-19 and also on a 52-week calendar, provides a helpful context.

Free cash flow is expected to be approximately €1.6 billion. This puts the Company on track to reach €5.6 billion in cumulative free cash flow from 2019-2021 (averaging nearly €1.9 billion annually), which exceeds the Capital Markets Day 2018 target of €5.4 billion (averaging €1.8 billion annually). Capital expenditure is expected to be around €2.2 billion, and reflects the Company's accelerated investments in digital and omnichannel capabilities and investments needed to improve recent M&A operations and capabilities. In addition, Ahold Delhaize remains committed to its dividend policy and share buyback program in 2021, as previously stated.

	Full-year outlook	Underlying operating margin <sup>1</sup>	Underlying EPS	Save for Our Customers	Capital expenditures	Free cash flow <sup>2</sup>	Dividend payout ratio <sup>3,4</sup>	Share buyback <sup>4</sup>
<b>Updated outlook</b>	<b>2021</b>	<b>At least 4%</b>	<b>Mid- to high-single-digit growth vs. 2019</b>	<b>&gt; €750 million</b>	<b>~ €2.2 billion</b>	<b>~ €1.6 billion</b>	<b>40-50% year-over-year increase in dividend per share</b>	<b>€1 billion</b>

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. The margin includes a dilution of \$50 million in transition expenses from the U.S. supply chain initiative.*
2. *Excludes M&A.*
3. *Calculated as a percentage of underlying income from continuing operations.*
4. *Management remains committed to the share buyback and dividend program, but given the uncertainty caused by COVID-19, they will continue to monitor macroeconomic developments. The program is also subject to changes in corporate activities, such as material M&A activity.*

## **Pro forma information: financial data on a 13/52-week basis**

Considering that the financial year consisted of 53 weeks in 2020, compared with 52 weeks in 2019, with the last quarter of 2020 having 14 weeks, compared to 13 weeks in 2019, Ahold Delhaize has prepared pro forma information in order to provide a comparable base for the results. The pro forma information presented below is intended to provide comparable information on a 13-week basis for the fourth quarter and 52-week basis for the full year of 2020 versus 2019.

This pro forma information represents an estimate of the results related to a 13-week period for Q4 2020 and a 52-week period for the full-year 2020, and is calculated by deducting the estimated results related to the 53rd week of 2020 from the reported results for the fourth quarter and the full-year 2020, as presented in the other sections of this press release.

€ million, except per share data	Pro forma information											
	Ahold Delhaize Group		The United States		Europe		Ahold Delhaize Group		The United States		Europe	
	Q4 2020	% change constant rates	Q4 2020	% change constant rates	Q4 2020	% change constant rates	2020	% change constant rates	2020	% change constant rates	2020	% change constant rates
(13 weeks 2020 vs. 2019)												(52 weeks 2020 vs. 2019)
Net sales	18,415	10.9 %	10,627	10.3 %	7,788	11.6 %	73,551	12.4 %	44,673	13.4 %	28,879	10.6 %
Online sales	1,743	63.4 %	581	109.5 %	1,163	47.2 %	5,422	56.2 %	1,916	99.4 %	3,506	39.8 %
Net consumer online sales	2,428	71.7 %	581	109.5 %	1,848	62.5 %	7,400	63.5 %	1,916	99.4 %	5,483	53.9 %
Underlying operating margin	3.9 %	(0.5)pts	3.5 %	(0.8)pts	5.0 %	— pts	4.8 %	0.6 pts	5.4 %	1.0 pts	4.5 %	(0.1)pts
Diluted underlying EPS	0.47	(6.0) %					2.20	31.4 %				

