performance review

Targets and results

Key financial targets[1]	Target 2024	Results in 2024
Group underlying operating margin	≥ 4.0%	4.0%
Diluted underlying EPS growth[2]	Around 2023 levels	0.1% growth vs. 2023
Net capital expenditures	Around €2.2 billion	€2.0 billion
Free cash flow[3]	Around €2.3 billion	€2.5 billion
Dividend payout ratio[4]	Absolute increase in dividend per share 40-50% payout ratio	€0.07 increase in dividend per share 46% payout ratio
Share buyback[5]	€1 billion	€1 billion

1. Targets 2024 based on original guidance as per Annual Report 2023; for definitions on key performance indicators (KPIs), see *Definitions and abbreviations*.
2. At current rates
3. Target excludes M&A.
4. The dividend payout ratio for results in 2024 is calculated as a percentage of underlying income from continuing operations on a 52-week basis.
5. Management remains committed to the company's share buyback and dividend programs while continuously assessing macroeconomic, geopolitical and legislative factors as part of its decision-making process. Additionally, the programs may be adjusted in response to corporate activities, including significant mergers and acquisitions.

Note: Targets are based on the previous year's full year results unless stated otherwise.

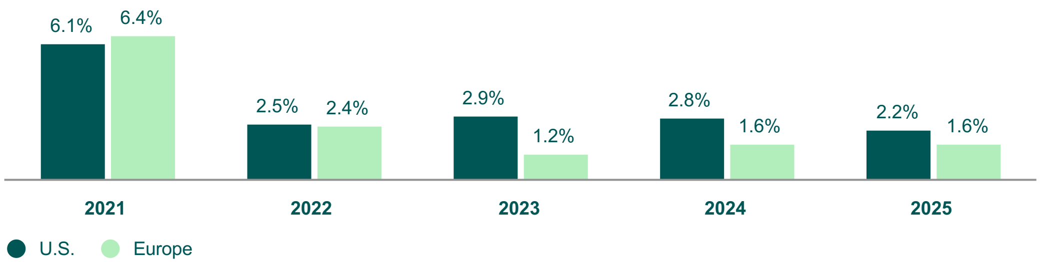
Financial group review
Macroeconomic trends

Increasing global tension, declining top-line inflation and stable GDP growth defined the economic conditions for Ahold Delhaize

GDP growth remained stable in both U.S. and Europe

In 2024, the growth of the global economy remained resilient. Real Gross Domestic Product (GDP) reached 3.2% globally in 2024. The U.S. continued to outperform the growth of other advanced economies, in particular, the largest European countries: the U.S. showed growth of 2.8% and Europe showed growth of 1.6%[1]. In 2025, GDP growth is expected to slow down in the U.S. and remain flat in Europe. However, uncertainty around GDP growth comes from potential trade conflicts following the implementation of more protectionist policies[2].

Real GDP growth[3] (%)



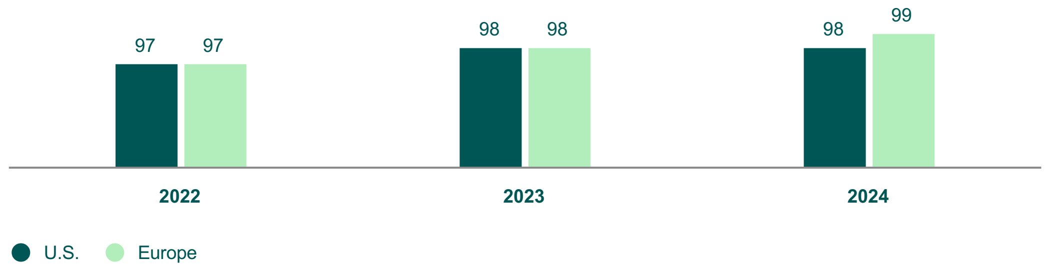
1. Source: "Data mapper," International Monetary Fund (IMF)
2. Source: "Economic Outlook," Organization for Economic Co-operation Development (OECD)
3. Real GDP represents the total value at constant prices of final goods and services produced in a country within a specific time period. 2025 reflects forecasted GDP. Source: IMF (GDP reports: Annual percentage change, 2024).

Consumer confidence improved marginally

Consumer confidence improved marginally in 2024, but it remains muted compared to long-term averages in most major advanced economies; the U.S. consumer confidence index is in line with 2023 at 98%, while Europe improved slightly from 98% in 2023 to 99% in 2024. Despite the recovery in real income, the recent gaps between wage growth and price growth of items that are important to households resulted in lower perceived purchasing power and might hamper further improvements in consumer confidence. Households seemed hesitant to spend their additional income. With high inflation still a recent memory, purchasing power below its mid-2022 peak and the potential for higher financial returns from elevated interest rates, households continued to save a larger portion of their income.

Source: "Main Economic Indicators," OECD and 2024 Economic Forecast EU commission

Consumer Confidence Index
(Long-term average = 100, yearly average)



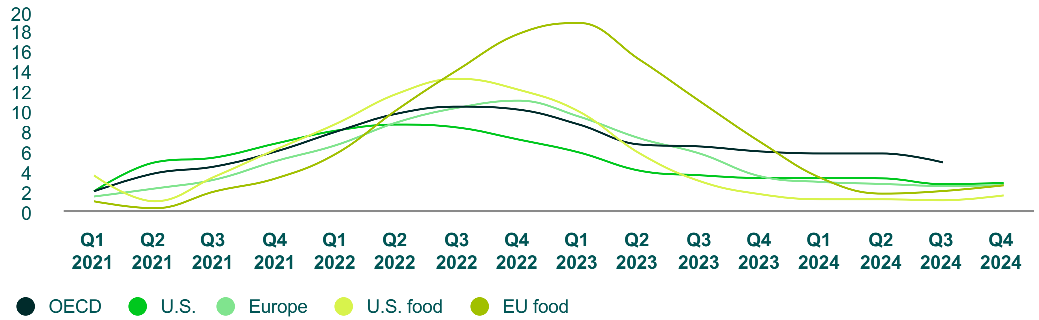
Source: OECD: Main Economic Indicators; Calculation method: CCI, Amplitude adjusted, Long-term average = 100, yearly average change

Declining inflation continued in 2024

In both the U.S. and Europe, declining inflation started at the end of 2022 and continued in 2024. The OECD Consumer Price Index (CPI) moderated gradually during 2024 from 5.7% in the beginning of the year toward 4.8% in Q3 2024. Much of the decrease in inflation was driven by the resolution of initial disruptions (the pandemic, followed by commodity price increases caused by the war in Ukraine) and a better labor supply. Monetary policy also played a key role without significantly slowing down economic activity. In most major economies, inflation is projected to be on target by the end of 2025. The CPI for food and beverages only followed similar trends as the total CPI.

Source: International Monetary Fund (IMF), various reports in 2024 and OECD Economic Outlook May

Consumer Price Index (CPI) and CPI for food and beverages



Source: OECD (Consumer Price Indices – Complete Database, 2024); the data for OECD Is not available yet for Q4 2024.

Financial group review continued
Macroeconomic trends continued

Grocery spending divergence per region

Growth in global grocery spending in 2024 was in line with 2023, at around 2.0%. However, trends in the U.S. and Europe diverged considerably; U.S. grocery spending growth was 0.6% lower than 2023, while, in Europe, it rose by 1.4%. Grocery share as a percentage of consumer spending grew by 0.3% in the U.S., and by 0.1% in Europe in 2024.

Source: Flywheel Retail Insights

Consumer spending split 2022-2024	2024	2023	2022
World			
Growth in grocery spending	**2.0%**	2.0%	(0.7)%
Grocery as a % of total consumer spending	**49.0%**	49.1%	49.3%
United States			
Growth in grocery spending	**4.6%**	5.2%	6.4%
Grocery as a % of total consumer spending	**41.0%**	40.7%	40.6%
Europe			
Growth in grocery spending	**2.9%**	1.5%	10.6%
Grocery as a % of total consumer spending	**43.2%**	43.1%	43.4%

Source: Flywheel Retail Insights (various reports in 2024; the data for 2022-2023 has been restated by Flywheel, including the expansion of retail sales coverage and an update on product category mapping for grocery).

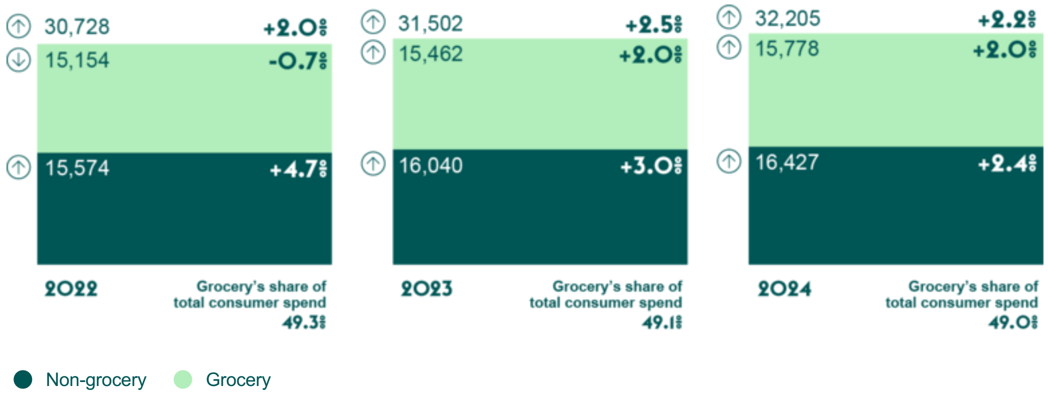
2024 was another year of macroeconomic uncertainty, although some recovery of consumer behavior can be identified. The main trends included a weakening of brand loyalty, more frequent purchasing of private-label products, prioritization of price, and focus on wellness and fitness, including an increased interest in vitamins and supplements[1]. In the grocery sector, consumers focused on the basic necessities and essential goods versus nice-to-haves. In addition, consumers shifted to value-seeking behavior, which manifested itself in promotion-driven decisions and buying higher quantities at a lower price. Online sales in the food category also grew rapidly[2].

In the U.S., consumers continued switching to lower-priced products, with purchase delays gaining popularity. Consumers reported higher optimism and the intention to spend more on food and dining in the future. In Europe, consumer spending remained stable, with fewer consumers trading down compared to last year. Consumer optimism grew slightly in 2024; consumers indicated a desire to spend more on home, groceries and electronics[3].

In addition, Deloitte's Financial Well-being Index, published monthly to track consumers' financial well-being and how they feel about their future financial security, demonstrated an even more positive trend for retailers, compared to last year. The index increased to 103.5 in October 2024, compared to 99.1 in 2023[4].

1. Source: McKinsey
2. Source: NielsenIQ
3. Source: McKinsey
4. Source: Deloitte

Global consumer spending development (grocery and non-grocery)



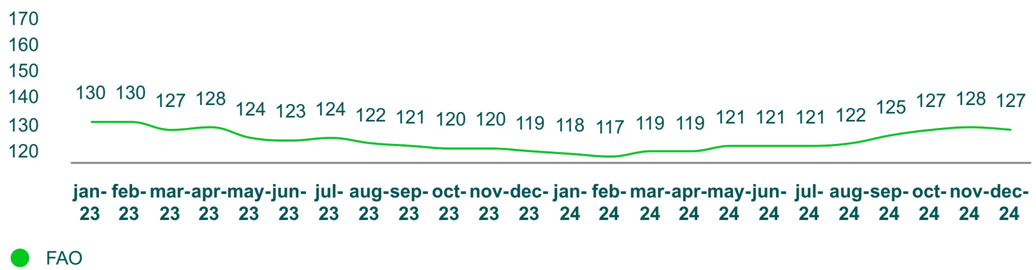
Source: Flywheel Retail Insights (Market – Global Consumer Trends in USD at 2024 exchange rate; the values for 2022-2023 have been restated by Flywheel; new methodology excludes services and B2B).

