

Ahold Delhaize announces the acquisition of Profi Rom Food SRL, a leading grocery retailer in Romania

This marks a major step forward in the attractive Romanian grocery market and contributes to the enhancement of consumer choice

Zaandam, the Netherlands, October 30, 2023 – Ahold Delhaize is pleased to announce that it has agreed to acquire 100% of Romanian grocery retailer Profi Rom Food SRL (Profi) from MidEuropa, subject to approval from the regulatory authorities. This acquisition provides a strong format fit and complementary customer proposition to Ahold Delhaize's great local brand Mega Image in the Romanian market. Romania is an attractive market experiencing continued growth in public wealth and spending power, driven by strong economic fundamentals.

Strategic Rationale

Profi is a leading traditional grocery retailer in Romania, operating 1,654 stores in the country. It is known for its strong assortment and value for customers. In the twelve months ending June 2023, the company generated €2.5 billion in sales.

The acquisition will more than double the size of Ahold Delhaize's existing Romanian business, which operates under the Mega Image brand and has 969 stores, predominantly in urban areas. The combination will complement and expand Ahold Delhaize's existing Romanian footprint to better serve both urban and rural areas. The strong format fit and complementary customer propositions between the Profi and Mega Image brands, will allow them to better serve the Romanian consumer, driving both sales growth and profitability.

Transaction details

- Ahold Delhaize expects to generate significant revenue growth and synergies from the transaction. These expected synergies will directly benefit the Romanian customers, through the improved ability for the company to reinvest in the customer value proposition, digitalization, ESG and the Employer Value Proposition.
- Ahold Delhaize will pay an Enterprise Value of approximately €1.3 billion, corresponding to lease-adjusted Enterprise Value of €1.8 billion (post IFRS 16).
- The combination with Profi is expected to be sales growth and EBIT margin accretive (post synergies, and integration) to Ahold Delhaize Europe and EPS accretive to Ahold Delhaize, all in the first year after closing.
- The acquisition consideration will be 100% debt funded, with the transaction expected to close in 2024 following the satisfaction of customary closing conditions, including regulatory clearance.

Frans Muller, Ahold Delhaize's Chief Executive Officer, said: "I am very excited to welcome Profi into the Ahold Delhaize family. We have followed the company's trajectory for a while now and admire what the Profi team has been able to achieve. I strongly believe that Profi has an exciting growth pathway ahead, and look forward to partnering with the team to further solidify our presence in Central and Southern Europe."

Wouter Kolk, Chief Executive Officer of Ahold Delhaize Europe & Indonesia, said:

"I'd like to extend a very warm welcome to the full Profi team, we are very pleased to include them in our family. This step forwards fortifies our position in Central and Southern Europe, it also underscores our trust in the potential of the region. Both Mega Image and Profi have been serving Romanian customers successfully in the past decades, which translated into increased loyalty and growth. By joining our family, the combination will benefit from our European best practices in the fields of digitalization, sourcing, extended local assortment, infrastructure and sustainability. I am excited for the journey ahead."

Next Steps

The transaction is subject to conditions including merger clearance under applicable competition laws and regulations. Closing is expected for 2024.

The transaction will have no meaningful impact on ongoing capital allocation and capital return policies, nor limit balance sheet capacity to pursue further acquisition opportunities.

More details will be provided during the Q3 2023 Ahold Delhaize analyst conference call.

BofA Securities and Goldman Sachs acted as financial advisors to Ahold Delhaize; CMS and GNP Guia Naghi & Partners acted as legal advisors.

-ENDS-

Cautionary Notice

This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Words and expressions such as contributes, strong, continued, growth, will, better, expects/expected, improved, believe, further, fortifies, potential, journey, opportunities 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.

For more information

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About Profi

Profi is a leader in the Romanian grocery sector, with more than 20 years of local market and customer experience. Founded in 2000 and headquartered in Timișoara, Romania, they are one of the fastest growing players within the Romanian grocery market and have the largest store network, 1,654 stores. Profi operates under 4 store banners across convenience and supermarket formats: Super, Loco, City and Go. They carry a variety of assortments and have many popular private label brands including Proxi, Kook and Coline D'Angelo. It differentiates itself by focusing on customer proximity and tailoring to local tastes. The company's procurement capabilities and infrastructure support an enhanced product assortment that caters to local tastes. In 2020, Profi launched the Monaco concept to advance the convenience food shopping experience with the inclusion of ultra fresh groceries and quick in-store meals and coffee service.

About Mega Image

Founded in 1995, Mega Image is one of the largest supermarket chains in Romania with a network that currently includes 969 stores in Bucharest and major cities in the country, under the brands Mega Image and Shop&Go. Mega Image aims to offer consumers every day, quality services and a range of nutritious, healthy and safe products at affordable prices. Mega Image is part of Ahold Delhaize.

About Ahold Delhaize

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 60 million customers each week, both in stores and online, in the United States, Europe, and Indonesia. Together, these brands employ more than 414,000 associates in 7,659 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. The company's focus on four growth drivers – drive omnichannel growth, elevate healthy and sustainable, cultivate best talent and strengthen operational excellence – is helping to fulfil its purpose, achieve its vision and prepare its brands and businesses for tomorrow. 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.