## Group performance

€ million, except per share data	Q4 2020	Q4 2019	% change	% change constant rates	2020	2019	% change	% change constant rates
	(14 weeks)	(13 weeks)			(53 weeks)	(52 weeks)		
Net sales <sup>1</sup>	19,600	17,378	12.8 %	18.0 %	74,736	66,260	12.8 %	14.2 %
Of which: online sales <sup>1</sup>	1,869	1,088	71.7 %	75.1 %	5,547	3,493	58.8 %	59.8 %
Net consumer online sales <sup>1,2</sup>	2,604	1,435	81.4 %	84.2 %	7,576	4,547	66.6 %	67.4 %
Operating income	16	749	(97.8)%	(97.7)%	2,191	2,662	(17.7)%	(16.6)%
Income (loss) from continuing operations	(9)	544	NM <sup>3</sup>	NM <sup>3</sup>	1,397	1,767	(20.9)%	(19.7)%
Net income (loss)	(9)	544	NM <sup>3</sup>	NM <sup>3</sup>	1,397	1,766	(20.9)%	(19.7)%
Basic income per share from continuing operations (EPS)	(0.01)	0.50	NM <sup>3</sup>	NM <sup>3</sup>	1.31	1.60	(17.9)%	(16.7)%
Diluted income per share from continuing operations (diluted EPS)	(0.01)	0.50	NM <sup>3</sup>	NM <sup>3</sup>	1.30	1.59	(18.0)%	(16.8)%
Underlying EBITDA <sup>2</sup>	1,529	1,476	3.6 %	8.4 %	6,435	5,510	16.8 %	18.3 %
Underlying EBITDA margin <sup>2</sup>	7.8 %	8.5 %			8.6 %	8.3 %		
Underlying operating income <sup>2</sup>	811	765	6.0 %	10.8 %	3,594	2,777	29.4 %	31.2 %
Underlying operating margin <sup>1,2</sup>	4.1 %	4.4 %			4.8 %	4.2 %		
Underlying income per share from continuing operations – basic (underlying EPS) <sup>2</sup>	0.53	0.52	2.8 %	7.3 %	2.28	1.71	33.4 %	35.4 %
Underlying income per share from continuing operations – diluted (diluted underlying EPS) <sup>1,2</sup>	0.53	0.52	2.8 %	7.3 %	2.26	1.70	33.3 %	35.3 %
Free cash flow <sup>2</sup>	262	1,008	(74.1)%	(73.1)%	2,199	1,843	19.3 %	22.2 %

- For comparable information on a pro forma 13/52-week basis, refer to section [Pro forma information: financial data on a 13/52-week basis](#) in this press release.
- Net consumer online sales, underlying EBITDA, underlying operating income, basic and diluted underlying income per share from continuing operations and free cash flow are alternative performance measures that are used throughout the report. For a description of alternative performance measures, refer to section [Alternative performance measures](#) in this press release.
- Not meaningful as income from continuing operations and net income were losses, and EPS and diluted EPS were negative in Q4 2020.

## Performance by segment

### The United States

	Q4 2020 (14 weeks)	Q4 2019 (13 weeks)	% change	% change constant rates	2020 (53 weeks)	2019 (52 weeks)	% change	% change constant rates
\$ million								
Net sales	13,623	11,473	18.7 %		51,838	44,841	15.6 %	
Of which: online sales	755	330	128.5 %		2,259	1,101	105.1 %	
€ million								
Net sales <sup>1</sup>	11,425	10,368	10.2 %	18.7 %	45,470	40,066	13.5 %	15.6 %
Of which: online sales <sup>1</sup>	632	299	111.9 %	128.5 %	1,968	985	99.8 %	105.1 %
Operating income (loss)	(417)	443	NM <sup>2</sup>	NM <sup>2</sup>	1,006	1,668	(39.7)%	(43.0)%
Underlying operating income	442	442	0.2 %	7.9 %	2,466	1,712	44.1 %	45.5 %
Underlying operating margin <sup>1</sup>	3.9 %	4.3 %			5.4 %	4.3 %		
Comparable sales growth	10.3 %	2.1 %			13.3 %	1.1 %		
Comparable sales growth excluding gasoline	11.2 %	2.3 %			14.4 %	1.4 %		

1. For comparable information on a pro forma 13/52-week basis, refer to section [Pro forma information: financial data on a 13/52-week basis](#) in this press release.

2. Not meaningful as operating income was a loss in Q4 2020.

### Europe

€ million	Q4 2020 (14 weeks)	Q4 2019 (13 weeks)	% change	% change constant rates	2020 (53 weeks)	2019 (52 weeks)	% change	% change constant rates
Net sales <sup>1</sup>								
Net sales <sup>1</sup>	8,175	7,010	16.6 %	17.1 %	29,266	26,194	11.7 %	12.1 %
Of which: online sales <sup>1</sup>	1,236	790	56.5 %	56.5 %	3,579	2,508	42.7 %	42.7 %
Net consumer online sales <sup>1</sup>	1,972	1,137	73.4 %	73.4 %	5,608	3,562	57.4 %	57.4 %
Operating income	481	329	46.0 %	46.5 %	1,380	1,140	21.1 %	21.4 %
Underlying operating income	418	354	18.0 %	18.4 %	1,325	1,205	9.9 %	10.3 %
Underlying operating margin <sup>1</sup>	5.1 %	5.1 %			4.5 %	4.6 %		
Comparable sales growth	10.6 %	3.3 %			9.5 %	2.7 %		
Comparable sales growth excluding gasoline	10.6 %	3.3 %			9.6 %	2.7 %		

1. For comparable information on a pro forma 13/52-week basis, refer to section [Pro forma information: financial data on a 13/52-week basis](#) in this press release.