Food commodity prices increased

Food commodity prices grew throughout 2024, pushing the Global Food and Agriculture Organization of the United Nations (FAO) Food Price Index to 127.0% by December 2024. The FAO Food Price Index measures the average price change for five main commodity groups (sugar, meat, dairy, vegetable oils and cereals). FAO growth of 6.7% versus December last year was caused by the increase of price quotations for meat, dairy and vegetable oil.

Source: FAO

FAO food price index (2014-2016 = 100)



Source: FAO (2023-2024); FAO food price index consists of the average of five commodity group price indices: meat, dairy, cereals, vegetable oils and sugar.

Financial group review continued
Macroeconomic trends continued

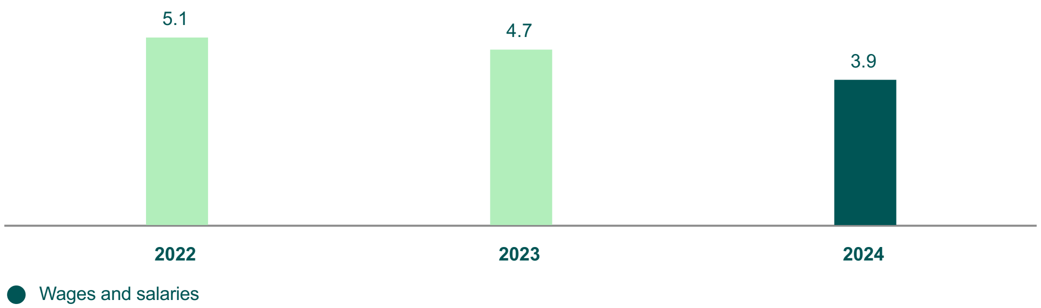
Nominal wages continued to increase in 2024

After years of significant wage and salary growth in the U.S., rates started to stabilize slowly. Wages and salaries increased by 3.9% in 2024, 0.8 percentage points lower than in 2023[1]. Adjusted for seasonality, there was a 1.4% increase in real average hourly earnings from December 2023 to December 2024[2].

Wage and salary growth remained robust and increased slightly in Europe, reaching 5.5% growth in 2024[3]. As a result of lower inflation, real wage growth increased[4].

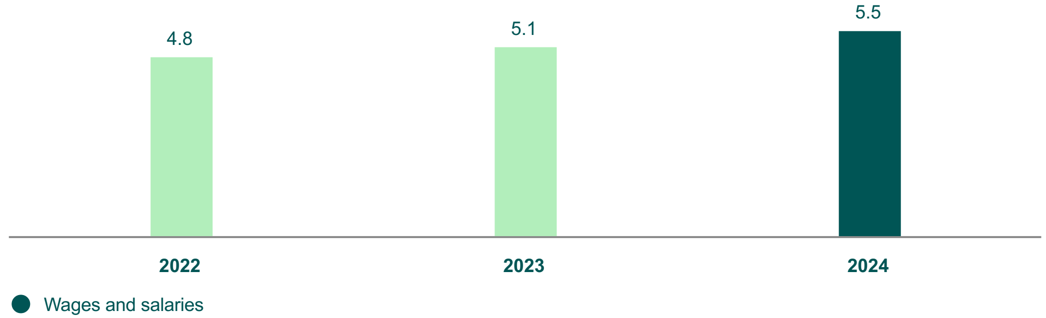
1. Source: U.S. Bureau of Labor Statistics, news release on Employment Cost Index, October 2024
2. Source: U.S. Bureau of Labor Statistics
3. Source: "Euro indicators," Eurostat
4. Source: "Labour market and wage developments in Europe 2024," Eurostat – EU commission

Nominal wages and salaries for U.S. civilian workers
(12-month % change)



Source: U.S. Bureau of Labor Statistics (charts related to the latest "Employment Cost Index" news release)

Nominal wages and salaries for European workers
(12-month % change)

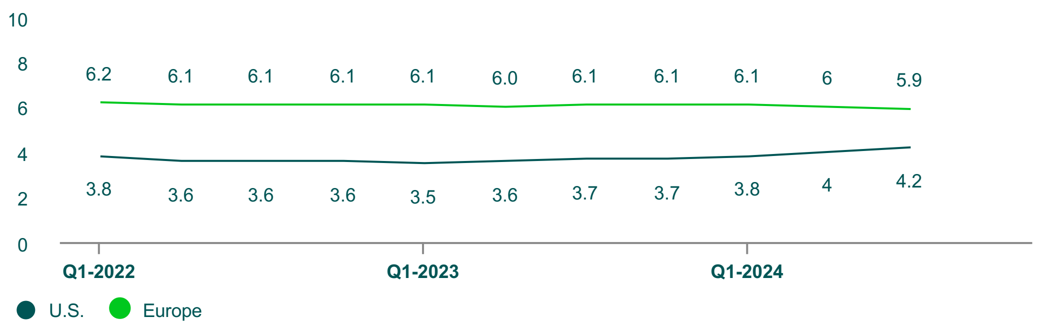


Source: Eurostat (Labor cost index); data for prior years has been restated by the Eurostat; 2024 is average Q1-Q3.

The labor market behaved consistently, with no major changes in labor market conditions from quarter to quarter. In the U.S., unemployment slightly increased from 3.7% in Q4 2023 to 4.2% in Q4 2024, resulting in a total of around 7.2 million unemployed people throughout the year[1]. In Europe, the unemployment rate moderated very slowly throughout 2024, from, on average, 6.1% in Q4 2024 to 5.9% in December 2024[2].

1. Source: "The Employment Situation – December 2024," U.S. Bureau of Labor Statistics
2. Source: "Euroindicators November 2024," Eurostat

Monthly unemployment rates
(%)



Source: OECD (Labor market statistics 2022-2024); Europe data is still not available for Q4 2024.

Financial group review continued
Macroeconomic trends continued

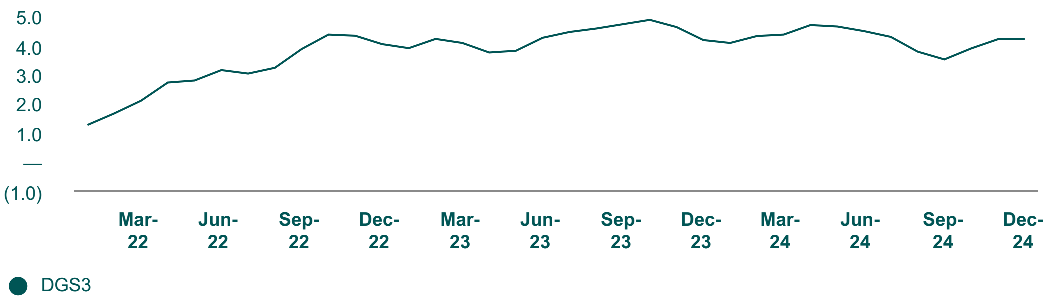
Interest rates

In 2024, the Federal Reserve decided to lower interest rates as inflation rates declined and economic growth prolonged. Our business was impacted by these interest rate fluctuations.

The three-year constant maturity market yield on U.S. Treasury securities slightly increased from 4.19% in December 2023 to 4.22% in December 2024, which had a mildly favorable impact on the present value of our insurance liabilities.

Source: Federal Reserve Bank of St. Louis

Market yield on U.S. Treasury securities at three-year constant maturity



Source: Board of Governors of the Federal Reserve System (U.S.) market yield on U.S. Treasury securities at three-year constant maturity, quoted on an investment basis [DGS3], retrieved from the Federal Reserve Bank of St. Louis (FRED)

Foreign exchange rate volatility

The majority of the Ahold Delhaize brands' operations are located in the United States and denominated in U.S. dollars, which is translated into euros for consolidated results. The U.S. dollar was in decline throughout the first three quarters of 2024. In the third quarter, the dollar index fell by 5% against a basket of currencies, marking its weakest quarterly performance for the past two years. It was also destabilized by the Federal Reserve cutting interest rates by 0.50% in September[1] and 0.25% in November 2024[2]. However, the result of the U.S. elections in the fourth quarter had a strengthening effect on the currency, in anticipation of a second Trump administration[3]. Over the course of 2024, the U.S. dollar had depreciated by (0.07%) year-on-year against the euro[4]. A weakening dollar impacted our consolidated financial results unfavorably. For more information, see *Note 2* to the consolidated financial statements.

1. Source: Reuters
2. Source: CBS
3. Source: Morgan Stanley
4. Source: Bloomberg

Currency		2024	2023	Change in the average annual value of the currency
U.S. dollar	USD/EUR	0.9242	0.9248	(0.07%)
Czech crown	CZK/EUR	0.0398	0.0417	(4.5)%
Romanian leu	RON/EUR	0.2010	0.2022	(0.6)%
Serbian dinar	RSD/EUR	0.0085	0.0085	0.1 %

Source: Average exchange rates 2023-2024, Bloomberg

Financial group review continued
Group key financial indicators

Net sales
€89.4bn 0.9%*
0.7% vs. 2023

Comparable sales growth (excluding gasoline sales)
1.2%

Operating income
€2.8bn (1.9)%*
(2.2)% vs. 2023

Underlying operating income
€3.6bn 0.2%*
0.1% vs. 2023

Underlying operating margin
4.0% —pp*
0.0 pp vs. 2023

Free cash flow
€2.5bn €0.1bn

*At constant rates.

Group performance

€ million	2024	2023 restated[1]	Change	% change	% change at constant rates
Net sales	**89,356**	88,734	622	0.7%	0.9%
Of which: online sales	**9,235**	8,931	304	3.4%	3.5%
Cost of sales	**(65,551)**	(64,880)	(671)	1.0%	
Gross profit	**23,805**	23,854	(49)	(0.2)%	
Other income	**431**	414	17	4.2%	
Operating expenses	**(21,453)**	(21,422)	(31)	0.1%	
Operating income	**2,784**	2,846	(62)	(2.2)%	(1.9)%
Net financial expense	**(562)**	(546)	(16)	2.9%	
Income before income taxes	**2,222**	2,300	(79)	(3.4)%	
Income taxes	**(481)**	(456)	(25)	5.5%	
Share in income of joint ventures and associates	**23**	30	(7)	(23.5)%	
Income from continuing operations	**1,764**	1,874	(111)	(5.9)%	
Income (loss) from discontinued operations	**—**	—	—	(26.5)%	
Net income	**1,764**	1,874	(111)	(5.9)%	(5.5)%
Operating income	**2,784**	2,846	(62)	(2.2)%	(1.9)%
Adjusted for:					
Impairment losses and reversals – net	**229**	375	(147)		
(Gains) losses on leases and the sale of assets – net	**181**	180	1		
Restructuring and related charges and other items	**414**	202	212		
Underlying operating income	**3,608**	3,604	4	0.1%	0.2%
Depreciation and amortization[2]	**3,476**	3,462	14		
Underlying EBITDA	**7,083**	7,066	17	0.2%	0.4%
Underlying operating income margin	**4.0%**	4.1%	0.0pp		
Underlying EBITDA margin	**7.9%**	8.0%	0.0pp		

1. Comparative amounts have been restated (see Note 3 to the consolidated financial statements).
2. The difference between the total amount of depreciation and amortization for 2024 of €3,477 million (2023: €3,469 million) in Note 8 and the €3,476 million (2023: €3,462 million) mentioned in the table relates to items that were excluded from underlying operating income.