### Global Support Office

€ million	Q4 2020 (14 weeks)	Q4 2019 (13 weeks)	% change	% change constant rates	2020 (53 weeks)	2019 (52 weeks)	% change	% change constant rates
Underlying operating loss	(49)	(31)	60.5 %	60.1 %	(197)	(140)	41.0 %	41.1 %
Underlying operating loss excluding insurance results	(53)	(45)	19.1 %	21.1 %	(158)	(143)	10.2 %	10.8 %

In the quarter, underlying Global Support Office costs were €49 million, which was €19 million higher than the prior year, partly as a result of the negative impact of €10 million from insurance. The insurance results reflect mainly the unfavorable discounting effect on the Company's insurance provision.

## Dividend per share

Ahold Delhaize's policy is to target a dividend payout ratio range of 40-50% of its underlying income from continuing operations. The payout ratio is assessed on a 52-week year basis to permit a sustainable comparable year-on-year dividend per share growth. As part of our dividend policy, we adjust income from continuing operations for impairment losses and reversals – net, gains (losses) on leases and the sale of assets – net, restructuring and related charges, and other unusual items. Underlying income from continuing operations for 52 weeks amounted to an estimated €2,358 million in 2020 and €1,888 million in 2019, respectively.

We propose a cash dividend of €0.90 per share for the financial year 2020, an increase of 18.4% compared to 2019, reflecting our ambition to sustainably grow the dividend per share. This represents a payout ratio of 40% of underlying income from continuing operations for 52 weeks.

If approved by the General Meeting of Shareholders, a final dividend of €0.40 per share will be paid on April 29, 2021. This is in addition to the interim dividend of €0.50 per share, which was paid on August 27, 2020. The total dividend payment for the full year 2020 would, therefore, total €0.90 per share.

The interim dividend per share for 2021 will be announced on August 11, 2021, the date of the release of the second quarter results, and will be equal to 40% of the year-to-date underlying income per share from continuing operations.

**Consolidated income statement**

	Q4 2020 (14 weeks)	Q4 2019 (13 weeks)	2020 (53 weeks)	2019 (52 weeks)
€ million, except per share data				
Net sales	19,600	17,378	74,736	66,260
Cost of sales	(14,238)	(12,629)	(54,053)	(48,200)
<b>Gross profit</b>	<b>5,362</b>	<b>4,749</b>	<b>20,683</b>	<b>18,060</b>
Selling expenses	(3,805)	(3,408)	(14,374)	(13,021)
General and administrative expenses	(1,540)	(592)	(4,118)	(2,377)
Total operating expenses	(5,345)	(4,000)	(18,492)	(15,397)
<b>Operating income</b>	<b>16</b>	<b>749</b>	<b>2,191</b>	<b>2,662</b>
Interest income	6	13	35	65
Interest expense	(37)	(37)	(138)	(175)
Net interest expense on defined benefit pension plans	(4)	(4)	(16)	(18)
Interest accretion to lease liability	(87)	(93)	(357)	(366)
Other financial income (expense)	10	(10)	(9)	(35)
Net financial expenses	(111)	(132)	(485)	(528)
<b>Income (loss) before income taxes</b>	<b>(94)</b>	<b>617</b>	<b>1,706</b>	<b>2,134</b>
Income taxes	80	(96)	(331)	(417)
Share in income of joint ventures	5	22	22	50
<b>Income (loss) from continuing operations</b>	<b>(9)</b>	<b>544</b>	<b>1,397</b>	<b>1,767</b>
Income (loss) from discontinued operations	—	—	—	(1)
<b>Net income (loss) attributable to common shareholders</b>	<b>(9)</b>	<b>544</b>	<b>1,397</b>	<b>1,766</b>
Net income (loss) per share attributable to common shareholders				
Basic	(0.01)	0.50	1.31	1.60
Diluted	(0.01)	0.50	1.30	1.59
Income (loss) from continuing operations per share attributable to common shareholders				
Basic	(0.01)	0.50	1.31	1.60
Diluted	(0.01)	0.50	1.30	1.59
Weighted average number of common shares outstanding (in millions)				
Basic	1,052	1,092	1,067	1,107
Diluted	1,057	1,097	1,072	1,112
Average U.S. dollar exchange rate (euro per U.S. dollar)	0.8388	0.9037	0.8770	0.8934

**Consolidated statement of comprehensive income**

€ million	Q4 2020 (14 weeks)	Q4 2019 (13 weeks)	2020 (53 weeks)	2019 (52 weeks)
<b>Net income (loss)</b>	<b>(9)</b>	<b>544</b>	<b>1,397</b>	<b>1,766</b>
Remeasurements of defined benefit pension plans				
Remeasurements before taxes – income (loss)	(75)	67	(108)	(76)
Income taxes	17	(14)	25	18
Other comprehensive income (loss) that will not be reclassified to profit or loss	(58)	53	(83)	(58)
Currency translation differences in foreign interests:				
Continuing operations	(501)	(221)	(999)	241
Income taxes	(1)	(1)	1	(2)
Cash flow hedges:				
Fair value result for the period	—	—	—	(5)
Transfers to net income	—	—	1	3
Income taxes	—	—	—	1
Non-realized gains (losses) on debt and equity instruments:				
Fair value result for the period	—	—	(1)	—
Other comprehensive income (loss) reclassifiable to profit or loss	(503)	(221)	(997)	238
<b>Total other comprehensive income (loss)</b>	<b>(561)</b>	<b>(167)</b>	<b>(1,080)</b>	<b>180</b>
<b>Total comprehensive income (loss) attributable to common shareholders</b>	<b>(570)</b>	<b>376</b>	<b>316</b>	<b>1,945</b>
Attributable to:				
Continuing operations	(570)	376	316	1,946
Discontinued operations	—	—	—	(1)
<b>Total comprehensive income (loss) attributable to common shareholders</b>	<b>(570)</b>	<b>376</b>	<b>316</b>	<b>1,945</b>

## Consolidated balance sheet

€ million	January 3, 2021	December 29, 2019
<b>Assets</b>		
Property, plant and equipment	10,696	10,519
Right-of-use asset	7,455	7,308
Investment property	739	883
Intangible assets	11,565	12,060
Investments in joint ventures and associates	227	229
Other non-current financial assets	705	661
Deferred tax assets	323	213
Other non-current assets	53	49
<b>Total non-current assets</b>	<b>31,764</b>	<b>31,920</b>
Assets held for sale	19	67
Inventories	3,245	3,347
Receivables	1,975	1,905
Other current financial assets	360	317
Income taxes receivable	58	39
Prepaid expenses	337	178
Cash and cash equivalents	2,933	3,717
<b>Total current assets</b>	<b>8,928</b>	<b>9,570</b>
<b>Total assets</b>	<b>40,692</b>	<b>41,490</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to common shareholders</b>	<b>12,432</b>	<b>14,083</b>
Loans	3,863	3,841
Other non-current financial liabilities	8,905	8,716
Pensions and other post-employment benefits	1,235	677
Deferred tax liabilities	664	786
Provisions	718	724
Other non-current liabilities	63	74
<b>Total non-current liabilities</b>	<b>15,448</b>	<b>14,818</b>
Accounts payable	6,795	6,311
Other current financial liabilities	2,386	3,257
Income taxes payable	128	82
Provisions	378	349
Other current liabilities	3,125	2,591
<b>Total current liabilities</b>	<b>12,812</b>	<b>12,590</b>
<b>Total equity and liabilities</b>	<b>40,692</b>	<b>41,490</b>
Year-end U.S. dollar exchange rate (euro per U.S. dollar)	0.8187	0.8947

**Consolidated statement of changes in equity**

€ million	Share capital	Additional paid-in capital	Currency translation reserve	Cash flow hedging reserve	Other reserves including retained earnings	Equity attributable to common shareholders
<b>Balance as of December 30, 2018</b>	<b>12</b>	<b>13,999</b>	<b>(80)</b>	<b>(2)</b>	<b>276</b>	<b>14,205</b>
Net income attributable to common shareholders	—	—	—	—	1,766	<b>1,766</b>
Other comprehensive income (loss)	—	—	239	(1)	(58)	<b>180</b>
Total comprehensive income (loss) attributable to common shareholders	—	—	239	(1)	1,708	<b>1,945</b>
Dividends	—	—	—	—	(1,114)	<b>(1,114)</b>
Share buyback	—	—	—	—	(1,002)	<b>(1,002)</b>
Cancellation of treasury shares	(1)	(1,753)	—	—	1,753	—
Share-based payments	—	—	—	—	47	<b>47</b>
Other items	—	—	—	—	1	<b>1</b>
<b>Balance as of December 29, 2019</b>	<b>11</b>	<b>12,246</b>	<b>159</b>	<b>(3)</b>	<b>1,670</b>	<b>14,083</b>
Net income attributable to common shareholders	—	—	—	—	1,397	<b>1,397</b>
Other comprehensive income (loss)	—	—	(997)	1	(84)	<b>(1,080)</b>
Total comprehensive income (loss) attributable to common shareholders	—	—	(997)	1	1,313	<b>316</b>
Dividends	—	—	—	—	(1,026)	<b>(1,026)</b>
Share buyback	—	—	—	—	(1,001)	<b>(1,001)</b>
Share-based payments	—	—	—	—	61	<b>61</b>
Other items	—	—	—	—	(1)	<b>(1)</b>
<b>Balance as of January 3, 2021</b>	<b>11</b>	<b>12,246</b>	<b>(839)</b>	<b>(3)</b>	<b>1,016</b>	<b>12,432</b>