Financial group review continued
Group performance

Shareholders

€ unless otherwise indicated	2024	2023	% change
Net income per share attributable to common shareholders (basic)	**1.90**	1.95	(2.6) %
Underlying income per share from continuing operations	**2.55**	2.55	0.1%
Dividend payout ratio	**46%**	43%	2.7pp
Dividend per common share	**1.17**	1.10	6.4%

Other information

€ million	2024	2023	% change
Net debt[1]	**14,129**	14,267	(1.0)%
Free cash flow[2]	**2,545**	2,425	4.9%
Capital expenditures included in cash flow statement (excluding acquisitions)	**2,299**	2,434	(5.5)%
Number of employees (in thousands)	388	402	(3.6)%
Credit rating/outlook Standard & Poor's	**BBB+ / stable**	BBB+ / stable	—
Credit rating/outlook Moody's	**Baa1 / stable**	Baa1 / stable	—

Certain KPIs contain alternative performance measures. The definitions of these measures are described in the *Definitions and abbreviations* section of this Annual Report.

1. For reconciliation of net debt, see *Financial position* in this report.
2. For reconciliation of free cash flow, see *Cash flows* in this report.

Positive growth driven by robust comparable sales and portfolio updates; solid underlying profitability as a result of strong cost control

In 2024, Ahold Delhaize achieved strong underlying results, showing positive net sales growth (0.9% at constant rates) while sustaining a solid underlying operating margin. Our brands remained focused on helping customers cope with challenging economic circumstances, through increased price investments, new own-brand assortments and strong operational execution.

Overall net sales increased to €89,356 million, driven by store openings and comparable sales growth partially offset by the closure of Stop & Shop stores, the divestment of FreshDirect and lower gasoline sales. In the U.S., comparable sales benefited from continued growth in pharmacy and double-digit growth in online grocery excluding FreshDirect. Food Lion and Hannaford continue to lead the U.S. brands' performance, with 49 and 14 consecutive quarters of positive sales growth, respectively. The elevated European comparable sales were negatively impacted by the cessation of tobacco sales at supermarkets in the Netherlands.

On a Group level, net online sales grew by double digits, excluding FreshDirect. The divestment of FreshDirect had a negative impact of 6.9 percentage points. All the U.S. brands showed positive growth rates, with the strongest growth at Food Lion and Hannaford. In Europe, online food retail sales increased at double-digit rates for all the brands, while non-food retail grew at single-digit rates.

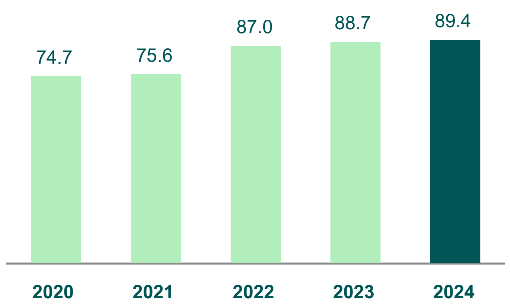
Although cost of sales increased slightly, other expenses remained in line with 2023, driven by tight cost management and our Save for Our Customers cost-savings program. This, in addition to the strong sales performance and performance recovery in Belgium as a result of the Belgium Future Plan, resulted in an underlying operating margin of 4.0%, which remained steady compared to last year.

2024 full year IFRS operating income was €2,784 million and our margin based on (IFRS) reporting operating income amounts to 3.1% of net sales, a decrease of 0.1 percentage points compared to last year. Operating margins were affected by one-time costs, primarily related to expenses from the closure of underperforming Stop & Shop stores, the transition of stores to affiliates under the Delhaize Belgium Future Plan and an amendment to, and additional funding for, the Dutch pension plan, in line with regulations and derisking of the balance sheet.

Year over year, free cash flow remained elevated at €2,545 million, which was €124 million higher than last year at constant rates despite the lower working capital due to an incidental receivable related to a tax refund in Belgium last year. Free cash flow increased mainly because of the improvement in operating cash flow and lower capital investments.

Financial group review continued
Group performance continued

Net sales over time (€ billion)



Net sales contribution by segment

The United States	60.7%
Europe	39.3%

Increase in net sales in the face of portfolio updates

Net sales for the financial year ending on December 29, 2024, were €89,356 million, an increase of €622 million, or 0.7%, compared to net sales of €88,734 million for the financial year ending on December 31, 2023. At constant exchange rates, net sales were up by €789 million or 0.9%.

Gasoline sales decreased by 10.2% in 2024 to €960 million. At constant exchange rates, gasoline sales decreased by 10.0%, as a result of further moderating gasoline prices in 2024 compared to 2023.

Net sales excluding gasoline increased in 2024 by €730 million, or 0.8%, compared to 2023. At constant exchanges rates, net sales excluding gasoline increased in 2024 by €896 million, or 1.0%, compared to 2023. Our net sales were driven by store openings and comparable sales growth excluding gasoline sales of 1.2% in 2024 compared to 2023. Volume trends in both the U.S. and Europe improved compared to last year. Sales growth in the U.S. was substantially affected by the divestment of FreshDirect in Q4 2023, a recall of Boar's Head deli products in Q3 2024, and the closure of 32 Stop & Shop stores in Q4 2024. In Europe, net store openings, including the conversion of Jan Linders stores at the end of 2023, boosted sales in 2024. The ban on tobacco sales in supermarkets in the Netherlands and the impact from the conversion of stores in Belgium to affiliates as part of the Belgium Future Plan had a negative impact on sales growth. Nevertheless, once converted, sales in these stores were, in general, higher than they were before the conversion.

The European brands' net sales consist of sales to consumers and to franchise stores. Franchise stores operate under the same format as Ahold Delhaize-operated stores. Franchisees purchase merchandise primarily from Ahold Delhaize, pay a franchise fee and receive support services.

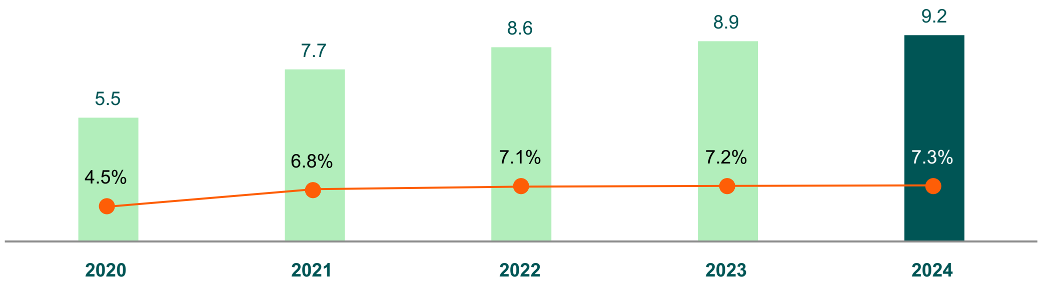
Net sales split by category

€ milion	2024	2023 restated[1]	Change versus prior year	% change	Change versus prior year at constant exchange rates	% change at constant exchange rates
Net sales	**89,356**	88,734	622	0.7%	789	0.9%
Of which gasoline sales	**960**	1,068	(109)	(10.2)%	(107)	(10.0)%
Net sales excluding gasoline	**88,396**	87,666	730	0.8%	896	1.0%
Of which online sales	**9,235**	8,931	304	3.4%	309	3.5%

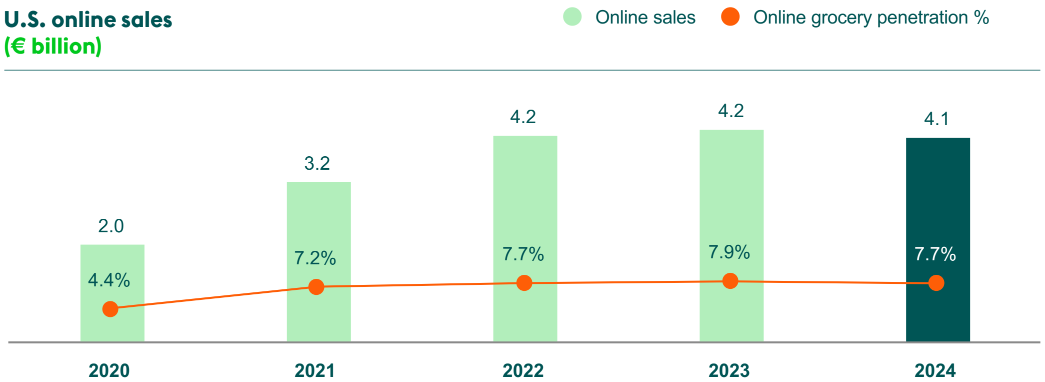
1. Comparative amounts have been restated (see *Note 3* to the consolidated financial statements).

Financial group review continued
Group performance continued

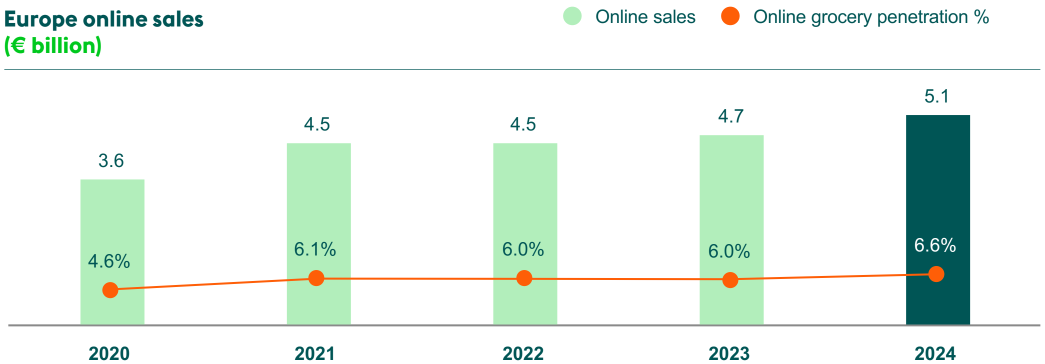
Online sales (Group)
(€ billion)



U.S. online sales
(€ billion)



Europe online sales
(€ billion)



Strong online sales growth

In 2024, we continued to deliver strong online sales, which amounted to €9,235 million, an increase of 3.5% at constant exchange rates. The divestment of FreshDirect had a negative impact of 6.9 percentage points. In the U.S., Food Lion and Hannaford made the largest contribution to this growth, driven by their strong value position, pick-from-store and delivery network expansion, and new marketplace partnerships. In Europe, Albert Heijn, Delhaize and all of the CSE brands showed double-digit growth. In absolute terms, Albert Heijn and bol grew the most over last year.

U.S. net online sales decreased by 3.6% in constant currency. The divestment of FreshDirect had a negative impact of 14.7 percentage points. The total number of click-and-collect points grew to 1,630, compared with 1,558 in 2023. Following our store-first fulfillment strategy, we grew pick-from-store sales by double digits. We saw even higher growth in third-party platform sales, driven by our new DoorDash partnership. Without FreshDirect, online penetration in the U.S. grew from 7.0% to 7.7%, with Food Lion and Hannaford increasing by nearly 1 percentage point.

The U.S. brands invested in innovations that delivered growth and efficiency. The brands' propriety e-commerce platform, PRISM, delivered on our "customer first" vision, attracting more loyalty program users as well as achieving a top rating as an iOS mobile app. This resulted in an increased number of loyalty card holders (15.5 million), with 79.5% loyalty sales penetration. Food Lion continues its migration onto our PRISM platform, which it aims to complete in 2025. The brands expanded their retail media capabilities, adding new opportunities for advertising partners to connect with our customer base.