**Consolidated statement of cash flow**

€ million	Q4 2020 (14 weeks)	Q4 2019 (13 weeks)	2020 (53 weeks)	2019 (52 weeks)
<b>Income (loss) from continuing operations</b>	(9)	544	1,397	1,767
Adjustments for:				
Net financial expenses	111	132	485	528
Income taxes	(80)	96	331	417
Share in income of joint ventures	(5)	(22)	(22)	(50)
Depreciation, amortization and impairments	733	751	2,892	2,848
(Gains) losses on leases and the sale of assets / disposal groups held for sale	(10)	(31)	(64)	(53)
Share-based compensation expenses	17	4	59	51
Operating cash flows before changes in operating assets and liabilities	756	1,473	5,078	5,508
Changes in working capital:				
Changes in inventories	49	(14)	(89)	(104)
Changes in receivables and other current assets	(264)	(190)	(301)	(107)
Changes in payables and other current liabilities	915	737	1,319	535
Changes in other non-current assets, other non-current liabilities and provisions	161	(27)	821	(25)
Cash generated from operations	1,617	1,978	6,828	5,807
Income taxes paid – net	(93)	(24)	(486)	(358)
Operating cash flows from continuing operations	1,525	1,954	6,343	5,449
<b>Net cash from operating activities</b>	<b>1,525</b>	<b>1,954</b>	<b>6,343</b>	<b>5,449</b>
Purchase of non-current assets	(834)	(657)	(2,659)	(2,218)
Divestments of assets / disposal groups held for sale	17	77	108	144
Acquisition of businesses, net of cash acquired	—	(20)	(4)	(43)
Divestment of businesses, net of cash divested	(1)	(1)	(3)	(11)
Changes in short-term deposits and similar instruments	197	88	(60)	253
Dividends received from joint ventures	1	20	16	36
Interest received	4	10	24	56
Lease payments received on lease receivables	24	25	99	94
Other	7	—	3	1
Investing cash flows from continuing operations	(586)	(457)	(2,475)	(1,687)
<b>Net cash from investing activities</b>	<b>(586)</b>	<b>(457)</b>	<b>(2,475)</b>	<b>(1,687)</b>
Proceeds from long-term debt	10	—	507	596
Interest paid	(50)	(50)	(149)	(189)
Repayments of loans	(6)	(41)	(438)	(656)
Changes in short-term loans	(3,350)	(521)	(556)	689
Repayment of lease liabilities	(424)	(371)	(1,584)	(1,530)
Dividends paid on common shares	—	—	(1,026)	(1,114)
Share buyback	(296)	(228)	(1,001)	(1,002)
Other cash flows from derivatives	—	—	2	(5)
Other	1	—	(6)	(17)
Financing cash flows from continuing operations	(4,115)	(1,211)	(4,251)	(3,227)
<b>Net cash from financing activities</b>	<b>(4,115)</b>	<b>(1,211)</b>	<b>(4,251)</b>	<b>(3,227)</b>
<b>Net cash from operating, investing and financing activities</b>	<b>(3,176)</b>	<b>286</b>	<b>(383)</b>	<b>535</b>
Cash and cash equivalents at the beginning of the period (excluding restricted cash)	6,289	3,453	3,701	3,110
Effect of exchange rates on cash and cash equivalents	(202)	(38)	(408)	56
<b>Cash and cash equivalents at the end of the period (excluding restricted cash)</b>	<b>2,910</b>	<b>3,701</b>	<b>2,910</b>	<b>3,701</b>
Average U.S. dollar exchange rate (euro per U.S. dollar)	0.8388	0.9037	0.8770	0.8934

## Alternative performance measures

This press release includes alternative performance measures (also known as non-GAAP measures). The descriptions of these alternative performance measures are included in *Definitions: Performance measures* in Ahold Delhaize's Annual Report 2019.

### Basic and diluted underlying income per share from continuing operations

As of the first quarter of 2020, both the basic and diluted underlying income per share from continuing operations has been disclosed. The updated definition is provided below.

Underlying income per share from continuing operations is calculated as underlying income from continuing operations, divided by the weighted average number of shares outstanding, also referred to as "underlying earnings per share" or "underlying EPS." Diluted underlying income per share from continuing operations is calculated as diluted underlying income from continuing operations, divided by the diluted weighted average number of common shares outstanding, also referred to as "diluted underlying EPS."

### Free cash flow

€ million	Q4 2020	Q4 2019	2020	2019
Operating cash flows from continuing operations before changes in working capital and income taxes paid	917	1,446	5,899	5,483
Changes in working capital	700	532	929	325
Income taxes paid – net	(93)	(24)	(486)	(358)
Purchase of non-current assets	(834)	(657)	(2,659)	(2,218)
Divestments of assets / disposal groups held for sale	17	77	108	144
Dividends received from joint ventures	1	20	16	36
Interest received	4	10	24	56
Interest paid	(50)	(50)	(149)	(189)
Lease payments received on lease receivables	24	25	99	94
Repayment of lease liabilities	(424)	(371)	(1,584)	(1,530)
<b>Free cash flow</b>	<b>262</b>	<b>1,008</b>	<b>2,199</b>	<b>1,843</b>

In Q4 2020, free cash flow was €262 million, which represents a decrease of €747 million compared to Q4 2019, mainly driven by lower operating cash flow of €529 million impacted by payments related to pension plan withdrawals and incremental pension funding payments of €592 million, higher net investments of €238 million, higher income taxes paid of €69 million and higher net lease repayments of €54 million, which were partly offset by positive development in working capital of €168 million. The higher income taxes were mainly driven by higher taxable income in the U.S. and timing of payments.

Free cash flow for the full year 2020 was €2,199 million, or €355 million higher than last year. This increase is mainly the result of higher operating cash flow of €416 million and an improvement in working capital of €605 million, partly offset by higher net investments of €476 million, higher income taxes paid of €128 million and higher net lease repayments of €50 million. The operating cash flow includes payments related to pension plan withdrawals and incremental pension funding payments of €609 million.

### Net debt

€ million	January 3, 2021	September 27, 2020	December 29, 2019
Loans	3,863	3,948	3,841
Lease liabilities	8,442	8,435	8,484
Non-current portion of long-term debt	12,305	12,383	12,325
Short-term borrowings and current portion of long-term debt	2,249	5,772	3,119
Gross debt	14,554	18,154	15,445
Less: cash, cash equivalents, short-term deposits and similar instruments <sup>1, 2, 3, 4</sup> and short-term portion of investments in debt instruments <sup>1, 2, 3, 4</sup>	3,119	6,709	3,863
<b>Net debt</b>	<b>11,434</b>	<b>11,445</b>	<b>11,581</b>

1. Short-term deposits and similar instruments include investments with a maturity of between three and 12 months. The balance of these instruments at January 3, 2021, was €58 million (September 27, 2020: €264 million, December 29, 2019: €15 million) and is presented within Other current financial assets in the consolidated balance sheet.
2. Included in the short-term portion of investments in debt instruments is a U.S. treasury investment fund in the amount of €129 million (September 27, 2020: €137 million, December 29, 2019: €130 million).
3. Book overdrafts, representing the excess of total issued checks over available cash balances within the Group cash concentration structure, are classified in accounts payable and do not form part of net debt. This balance at January 3, 2021, was €441 million (September 27, 2020: €359 million, December 29, 2019: €277 million).
4. Cash and cash equivalents include an amount held under a notional cash pooling arrangement of €681 million (September 27, 2020: €3,870 million, December 29, 2019: €1,391 million). This cash amount is fully offset by an identical amount included under Short-term borrowings and current portion of long-term debt.

Net debt decreased in Q4 2020 by €11 million to €11,434 million, mainly as a result of the share buyback of €296 million, which was partially offset by the free cash flow of €262 million.

### Underlying EBITDA

€ million	Q4 2020	Q4 2019	2020	2019
<b>Underlying operating income</b>	<b>811</b>	<b>765</b>	<b>3,594</b>	<b>2,777</b>
Depreciation and amortization <sup>1</sup>	718	711	2,840	2,732
<b>Underlying EBITDA</b>	<b>1,529</b>	<b>1,476</b>	<b>6,435</b>	<b>5,510</b>

1. The difference between the total amount of depreciation and amortization for 2020 of €2,844 million (2019: €2,758 million) and the €2,840 million (2019: €2,732 million) mentioned here relates to items that were excluded from underlying operating income.