To support our store network fulfilment, we enhanced item location capabilities and substitution algorithms, and deployed next-generation technology, all of which improve speed and accuracy. These investments help our brands enrich the shopping experience for customers, improve operations – while decreasing costs – and grow complementary revenue streams.

Financial group review continued
Group performance continued

Our European online business was on a steady upward trajectory this year. The brands grew online sales by 9.9% at constant rates to €5,145 million, and increased the number of loyalty card holders to 13.3 million, with 59.2% loyalty sales penetration. This was driven by the continued focus on innovation in their commercial offerings, implementing smart efficiencies, and scaling and sharing digital solutions and technology.

In the Netherlands, Albert Heijn launched the "AH Lifestyle Check" on its app, providing access to products, recipes, advice and inspiration that help customers follow a healthy lifestyle. In addition, bol expanded its range with refurbished smartphones, tablets, laptops and smartwatches, making it easier for consumers to choose more sustainable alternatives.

Delhaize, Albert, Mega Image, Maxi and Alfa Beta in CSE finalized the rollout of a unified modular app to streamline and enhance the shopping experience for customers, integrating online shopping, (personalized) promotions, loyalty programs, monetization and in-store shopping into a seamless experience.

We also launched new e-commerce value propositions in CSE, such as B2B sales and fast delivery, including expanding our pick-from-store capabilities and third-party platform partnerships.

In addition to boosting our tech talent and gaining further efficiencies at scale, we were also proud to launch our new Tech Studio, "AD/01," in Romania to service all our European brands.

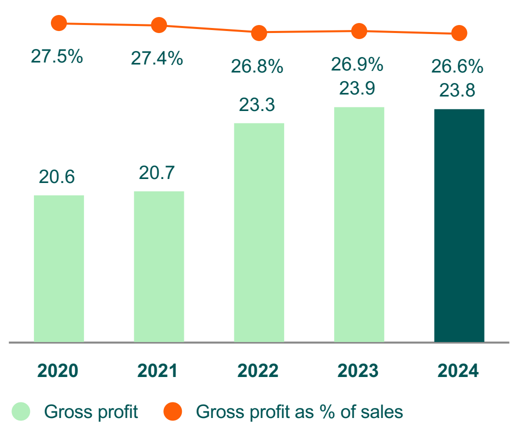
To continue making progress on our successful digital advertising business, in 2024, Albert Heijn, bol and Delhaize again launched new features, with Albert Heijn proclaimed the "most innovative media player of the year" in the Netherlands.

In parallel, we have scaled our advertising technology to Delhaize and Alfa Beta and also started scaling our advertising operations support, increasingly tapping into crucial new income streams and supporting our online profitability.

Stable gross profit

Gross profit was down by €49 million, or 0.2%, compared to 2023. At constant exchange rates, gross profit decreased by 0.0%. Gross profit margin (gross profit as a percentage of net sales) for 2024 was 26.6%, decreasing slightly compared to 2023. 2024 margin was unfavorably influenced by food inflation growth, which was largely offset by our cost savings across all the brands as part of our Save for Our Customers program. This program, through which we saved a record amount of €1,354 million in 2024, included initiatives such as favorable commercial and fresh sourcing in the U.S.; the Operate Smarter program to reduce, among other things, shrink; the Buy Better program at Albert Heijn; and commercial initiatives at bol and the CSE brands.

Gross profit (€ billion)

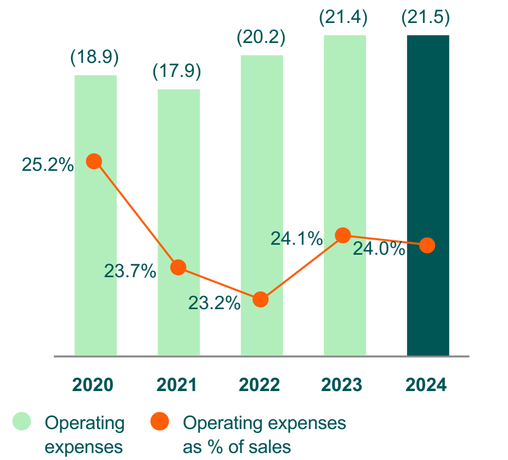


Operating expenses

In 2024, operating expenses increased by €31 million, or 0.1%, to €21,453 million, compared to €21,422 million in 2023. At constant exchange rates, operating expenses increased by 0.3%. As a percentage of net sales, operating expenses decreased by 0.1 percentage points to 24.0%, compared to 24.1% in 2023. Excluding gasoline sales and at constant exchange rates, operating expenses as a percentage of net sales decreased by 0.2 percentage points. The decrease in operating expenses as a percentage of sales in 2024, compared to 2023, was driven by sales leverage, strict cost control in all the brands and the conversion from integrated to affiliated stores as part of the Belgium Future Plan, partly offset by increasing labor inflation.

Operating expenses include impairments, gains (losses) on leases and the sale of assets, restructuring and related charges and other items that management believes can distort an understanding of the trend related to the development of our underlying business. Impairment losses and reversals, gains (losses) on leases and the sale of assets – net, and restructuring and related charges are summarized on the next page.

Operating expenses (€ billion)



Financial group review continued
Group performance continued

Impairment losses and reversals – net

Ahold Delhaize recorded the following impairments and reversals of impairments of assets – net in 2024 and 2023:

€ million	2024	2023
The United States	**154**	228
Europe	**75**	147
Total	**229**	375

Impairment charges in 2024 were €229 million, down by €147 million compared to 2023. These impairments mainly related to Stop & Shop stores in the U.S. and intangible assets and impairments related to bol and software in progress in Delhaize in Europe. In 2023, impairment losses were mostly driven by FreshDirect impairment charges and the transformation of integrated stores into independent affiliated stores as part of the Belgium Future Plan.

(Gains) losses on leases and the sale of assets – net

Ahold Delhaize recorded the following (gains) losses on leases and the sale of assets – net in 2024 and 2023:

€ million	2024	2023
The United States	**(38)**	220
Europe	**219**	(40)
Ahold Delhaize Group	**—**	—
Total	**181**	180

The losses on leases and the sale of assets in 2024 were €181 million, a €1 million unfavorable change compared to the €180 million loss in 2023. The 2024 loss was mainly attributable to losses recognized on the sale of stores to franchisees in Belgium and partly offset by gains related to Stop & Shop stores. In 2023, the loss of €180 million was largely driven by the divestment of FreshDirect.

Restructuring and related charges and other items

Restructuring and related charges and other items in 2024 and 2023 were as follows:

€ million	2024	2023
The United States	**67**	61
Europe	**137**	143
Ahold Delhaize Group	**210**	(2)
Total	**414**	202

Restructuring and related charges and other items in 2024 resulted in a €414 million net loss. This net loss is €212 million higher compared to 2023. In the U.S., these charges mostly relate to Stop & Shop store closures and losses related to Hurricane Helene. In Europe, the net loss was mainly driven by losses related to the sale of stores to franchisees as part of the Belgium Future Plan and an amendment to and funding for the Dutch pension plan that also accounted for the net loss in the Ahold Delhaize Group segment; see *Note 24*. In 2023, the U.S.-related charges were mostly driven by our Accelerate global restructuring program. In Europe, the net loss was also mainly driven by the transformation of integrated stores in Belgium in 2023.

Operating income

Operating income in 2024 went down by €62 million, or 2.2%, to €2,784 million compared to €2,846 million in 2023. This decrease resulted from unusual items, related to impairment, losses and restructuring charges, as described earlier in this section. At constant exchange rates, operating income was 1.9% lower than last year.

Net financial expenses

Net financial expenses in 2024 were up by €16 million, or 2.9%, to €562 million, compared to €546 million in 2023. The increase was primarily due to higher interest expense on the additional debt related to the acquisition of Profi and on leases, partially offset by higher interest income from higher cash levels.

Income taxes

In 2024, income tax expense was €481 million, €25 million higher compared to €456 million in 2023. The effective tax rate, calculated as a percentage of income before income tax, was 21.7% in 2024 (2023: 19.8%).

Higher income tax expense and higher effective tax rate for 2024 resulted from a changed mix of earnings between jurisdictions and one-time events. For the details behind the effective tax rate changes, see *Note 10*.

Share in income of joint ventures and associates

Ahold Delhaize's share in income of joint ventures and associates was €23 million in 2024, or €7 million lower than last year.

Our share of JMR's results in 2024 was €10 million lower when compared to 2023. Our share of Super Indo's results in 2024 was €2 million higher than in 2023. For further information about joint ventures, see *Note 15* to the consolidated financial statements.

Financial group review continued
Group performance continued

Underlying operating income and underlying operating income margin

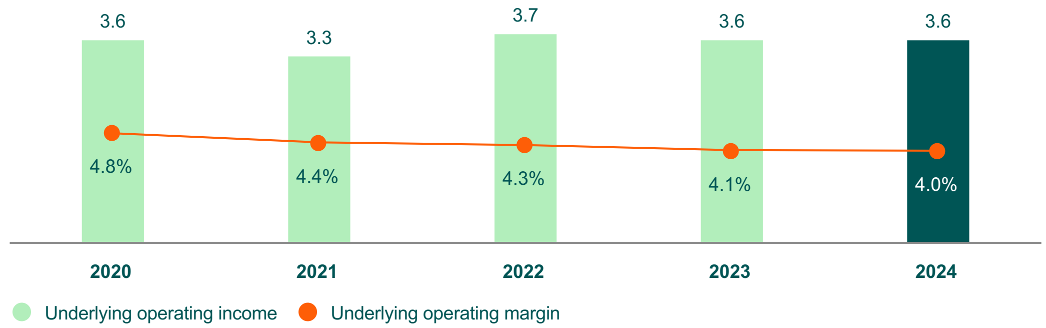
Underlying operating income was €3,608 million in 2024, up €4 million, or 0.1%, versus €3,604 million in 2023. At constant exchange rates, underlying operating income increased by 0.2%, compared to 2023. The contribution by segment was 64% by the U.S., and 36% by Europe. Underlying operating income margin in 2024 was 4.0%, compared to 4.1% in 2023.

Our 2024 underlying operating margins were in line with prior year, driven mainly by continued efforts to deliver on our Save for Our Customers cost-savings program to offset price investments and higher operational and administrative expenses that resulted from inflationary pressures. Moreover, margin pressure was also offset by the divestment of FreshDirect and performance recovery in Belgium due to the Belgium Future Plan.

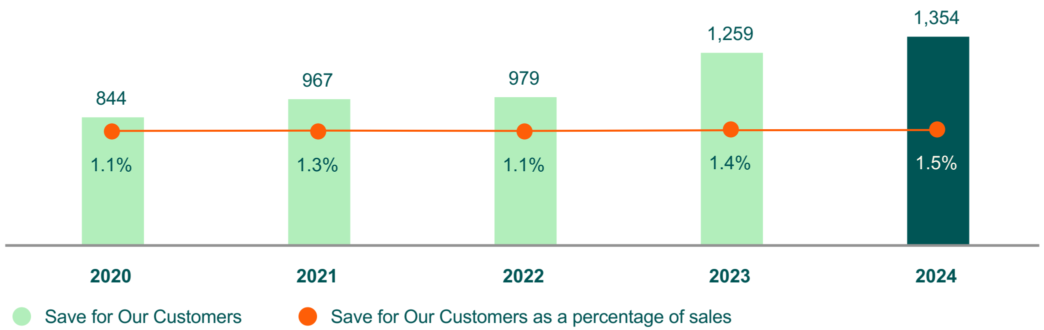
Our Save for Our Customers program achieved a record high level in 2024, delivering €1,354 million and positively impacting our gross profit and operating expenses. This result is due to the cost-savings initiatives in Europe and the U.S. that were initiated over the past 12 months.

The Save for Our Customers program enables our great local brands to absorb cost increases, invest in better customer propositions and keep shelf prices as low as possible, to best serve customers and local communities, and ensure access to affordable and healthy food options in this inflationary environment.

Underlying operating income (€ billion)



Save for Our Customers (€ million)



Financial group review continued
Financial position

Financial position

€ million	December 29, 2024	% of total	December 31, 2023	% of total
Property, plant and equipment	**11,953**	**23.1%**	11,647	24.4%
Right-of-use assets	**9,649**	**18.6%**	9,483	19.8%
Intangible assets	**13,420**	**25.9%**	12,998	27.2%
Pension assets	**69**	**0.1%**	51	0.1%
Other non-current assets	**2,225**	**4.3%**	2,180	4.6%
Cash, cash equivalents and short-term deposits and similar instruments, and current portion investment in debt instruments[1]	**6,185**	**11.9%**	3,500	7.3%
Inventories	**4,797**	**9.3%**	4,583	9.6%
Other current assets	**3,544**	**6.8%**	3,380	7.1%
Total assets	**51,842**	**100.0%**	47,821	100.0%
Group equity	**15,454**	**29.8%**	14,755	30.9%
Non-current portion of long-term debt	**15,985**	**30.8%**	14,682	30.7%
Pensions and other post-employment benefits	**553**	**1.1%**	792	1.7%
Other non-current liabilities	**2,454**	**4.7%**	1,983	4.1%
Short-term borrowings and current portion of long-term debt and lease liabilities[2]	**4,330**	**8.4%**	3,085	6.5%
Payables	**8,524**	**16.4%**	8,278	17.3%
Other current liabilities	**4,542**	**8.8%**	4,248	8.9%
Total equity and liabilities	**51,842**	**100.0%**	47,821	100.0%

1. Short-term borrowings and current portion of long-term debt comprise €1,444 million lease liabilities, €295 million short-term borrowings, €1,962 million bank overdrafts and €630 million current portion loans (for more information, see *Note 26* to the consolidated financial statements).

Ahold Delhaize's consolidated balance sheets as of December 29, 2024, and December 31, 2023, are summarized as follows:

Total assets increased by €4,021 million. Property, plant and equipment increased by €307 million. Regular capital expenditures were favorably impacted by exchange rate differences and unfavorably impacted by depreciation and impairment losses. The impairment losses were mostly recognized for underperforming and closed stores. For more information, see *Note 11* to the consolidated financial statements.

Right-of-use assets increased by €166 million. The main driver of this increase was exchange rate differences. For more information, see *Note 12* to the consolidated financial statements.

Intangible assets increased by €422 million. This increase was mostly due to favorable exchange rate differences. For more information, see *Note 14* to the consolidated financial statements.

Other non-current assets increased by €45 million, mostly due to an increase in loans receivable and in net investment in leases, For more information, see *Note 16* to the consolidated financial statements.

Cash, cash equivalents and short-term deposits and similar instruments, and current portion investment in debt instruments, increased by €2,686 million. The increase is mainly driven by our strong free cash flow generation, the issuance of €1,600 million new bonds in anticipation of the acquisition of Profi and the related increase of our cash held under a notional cash pooling agreement, partly offset by redemption of debt in the amount of €750 million.

Other current assets increased by €165 million, driven by receivables. For more information, see *Note 18* and *Note 5*.

Our pension and other post-employment benefits decreased by €239 million to €553 million in 2024, mainly due to the amendment of the Dutch pension plan. For more information, see *Note 24*.

Financial group review continued
Debt

Debt

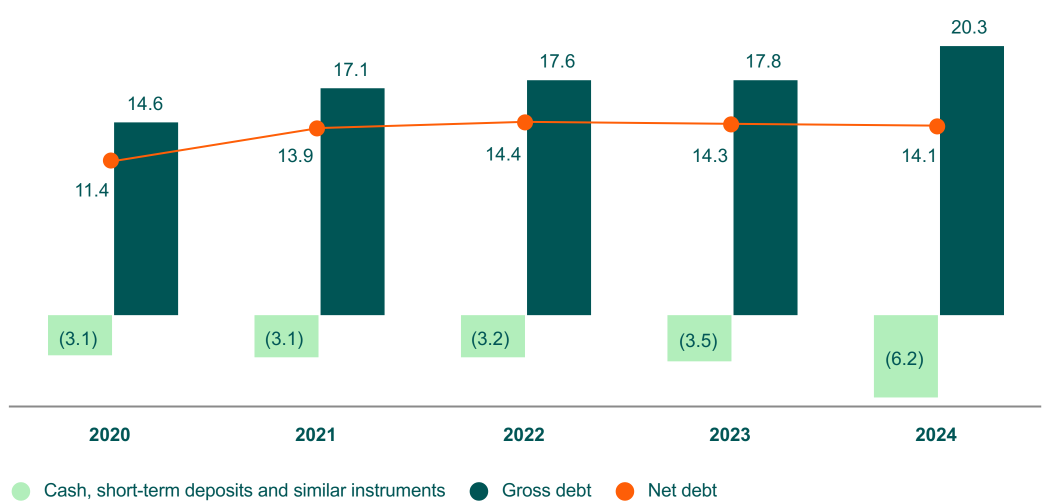
€ million	December 29, 2024	December 31, 2023
Loans	**5,175**	4,137
Lease liabilities	**10,809**	10,545
Non-current portion of long-term debt	**15,985**	14,682
Short-term borrowings and current portion of long-term debt[1]	**4,330**	3,085
Gross debt	**20,315**	17,766
Less: cash, cash equivalents, short-term deposits and similar instruments, and short-term portion of investments in debt instruments[2,3,4]	**6,185**	3,500
Net debt	**14,129**	14,267

1. Short-term borrowings and current portion of long-term debt comprise €1,444 million lease liabilities, €295 million short-term borrowings, €1,962 million bank overdrafts and €630 million current portion loans (for more information, see *Note 26* to the consolidated financial statements).
2. Short-term deposits and similar instruments include investments with a maturity of between three and 12 months. The balance of these instruments at December 29, 2024, was €16 million (December 31, 2023: €15 million) and is presented within Other current financial assets in the consolidated balance sheet.
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 December 29, 2024, was €185 million (December 31, 2023: €335 million).
4. Cash and cash equivalents include an amount held under a notional cash pooling arrangement of €1,961 million (December 31, 2023: €767 million). This cash amount is fully offset by an identical amount included under short-term borrowings and current portion of long-term debt.

In 2024, gross debt increased by €2,549 million to €20,315 million, primarily due to the issuance of €1,600 million new bonds and the increase of our short-term borrowings related to the cash held under a notional cash pooling arrangement, partly offset by the repayment of a €750 million bond at maturity.

Ahold Delhaize's net debt was €14,129 million as of December 29, 2024 – a decrease of €137 million from December 31, 2023. The decrease in net debt was mainly the result of the strong free cash flow generation (€2,545 million), partly offset by the payment of the common stock dividend (€1,037 million), the completion of the €1 billion share buyback program and the impact of foreign exchange on Ahold Delhaize's outstanding U.S. dollar-denominated liabilities.

Gross and net debt
(€ billion)



Financial group review continued
Liquidity position

Liquidity position

€ million	December 29, 2024	December 31, 2023
Total cash and cash equivalents (*Note 20*)	**6,169**	3,484
Short-term deposits and similar instruments (*Note 19*)	**16**	15
Investments in debt instruments (FVPL) – current portion (*Note 19*)	**—**	—
Cash, cash equivalents, short-term deposits and similar instruments, and short-term portion of investments in debt instruments	**6,185**	3,500
Less: Notional cash pooling arrangement (short-term borrowings)	**1,961**	767
Liquidity position	**4,224**	2,733

We view available cash balances and funds from operating activities as Ahold Delhaize's primary sources of liquidity, complemented by external sources of funds when required. We manage short-term liquidity based on projected cash flows. As of December 29, 2024, the Company's liquidity position primarily comprised €4,224 million of cash (including short-term deposits and similar instruments and current portion of investments in debt instruments, adjusted for cash held under a notional cash pooling arrangement), and the undrawn portion of the €1.5 billion revolving credit facility.

Based on the current operating performance and liquidity position, cash provided by operating activities, the available cash balances and the undrawn portion of the revolving credit facility are considered sufficient to fund working capital needs, capital expenditures, the acquisition of Profi, interest payments, dividends, the announced €1 billion share buyback program and scheduled debt repayments for the next 12 months. In addition, the Company has access to the debt capital markets based on its current credit ratings.

Group credit facility

Ahold Delhaize has access to a five-year €1.5 billion committed, unsecured, multi-currency and syndicated revolving credit facility, with two one-year extension options. In 2024, the Company agreed with the lenders to exercise the second option, extending the maturity to December 2029. This facility links the cost of borrowing to the Company's annual performance on sustainability KPIs that are aligned with its healthy communities & planet strategic priority.

The credit facility contains customary covenants and a financial covenant that requires Ahold Delhaize, if its corporate rating from Standard & Poor's and Moody's is lower than BBB/Baa2, respectively, not to exceed a maximum leverage ratio of 5.5:1. The maximum leverage ratio was unchanged compared to the prior credit facility, dated 2020.

During 2024 and 2023, the Company complied with these covenants and was not required to test the financial covenant because its credit rating exceeded the thresholds. As of December 29, 2024, there were no outstanding borrowings under the facility.

Credit ratings

Maintaining investment-grade credit ratings is a cornerstone of Ahold Delhaize's financial strategy because such ratings optimize the cost of funding and facilitate access to a variety of lenders and markets. Ahold Delhaize's current credit ratings from the solicited rating agencies are as follows:

- Standard & Poor's: Corporate credit rating BBB+, with a stable outlook since March 2023 (2023: BBB+ with stable outlook)
- Moody's: Issuer credit rating Baa1, with a stable outlook since February 2018 (2023: Baa1 with stable outlook)

Financial group review continued
Cash flows

Consolidated cash flows

Ahold Delhaize's consolidated cash flows for 2024 and 2023 are as follows:

€ million	2024	2023
Operating cash flows from continuing operations	**6,224**	6,466
Purchase of non-current assets (cash capital expenditure)	**(2,299)**	(2,434)
Divestment of assets/disposal groups held for sale	**250**	136
Dividends received from joint ventures	**22**	22
Interest received	**196**	160
Lease payments received on lease receivables	**125**	117
Interest paid	**(230)**	(226)
Repayments of lease liabilities	**(1,743)**	(1,815)
Free cash flow	**2,545**	2,425
Proceeds from long-term debt	**1,594**	500
Repayments of loans	**(782)**	(291)
Changes in short-term loans	**1,217**	97
Changes in short-term deposits and similar instruments	**—**	—
Dividends paid on common shares	**(1,037)**	(1,044)
Share buyback	**(1,000)**	(999)
Acquisition/(divestment) of businesses, net of cash	**(4)**	(164)
Other cash flows from derivatives	**—**	—
Other	**(16)**	(49)
Net cash from operating, investing and financing activities	**2,514**	475

Free cash flow

Free cash flow, at €2,545 million, increased by €119 million compared to 2023, despite the incidental receivable related to a tax refund in Belgium last year. The free cash flow result is mainly driven by a lower capital expenditure of €135 million and higher divestment of assets of €114 million. Lower capital expenditure is driven by fewer investments in Europe related to supply chain and store maintenance. Divestments are mainly driven by the sale of facilities in the United States.