Underlying operating income increased in Q4 2020 by €46 million to €811 million, and was adjusted for the following items, which impacted reported operating income: impairments of €15 million (Q4 2019: €38 million); (gains) and losses on leases and the sale of assets of €(11) million (Q4 2019: €(32) million); and restructuring and related charges and other items of €791 million (Q4 2019: €10 million). The last item includes €841 million expense related to multi-employer pension plans in the U.S. and €107 million gain related to Dutch pension plan amendments. Including these items, operating income decreased by €733 million to €16 million.

For the full year 2020, underlying operating income of €3,594 million (2019: €2,777 million) was adjusted for the below items, in the amount of €1,404 million (2019: €115 million), which impacted reported operating income:

- Impairments of €48 million (2019: €89 million)
- (Gains) and losses on leases and the sale of assets of €(57) million (2019: €(53) million)
- Restructuring and related charges and other items of €1,413 million (2019: €78 million). This includes €1,418 million expense related to multi-employer pension plan withdrawal and settlement agreements in the U.S. related to four multi-employer plans, and €107 million gain related to Dutch pension plan amendments.

Including these items, operating income decreased by €472 million to €2,191 million.

## Underlying income from continuing operations

€ million, except per share data	Q4 2020	Q4 2019	2020	2019
<b>Income from continuing operations</b>	(9)	544	1,397	1,767
Adjustments to operating income	794	16	1,404	115
Unusual items in net financial expenses	—	13	—	37
Tax effect on adjusted and unusual items	(224)	(6)	(373)	(30)
<b>Underlying income from continuing operations</b>	<b>561</b>	<b>566</b>	<b>2,427</b>	<b>1,888</b>
<b>Underlying income from continuing operations for the purpose of diluted earnings per share</b>	<b>561</b>	<b>566</b>	<b>2,427</b>	<b>1,888</b>
Basic income (loss) per share from continuing operations <sup>1</sup>	(0.01)	0.50	1.31	1.60
Diluted income (loss) per share from continuing operations <sup>2</sup>	(0.01)	0.50	1.30	1.59
Underlying income per share from continuing operations – basic <sup>1</sup>	0.53	0.52	2.28	1.71
Underlying income per share from continuing operations – diluted <sup>2</sup>	0.53	0.52	2.26	1.70

1. Basic and underlying earnings per share from continuing operations are calculated by dividing the (underlying) income (loss) from continuing operations attributable to equity holders by the average numbers of shares outstanding. The weighted average number of shares used for calculating the basic and underlying earnings per share for Q4 2020 is 1,052 million (Q4 2019: 1,092 million).
2. The diluted earnings per share from continuing operations and diluted underlying EPS are calculated by dividing the diluted (underlying) income (loss) from continuing operations by the diluted weighted average number of shares outstanding. The diluted weighted average number of shares used for calculating the diluted underlying EPS for Q4 2020 is 1,057 million (Q4 2019: 1,097 million).

Losses from continuing operations were €9 million in Q4 2020, representing a decline of €553 million compared to last year. This follows mainly from the €733 million decrease in operating income, which was partly offset by lower income taxes of €176 million.

For the full year, income from continuing operations was €1,397 million, which was €370 million lower than last year. This mainly reflects the decrease in operating income of €472 million, which was partially offset by lower income taxes of €87 million.

## Segment reporting

### Q4 2020

€ million	The United States	Europe	Global Support Office	Ahold Delhaize Group
Net sales	11,425	8,175	—	19,600
Of which: online sales	632	1,236	—	1,869
Operating income (loss)	(417)	481	(48)	16
Impairment losses and reversals – net	8	7	—	15
(Gains) losses on leases and the sale of assets – net	(10)	(1)	—	(11)
Restructuring and related charges and other items	862	(69)	(2)	791
Adjustments to operating income	859	(63)	(2)	794
Underlying operating income (loss)	442	418	(49)	811

**Q4 2019**

€ million	The United States	Europe	Global Support Office	Ahold Delhaize Group
Net sales	10,368	7,010	—	<b>17,378</b>
Of which: online sales	299	790	—	<b>1,088</b>
Operating income (loss)	443	329	(23)	<b>749</b>
Impairment losses and reversals – net	32	6	—	<b>38</b>
(Gains) losses on leases and the sale of assets – net	(26)	(2)	(4)	<b>(32)</b>
Restructuring and related charges and other items	(7)	21	(4)	<b>10</b>
<i>Adjustments to operating income</i>	(1)	25	(7)	<b>16</b>
Underlying operating income (loss)	442	354	(31)	<b>765</b>