Higher interest received of €36 million is the result of a higher cash balance compared to last year. Lower repayment of lease liabilities of €72 million also contributed to free cash flow.

This upside was partly offset by a decrease in operating cash flows from continuing operations, which was lower by €242 million compared to 2023. The lower operating cash flow was driven by payments related to the amendment of the Dutch pension plan and higher income taxes paid in 2024, due to an incidental receivable related to a tax refund in Belgium last year (see *Note 10*).

In 2024, the main uses of free cash flow included:

- Share buyback program, for a total amount of €1,000 million
- Common stock final dividend of €0.61 per share for 2023, paid in 2024, and common stock interim dividend of €0.50 per share for 2024, resulting in a total cash outflow of €1,037 million

Financial group review continued
Capital investments and property overview

Capital expenditure (CapEx), including acquisitions and additions to right-of-use assets, amounted to €3,699 million in 2024 versus €4,099 million in 2023. Total cash CapEx for the year amounted to €2,299 million in 2024, a decrease of €135 million compared to the previous year. Total regular CapEx was lower than last year, mainly driven by lower investments in Europe due to timing of logistics and store maintenance investments.

Capital investments were primarily allocated to the expansion, remodeling and maintenance of our store network, online channel, supply chain and IT infrastructure, and the development of our digital capabilities.

A portion of our annual investments is dedicated to reducing our carbon footprint. These efforts include the replacement of refrigeration systems to enable the use of natural and low-global warming potential (GWP) refrigerants, projects to enhance energy efficiency in our facilities, investments in green buildings and solar panel installations, and the gradual transition from fossil fuel vehicles to electric alternatives. To support these initiatives, we require investment proposals to align with the latest company standards for energy consumption and the mitigation of potential environmental impacts caused by refrigerants. We also use our Green Bond framework to determine whether an investment qualifies as sustainable and we disclose our investments within that framework each year.

At the end of 2024, Ahold Delhaize brands operated 7,765 stores, compared to 7,716 in 2023. The Company's total sales area amounted to 9.7 million square meters in 2024, a decrease of 1.7% over the prior year.

Capital expenditures

€ million	2024	2023	Change versus prior year	% of sales
The United States	**2,029**	2,139	(110)	3.7%
Europe	**1,623**	1,889	(266)	4.6%
Ahold Delhaize Group	**22**	23	(1)	—%
Total regular CapEx	**3,673**	4,051	(377)	4.1%
Acquisition CapEx	**26**	49	(23)	—%
Total CapEx	**3,699**	4,099	(400)	4.1%
Total regular CapEx	**3,673**	4,051	(377)	4.1%
Right-of-use assets[1]	**(1,375)**	(1,683)	308	(1.5)%
Change in property, plant and equipment payables (and other non-cash adjustments)	**1**	66	(66)	—%
Gross CapEx (Purchase of non-current assets)	**2,299**	2,434	(135)	2.6%
Divestment of assets/disposal groups held for sale	**(250)**	(136)	(114)	(0.3)%
Net CapEx	**2,049**	2,298	(249)	2.3%

1. Right-of-use assets comprises additions (€485 million), reassessments and modifications to leases (€877 million) (for more information, see *Note 12* to the consolidated financial statements) as well as additions (€2 million) and reassessments and modifications to leases (€11 million) relating to right-of-use assets included within investment properties (for more information, see *Note 13* to the consolidated financial statements).

Financial group review continued
Capital investments and property overview continued

Number of stores

The total number of stores (including stores operated by franchisees) is as follows:

	Opening balance	Open/ acquired	Closed/ sold	Closing balance
The United States	2,048	5	(36)	**2,017**
Europe	5,668	158	(78)	**5,748**
Total number of stores	7,716	163	(114)	**7,765**

	2024	2023	Change versus prior year
Number of stores operated by Ahold Delhaize	**5,496**	5,618	(122)
Number of stores operated by franchisees	**2,269**	2,098	171
Number of stores operated	**7,765**	7,716	49

Franchisees operated 2,269 stores in the Netherlands, Belgium, Luxembourg and Greece.

The total number of pick-up points is as follows:

	2024	2023	Change versus prior year
The United States	**1,635**	1,564	71
Europe	**276**	269	7
Total number of pick-up points	**1,911**	1,833	78

At the end of 2024, Ahold Delhaize operated 1,911 pick-up points, which was 78 more than in 2023. These are either standalone or in-store and include 1,635 pick-up points in the U.S., of which 1,630 are click-and-collect points.

Ahold Delhaize also operated the following other properties as of December 29, 2024:

Warehouses/DCs/production facilities/offices	**175**
Properties under construction/ development	**72**
Investment properties	**546**
Total other properties	**793**

Investment properties consist of buildings and land not employed in support of our retail operations. The vast majority of these properties were subleased to third parties. Of these, many consisted of shopping centers containing one or more Ahold Delhaize stores and third-party retail units generating rental income.

The total number of retail locations owned or leased by Ahold Delhaize was 6,396 in 2024. This total includes 888 stores subleased to franchisees. The total number of retail locations owned or leased increased by 38 compared to 2023.

Ahold Delhaize brands also operate 229 gas stations on the premises of some of their stores in the U.S.

The following table breaks down the ownership structure of our 6,396 retail locations (inclusive of stores subleased to franchisees) and 793 other properties as of December 29, 2024.

	Retail locations	Other properties
Company owned % of total	19%	54%
Leased % of total	81%	46%

Financial group review continued
Tax transparency and responsibility

At Ahold Delhaize, we seek to make a positive impact in the communities where our brands operate and be good neighbors. We do this by paying taxes in a way that takes into consideration social and corporate responsibility and the interests of all our stakeholders. Our overall tax approach is in line with Ahold Delhaize's Business Principles, sustainability strategy and Code of Ethics.

Our tax policy, which applies to all consolidated group entities, consists of five main tax principles: transparency, accountability and governance, compliance, relationships with authorities and business structure. Our tax principles are aligned with The B Team's Responsible Tax Principles, developed by a group of leading companies, with involvement from civil society, investors and representatives from international institutions. In 2017, The B Team brought together the heads of Tax from nine multinationals to develop the Responsible Tax Principles, which raise the bar on how businesses approach tax and transparency and help forge a new consensus around what responsible tax practice looks like.

Ahold Delhaize also complies with the principles included in the VNO-NCW Tax Governance Code. For more information, see *Compliance to the code* on the Ahold Delhaize website at *www.aholddelhaize.com*.

For more details on our corporate income tax financial position, see *Note 10* to the consolidated financial statements.

Transparency

By paying our share of taxes in the countries where we have operations, we contribute to economic and social development in these countries. Also, with our total tax contribution, we support the UN Sustainable Development Goals (SDGs).

In 2024, Ahold Delhaize collected and bore many types of taxes: payroll tax, corporate income tax, net-value-added tax (VAT), sales and use (S&U) tax, property and real estate tax, dividend tax, excise and customs duties, and others (e.g., packaging tax), for a total amount of €6.1 billion. Approximately €1.9 billion of the Company's total tax contribution in 2024 relates to taxes borne.

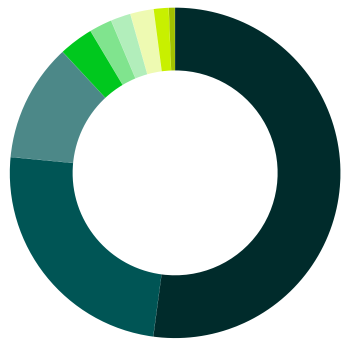
The total tax contribution and corporate income tax payments that were reported per country are summarized below.

Our effective income tax rate (ETR) over 2024 was 21.7%. This is our worldwide income tax expense for the financial year 2024, amounting to €481 million, shown as a percentage of the consolidated income before income taxes.

Ahold Delhaize 2024 total tax contribution by type €6.1 billion (€ million)

Payroll tax	3,058
VAT and S&U tax	1,616
Corporate income tax	470
Excise and customs duties	405
Property and real estate tax	311
Dividend tax	156
Other	107

Ahold Delhaize 2024 total tax contribution by country €6.1 billion (€ million)



The United States	3,191
The Netherlands	1,494
Belgium	708
Czech Republic	205
Greece	137
Serbia	120
Romania	140
Switzerland	90
Luxembourg	37

Financial group review continued
Tax transparency and responsibility continued

Ahold Delhaize 2024 corporate tax paid per country €470 million (€ million)

The United States	205
The Netherlands	116
Belgium	11
Czech Republic	23
Greece	(7)
Serbia	11
Romania	17
Switzerland	89
Luxembourg	5

Tax incentives

We define tax incentives as fiscal measures designed by governments to stimulate investment and encourage growth or a change in behavior by providing more favorable tax treatment to some activities or sectors.

For some of the activities that Ahold Delhaize and the brands undertake as part of our efforts to positively impact communities, there are tax incentives available, as described below.

Ahold Delhaize does make limited use of tax incentives. The main tax incentives applied by Ahold Delhaize in the various jurisdictions where our brands operate are:

Wage tax credits

Certain wage tax credits are available to companies that give opportunities to people who normally face difficulties finding employment, such as individuals with physical disabilities, as local governments seek to stimulate work participation in the labor market for these employees.

Capital investment credits

Local governments sometimes provide capital investment credits to stimulate investment (e.g., in warehouses or stores) in certain areas, to stimulate economic growth in their local communities.

Research and development (R&D) incentives

Local governments sometimes provide R&D incentives to companies undertaking certain activities that increase the level of innovation and economic growth in their communities. We are always striving to innovate as we drive operational excellence, for instance, by optimizing stock in our brands' DCs and stores. We receive R&D incentives for some of these activities.

Accountability and governance

Ahold Delhaize has a well-equipped and professional Tax function. It reports directly to the CFO and has direct access to the Management Board and the Supervisory Board. At least once a year, the function presents a tax update, including the implementation and execution of the tax strategy, to the Audit, Finance and Risk Committee of the Supervisory Board. The global tax policy is approved by the Management Board.

Our risk appetite is very low for tax purposes. We recognize the risk that non-compliance with applicable tax laws and regulations could result in damage to Ahold Delhaize's reputation or to the relationship with our host countries. For more information, see *Risk management*.

Tax in control statement

Being in control in relation to taxes and responsible taxation is an important objective for our Tax department and our Company. We have certain activities in place to support this, including:

- We have a tax control framework to assess and control tax risks for the various taxes and jurisdictions.
- We define, implement and test tax controls resulting from our risk assessment exercises through our various monitoring functions – comprising senior management and the Risk & Controls (second line of defense) and Internal Audit teams – making use of specific Ahold Delhaize tools developed for this purpose.
- Based on the annual internal audit plan, we audit selected taxes and/or jurisdictions. This results in an audit report rating the design and operating effectiveness of our tax controls.
- We have a separate control framework for responsible taxation in place.
- (Local) management signs a letter of representation on a quarterly basis stating, among other things, that they are in compliance with all (tax) controls and policies.
- We hold frequent update meetings with local CFOs and business teams.
- We produce a tax compliance report.
- We organize continuous education for the Tax team and related functions.

Each quarter, our brands sign a letter of representation, which includes an approval and a confirmation on the accuracy and completeness of our tax position. We have a tax strategy in place that is proactively communicated throughout the Company, and we organize training for selected brands and jurisdictions, during which the tax policy and its main principles are explained through tax risk workshops.

On a regular basis, we monitor whether our tax strategy is aligned with the Ahold Delhaize Business Principles, sustainability strategy and Code of Ethics. For example, the Tax department's annual objectives are based on the abovementioned principles and strategy and cascaded to individual associates' goals. Department and associate performance compared to these objectives is measured at least once per year.

Ahold Delhaize associates have access to a whistle-blower line for reporting any ethical or compliance concerns related to Company practices, including tax matters.

Financial group review continued
Tax transparency and responsibility continued

We are also actively involved in the field of tax technology. We have drafted a global tax technology strategy and roadmap based on five pillars: insights, data driven, automation, risk management and future-proof. We set up various initiatives within our direct tax disciplines (such as country-by-country reporting automation, Pillar 2 calculations and a tax reporting engine) and indirect tax disciplines (such as a VAT solution and tax engine), to optimize and upgrade our tax processes. We closely align with broader finance implementations, such as a new core finance systems/finance consolidation systems and our IT function assists us with our tax technology projects.

Compliance

Our tax compliance is based on the following examples of good tax practices:

- We aim to file our taxes in full compliance with local laws and regulations.
- We base our tax compliance on a reasonable and responsible interpretation of tax laws.
- We aim to comply with the letter as well as the spirit of the law.
- We attempt to discuss and clarify uncertainties about the tax treatment upfront with the tax authorities.
- We only seek rulings from tax authorities to confirm the applicable treatment of laws and regulations based on full disclosure of the relevant facts.
- We only make use of tax incentives when they are aligned with our business and operational objectives, follow from the tax law and are generally available to all market participants.

Relationships with tax authorities

Ahold Delhaize engages with tax authorities based on mutual trust, and we seek open and transparent working relationships with them. We provide the tax authorities with any information they require within a reasonable timeframe. This helps both the tax authorities and Ahold Delhaize to foster timely and efficient compliance. In the Netherlands, we have an individual monitoring plan in place with the Dutch tax authorities. In Belgium, we participate in the Co-operative Tax Compliance Program (CTCP).

Stakeholder engagement

As a Company close to society, we value constructive dialogue on taxes with the governments in the countries where our brands operate and we respond to government consultations on proposed changes to legislation with the aim of achieving sustainable legislation.

In addition to the tax authorities, our stakeholders also include investors, customers, business partners, non-governmental organizations (NGOs), employees and the broader communities in which we operate. We are an active member in a number of stakeholder representation groups such as the VNO-NCW and Nederlandse Orde van Belastingadviseurs. We also participate and provide active feedback in the Dutch Association of Investors for Sustainable Development (VBDO) tax transparency initiative. We actively participate in the European Business Tax Forum (EBTF) Total Tax Contribution Study.

Business structure

We have a physical presence in all jurisdictions where we operate and we follow internationally accepted norms and standards (e.g., OECD/Action Plan on Base Erosion and Profit Shifting/EU).

Our tax decision-making process is based on the following examples of good tax practices:

- We do not operate nor transfer value created to jurisdictions listed on the European Union (EU) "blacklist" of non-cooperative jurisdictions for tax purposes updated by the Council of the EU on October 8, 2024, or (low-tax) jurisdictions listed on the Netherlands' blacklist published in the Government Gazette on December 19, 2024.
- We pay tax on profits according to where value is created within the normal course of business.
- We base our transfer pricing policy on the arm's length principle.
- We do not use opaque corporate structures or those situated in low-tax jurisdictions to hide relevant information from the tax authorities.
- We are transparent about the entities we own (see *Note 35* to the consolidated financial statements).
- We will not engage in arrangements with any employee, customer or contractor whose sole purpose is to create a tax benefit in excess of what is reasonably understood to be intended by relevant tax rules.

For more information, see the Ahold Delhaize website at *www.aholddelhaize.com*.

Financial group review continued
Earnings and dividend per share

Income from continuing operations per common share (basic) was €1.90, a decrease of €0.05, or 2.6%, compared to 2023. The main driver of this decrease was lower income from continuing operations, which was caused by lower operating income, higher financial expenses, and higher taxes. The decline was partially offset by the decrease in the number of outstanding shares as a result of a €1 billion share buyback program carried out in 2024 (see *Note 21* to the consolidated financial statements for more information on the share movements). Underlying income from continuing operations per common share (diluted) was €2.54, an increase of €0.00, or 0.1%, compared to 2023, driven by favorable changes in number of shares offset by higher tax impact this year.

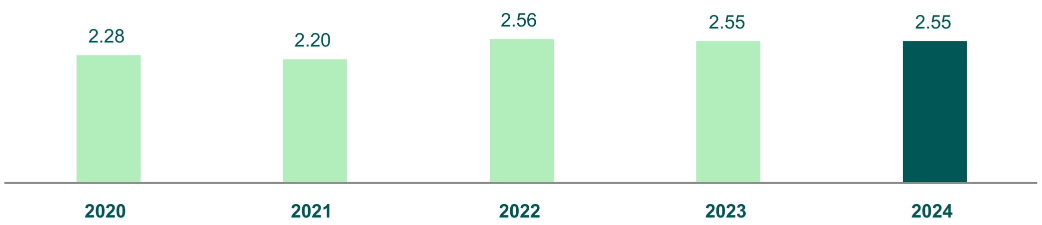
Ahold Delhaize's policy is to target a dividend payout ratio range of 40-50% of its underlying income from continuing operations. Underlying income from continuing operations for 52 weeks amounted to €2,370 million in 2024 and €2,451 million in 2023. As part of our dividend policy, we adjusted income from continuing operations, as shown in the table *Underlying income from continuing operations.*

We propose a cash dividend of €1.17 per share for the financial year 2024, an increase of 6.4% compared to 2023, reflecting our ambition to sustainably grow dividend per share. This represents a payout ratio of 46% of underlying net income from continuing operations for 52 weeks.

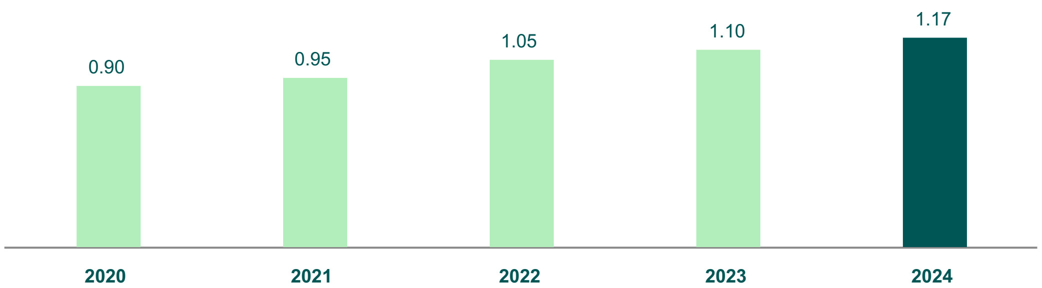
If approved by the General Meeting of Shareholders, a final dividend of €0.67 per share will be paid on April 24, 2025. This is in addition to the interim dividend of €0.50 per share, which was paid on August 29, 2024. In 2024, dividend payments totaled €1,037 million (vs. €1,044 million in 2023).

Underlying income from continuing operations **€ million (per share data in €)**	**2024 (based on 52 weeks)**	**2023 (based on 52 weeks)**
Income from continuing operations	**1,764**	1,874
Adjusted for:		
Impairment losses and reversals – net	**229**	375
(Gains) losses on leases and the sale of assets – net	181	180
Restructuring and related charges and other items	**414**	202
Unusual items in net financial expense	**(10)**	—
Tax effect on adjusted and unusual items	**(208)**	(181)
Underlying income from continuing operations	**2,370**	2,451
Income from continuing operations per share attributable to common shareholders	**1.90**	1.95
Underlying income from continuing operations per share attributable to common shareholders	**2.55**	2.55
Diluted underlying income per share from continuing operations	**2.54**	2.54

Underlying income from continuing operations per common share (basic), amounts in €



Dividend per common share, amounts in €



See *Information about Ahold Delhaize shares* for further details.

Financial review by segment

Key financial and non-financial information

The segmental key financial and non-financial information per region for 2024, 2023, 2022 and 2021 is presented below:

	The United States				Europe			
	2024	**2023 restated[4]**	**2022**	**2021**	**2024**	**2023 restated[4]**	**2022**	**2021**
Net sales (€ millions)	**54,198**	54,610	55,218	45,455	**35,158**	34,124	31,767	30,147
Net sales ($ millions)	**58,639**	59,055	57,959	53,699				
Of which: online sales (€ millions)	**4,090**	4,247	4,157	3,228	**5,145**	4,684	4,461	4,477
Of which: online sales ($ millions)	**4,426**	4,592	4,367	3,814				
Net sales growth in local currency	**(0.7)%**	1.9%	7.9%	3.6%	**3.5%**	7.2%	5.0%	2.8%
Comparable sales growth[1]	**0.5%**	1.8%	7.4%	2.6%	**2.0%**	6.3%	2.9%	2.8%
Comparable sales growth (excluding gasoline sales)[1]	**0.8%**	2.3%	6.8%	1.9%	**2.0%**	6.3%	2.9%	2.8%
Net consumer online sales (€ millions)	**4,090**	4,247	4,157	3,228	**8,033**	7,546	7,166	7,173
Net consumer online sales ($ millions)	**4,426**	4,592	4,367	3,814				
Operating income (€ millions)	**2,215**	2,044	2,605	2,231	**906**	870	1,173	1,209
Operating income ($ millions)	**2,392**	2,210	2,733	2,631				
Underlying operating income (€ millions)	**2,398**	2,553	2,603	2,150	**1,336**	1,120	1,131	1,306
Underlying operating income ($ millions)	**2,594**	2,761	2,727	2,543				
Underlying operating margin	**4.4%**	4.7%	4.7%	4.7%	**3.8%**	3.3%	3.6%	4.3%
Number of employees/headcount (at year end in thousands)	**226**	229	239	239	**161**	173	175	174
Number of employees/FTEs (at year end in thousands)[2]	**138**	140	155	160	**83**	91	94	99
Contribution to Ahold Delhaize net sales	**60.7%**	61.5%	63.5%	60.1%	**39.3%**	38.5%	36.5%	39.9%
Contribution to Ahold Delhaize underlying operating income[3]	**64.2%**	69.5%	69.7%	62.2%	**35.8%**	30.5%	30.3%	37.8%

1. For the year 2024, 2023, 2022 and 2021, comparable sales growth is presented on a comparable 52-week basis.
2. Included in the 83,000 FTEs in 2024 in Europe (2023: 91,000; 2022: 94,000; 2021: 99,000) are 38,000 FTEs in the Netherlands (2023: 39,000; 2022: 40,000; 2021: 40,000)
3. Before costs related to the Ahold Delhaize Group (formerly known as GSO)
4. Comparative amounts have been restated (see *Note 3* to the consolidated financial statements).

Financial review by segment continued
United States

Net sales
€54.2bn (0.7)%*
2023: €54.6bn (0.8)% vs. 2023

Comparable sales growth (excluding gasoline sales)
0.8%

Operating income
€2.2bn 8.3%*
2023: €2.0bn 8.4% vs. 2023

Underlying operating income
€2.4bn (6.0)%*
2023: €2.6bn (6.1)% vs. 2023

Underlying operating margin
4.4% (0.3)pp*
2023: 4.7% (0.3) pp vs. 2023

Online sales
€4.1bn (3.6)%*
2023: €4.2bn (3.7)% vs 2023

*At constant rates.