**Full year 2020**

€ million	The United States	Europe	Global Support Office	Ahold Delhaize Group
Net sales	45,470	29,266	—	<b>74,736</b>
Of which: online sales	1,968	3,579	—	<b>5,547</b>
Operating income (loss)	1,006	1,380	(195)	<b>2,191</b>
Impairment losses and reversals – net	27	21	—	<b>48</b>
(Gains) losses on leases and the sale of assets – net	(20)	(37)	—	<b>(57)</b>
Restructuring and related charges and other items	1,454	(39)	(2)	<b>1,413</b>
<i>Adjustments to operating income</i>	1,461	(56)	(2)	<b>1,404</b>
Underlying operating income (loss)	2,466	1,325	(197)	<b>3,594</b>

**Full year 2019**

€ million	The United States	Europe	Global Support Office	Ahold Delhaize Group
Net sales	40,066	26,194	—	<b>66,260</b>
Of which: online sales	985	2,508	—	<b>3,493</b>
Operating income (loss)	1,668	1,140	(146)	<b>2,662</b>
Impairment losses and reversals – net	67	22	—	<b>89</b>
(Gains) losses on leases and the sale of assets – net	(39)	(9)	(4)	<b>(53)</b>
Restructuring and related charges and other items	16	52	10	<b>78</b>
<i>Adjustments to operating income</i>	44	65	6	<b>115</b>
Underlying operating income (loss)	1,712	1,205	(140)	<b>2,777</b>

**Additional information**

Results in local currency for the United States are as follows:

\$ million	Q4 2020	Q4 2019	2020	2019
Net sales	13,623	11,473	51,838	44,841
Of which: online sales	755	330	2,259	1,101
Operating income (loss)	(514)	490	1,064	1,867
Underlying operating income	527	489	2,789	1,916

## Store portfolio

Store portfolio (including franchise and affiliate stores)

	End of Q4 2019	Opened / acquired	Closed / sold	End of Q4 2020
The United States	1,973	5	(8)	1,970
Europe <sup>1</sup>	4,994	223	(50)	5,167
<b>Total</b>	<b>6,967</b>	<b>228</b>	<b>(58)</b>	<b>7,137</b>

1. The number of stores at the end of Q4 2020 includes 1,118 specialty stores (Etos and Gall & Gall); (end of Q4 2019: 1,127).

## Financial calendar

Ahold Delhaize's financial year consists of 52 or 53 weeks and ends on the Sunday nearest to December 31. Ahold Delhaize's 2020 financial year consisted of 53 weeks and ended on January 3, 2021.

The key publication dates for 2021 are as follows:

March 3	Annual Report 2020
May 12	Results Q1 2021
August 11	Results Q2 2021
November 10	Results Q3 2021

## Risks and uncertainties

Ahold Delhaize's enterprise risk management program provides the Company with a periodic and comprehensive understanding of Ahold Delhaize's key business risks and the management practices, policies and procedures in place to mitigate these risks. Ahold Delhaize recognizes strategic, operational, financial and compliance/regulatory risk categories. While our principal risks have not changed significantly compared to those disclosed within the Annual Report 2019, the COVID-19 outbreak has directly impacted our business operations and increased our overall risk profile. In particular, the principal risks relating to business continuity and the competitive environment are heightened, due to supply chain disruption and the rapid channel shift to online, respectively. Our material ESG topics and risks relating to the health and safety of our customers and associates also increased due to the COVID-19 outbreak. The Company has initiated several actions to mitigate the impact of the COVID-19 outbreak on our business, with a focus on protecting our associates and customers, ensuring the continuity of our operations and reviewing our strategy to expedite additional investments in our digital and omnichannel capabilities. The impact of this risk is being monitored and any required actions will be reassessed as necessary. The updated integrated comprehensive analysis of the principal risks faced by Ahold Delhaize will be included in the *Risks and material ESG impacts* section of Ahold Delhaize's Annual Report 2020, which will be published on March 3, 2021.

## 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 and expressions such as strengthens, 2021 and beyond, committed, improve, maintain(ing), constant, guidance, target, accelerate, remain(s), focus(ed), continued, further, future, to date, exceeding, increasingly, confident, prospects, ambitious, now, expect(ed), through, end of, 2022, should, enable, aim, propose, will, second half of 2021, plans, 2030, by, to bring, uncertain(ty), believes, provides, strategy, intended, subject to 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, 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.

#### For more information:

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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](http://www.aholddelhaize.com).



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