The United States segment

€ million	2024	2023 restated[1]	Change versus prior year	% change	% change at constant rates
Net sales	**54,198**	54,610	(412)	(0.8)%	**(0.7)%**
Of which online sales	**4,090**	4,247	**(157)**	(3.7)%	**(3.6)%**
Comparable sales growth	**0.5%**	1.8%			
Comparable sales growth excluding gasoline	**0.8%**	2.3%			
Operating income	**2,215**	2,044	171	8.4 %	8.3 %
Adjusted for:					
Impairment losses and reversals – net	**154**	228	(74)		
(Gains) losses on leases and the sale of assets – net	**(38)**	220	(258)		
Restructuring and related charges and other items	**67**	61	5		
Underlying operating income	**2,398**	2,553	(155)	(6.1)%	**(6.0)%**
Underlying operating income margin	**4.4%**	4.7%			

1. Comparative amounts have been restated (see *Note 3* to the consolidated financial statements).

In 2024, net sales were €54,198 million, a decrease of €412 million or 0.8% compared to 2023. At constant exchange rates, net sales showed a decrease of 0.7%, driven by the divestment of FreshDirect and lower gasoline sales. In addition, a combined negative impact from the 32 Stop & Shop stores that closed down in Q4 2024 and a recall of Boar's Head deli products pressured net sales. A continued growth in pharmacy sales positively affected net sales. Food Lion and Hannaford continue to lead the U.S. brands' performance, with 49 and 14 consecutive quarters of positive sales growth, respectively.

Online sales were €4,090 million, down by 3.6% compared to the prior year at constant exchange rates, negatively impacted by14.7 percentage points due to the divestment of FreshDirect. This was partially offset by double-digit online growth at Food Lion, Hannaford and The GIANT Company. The U.S. brands focused on driving sales through operational excellence, improving the value proposition for customers, and expanding their online presence. The brands have been working on improvements in on-time and order completeness, pick-up and delivery turnaround times, capacity expansions, and enhanced online offerings through a new partnership with DoorDash. Investments in technology enabled the brands to strengthen the customer experience, bolster fulfillment efficiency and expand retail media inventory.

Financial review by segment continued
United States continued

Own-brand food sales

Own-brand food sales	32.1%
National-brand food sales	67.9%

Net sales by category

Fresh	44.5%
Non-perishables	37.8%
Non-food	9.4%
Pharmacy	6.4%
Gas	1.8%
Retail media	0.1%

The U.S. brands provided value to customers by consistently expanding their high-quality own-brand assortments. In 2024, own-brand food sales as a percentage of total food sales increased to 32.1%, up by 0.5 percentage points. The highest growth category in 2024 was dairy – a combination of unit growth of our brands' cream and creamer products – further accelerated by the market price of eggs.

In 2024, pharmacy increased the most in share as a percentage of total sales, while fresh continued to be the biggest category in terms of net sales. The relative share of non-perishables, non-food and gas decreased.

Comparable sales excluding gasoline increased by 0.8%, driven by strong pharmacy and online sales (excluding FreshDirect). Sales performance was also positively affected by strong results, most notably from Food Lion. In addition, sales in the U.S. benefited this year from price investments and the successful rollout of our remodeling programs. In 2024, the U.S. segment opened five new stores expanded two and conducted 190 remodels.

Operating income increased by €171 million, or 8.4%, compared to 2023. Underlying operating income was €2,398 million and is adjusted for the following items:

- Impairment losses and reversals – net: In 2024, impairment charges amounted to €154 million, versus €228 million in 2023. in 2024, these impairments mostly related to the closure of Stop & Shop stores in the U.S.. In 2023, these impairments mostly related to property, plant and equipment impairments for FreshDirect.
- (Gains) losses on leases and the sale of assets – net: In 2024, the total net gain amounted to €38 million, mainly related to the closure of Stop & Shop stores and the sale of investment properties. In 2023, a €220 million loss was recorded, mainly related to the divestment of FreshDirect.
- Restructuring and related charges and other items: In 2024, the net loss was €67 million, mainly driven by Stop & Shop stores, our Accelerate global restructuring program and losses related to Hurricane Helene. In 2023, the net loss of €61 million was mainly driven by the Accelerate programs (see *Note 24* to the consolidated financial statements).

In 2024, underlying operating income was €2,398 million, down by €155 million or 6.1% compared to last year. At constant exchange rates, underlying operating income decreased by 6.0%.

The United States' underlying operating margin in 2024 was 4.4%, down by 0.3 percentage point compared to 2023, mostly driven by a lower sales leverage and higher store labor costs. This was partly offset by favorability in margin mix, primarily resulting from the divestment of FreshDirect and tight cost management as part of our Save for Our Customers cost-savings program.

Financial review by segment continued
Europe

Net sales
€35.2bn 3.5%*
2023: €34.1bn 3.0% vs. 2023

Comparable sales growth (excluding gasoline sales)
2.0%

Operating income
€0.9bn 4.8%*
2023: €0.9bn 4.1% vs. 2023

Underlying operating income
€1.3bn 20.0%*
2023: €1.1bn 19.4% vs. 2023

Underlying operating margin
3.8% 0.5pp*
2023: 3.3% 0.5 pp vs. 2023

Online sales
€5.1bn 9.9%*
2023: €4.7bn 9.8% vs. 2023

*At constant rates.

Europe segment

€ million	2024	2023 restated[1]	Change versus prior year	% change	% change at constant rates
Net sales	**35,158**	34,124	1,033	3.0%	**3.5%**
Of which online sales	**5,145**	4,684	461	9.8%	**9.9%**
Net consumer online sales	**8,033**	7,546	487	6.4%	**6.5%**
Comparable sales growth	**2.0%**	6.3%			
Comparable sales growth excluding gasoline	**2.0%**	6.3%			
Operating income	**906**	870	36	4.1%	**4.8%**
Adjusted for:					
Impairment losses and reversals – net	**75**	147	(72)		
(Gains) losses on leases and the sale of assets – net	**219**	(40)	259		
Restructuring and related charges and other items	**137**	143	(5)		
Underlying operating income	**1,336**	1,120	217	19.4%	**20.0%**
Underlying operating income margin	**3.8%**	3.3%			

1. Comparative amounts have been restated (see *Note 3* to the consolidated financial statements).

This year, European household budgets remained under pressure despite moderating inflation rates compared to a year before. In spite of economic headwinds, our brands continued to work hard to improve their customer value propositions by offering healthy food at affordable prices, which, in turn, drove market share growth. This strategy includes initiatives such as the expansion of our brands' high-quality own-brand assortments and ranges of Price Favorite products; compelling promotions to drive traffic; increased promotional activity from vendors; the implementation of price investments; and continued store remodels. In addition, we are starting to see the benefits from structural changes in our business related to the Belgium Future Plan. Tight cost management and ongoing cost-savings initiatives driven by the Save for Our Customers program fuelled the implementation of our new Growing Together strategy.

European net sales grew by €1,033 million up to €35,158 million in 2024, or 3.0% compared to 2023. At constant exchange rates, net sales were up by 3.5%. Sales growth was driven by an increase in comparable sales growth and net store openings, including the conversion of Jan Linders stores. Europe's comparable sales increased by 2.0%, mainly driven by higher volume and by a 0.3% impact of cycling prior-year strikes in Belgium, but were negatively impacted by a 2.5% impact of the cessation of tobacco sales at Albert Heijn supermarkets in the Netherlands.

Albert Heijn, bol and Etos in the Netherlands and Delhaize in Belgium contributed the most to this comparable sales increase, supported by our brands in the Czech Republic, Romania and Serbia. Strong growth resulted in market share gains in the majority of the European brands this year.

In 2024, growth in Europe was supported by multiple projects. Delhaize Belgium finalized the conversion of 128 stores to affiliates as part of the Belgium Future Plan, which resulted in an enhanced customer experience and market share growth that is exceeding expectations. We continued to invest in new technology and innovation in Europe. Albert Heijn opened its second fully automated HSC in Zwolle, while the first facility in Barendrecht is showing better customer service and improved order completeness levels and operational efficiency. Albert Heijn also expanded its dynamic markdown technology to include non-perishable products, which reduces food waste and contributes to our Save for Our Customers program. Our CSE brands implemented multiple commercial programs, including enhancing their European joint purchasing activities. In the Netherlands, bol implemented buying improvement and data initiatives, as well as logistics and contract improvements (for example, with the Dutch postal service PostNL), in order to strengthen its Save for Our Customers program delivery.

Online sales were €5,145 million, up by 9.9% compared to last year at constant exchange rates, with strong performance in both food and non-food online retail in the European region. Bol reached 4.1% net consumer online sales growth in 2024, with a notable improvement in the last quarter of 2024, and was able to maintain its market share in a declining market. This growth was powered by its successful customer proposition, including its popular loyalty program, expansion into new product categories, logistics service proposition and strong promotional campaigns.

Financial review by segment continued
Europe continued

For the 10th year in a row, bol was recognized as the number one favorite retail brand in the Netherlands. The robust online grocery offering of our other European brands also continued to serve customers well. Albert Heijn increased capacity at its second automated HSC in Zwolle, and welcomed more than one million customers to its AH Premium loyalty program. All the European brands further leveraged the power of digital capabilities to provide customers with meaningful, highly personalized discounts tailored to their needs and wallets, as well as a great, seamless customer experience.

Own-brand food sales

Own-brand food sales	49.5%
National-brand food sales	50.5%

Net sales by category

Fresh	45.5%
Non-perishables	32.4%
Non-food	21.7%
Retail media	0.4%

Part of our focus remains on the continuous growth of our brands' own-brand offerings. During the year, our brands expanded their own-brand assortments even further, from 49.4% of total food sales in 2023 to 49.5% in 2024. In addition, they were very successful in developing our Price Favorites range in Europe this year; for example, the Price Favorites assortment at Albert Heijn grew by 5% and at Delhaize Belgium by 5.5% in 2024 versus the prior year.

As a percentage of total sales, the relative share of fresh increased from 44.2% in 2023 to 45.5% in 2024, and the relative share of non-food decreased from 23.6% to 21.7%. In addition, the share of non-perishables increased from 32.0% in 2023 to 32.4% in 2024. Retail media sales also increased by 0.1% this year.

Operating income increased by €36 million, or 4.1%, to €906 million, affected by the following items that Ahold Delhaize adjusts to arrive at underlying operating income:

- Impairment losses and reversals – net: In 2024, impairment charges amounted to €75 million, related to the impairment of bol DC; impairment of software in progress for our Belgium and CSE entities; the brand name Cycloon; and underperforming stores in CSE, Belgium and the Netherlands. In 2023, impairment charges amounted to €147 million, mainly related to the transitioning of own stores into affiliates in Belgium and impairments for underperforming stores in the Netherlands and other European brands.
- Gains (losses) on leases and the sale of assets – net: In 2024, the total net loss was €219 million, driven by the loss arising from the sale of stores to affiliates in Belgium. In 2023, the total net gain was €40 million, caused by the sale of stores to franchisees related to the agreement with Jan Linders and sale of assets in Europe, partly offset by a loss on the sale of stores to affiliates in Belgium.
- Restructuring and related charges and other items: In 2024, the charges amounted to a net loss of €137 million, which resulted from the settlement loss on Dutch pensions amendment (for more information, see *Note 24*), by restructuring-related costs pertaining to the Belgium Future Plan and integration costs of Profi in Romania. In 2023, the charges amounted to a net loss of €143 million, mainly driven by restructuring-related costs pertaining to the Belgium Future Plan.

In 2024, underlying operating income in Europe was €1,336 million, up by €217 million, or 19.4%, compared to 2023 in actual rates. Underlying operating margin was 3.8% in 2024, 0.5 percentage points higher than in 2023. Favorable margin in Europe was primarily driven by higher sales leverage, performance recovery in Belgium due to the changes in the operating model and cycling of prior year strikes, as well as lower energy costs across the region. It was partly offset by higher labor costs and an increase in the non-cash service charge for the Dutch employee pension plan.

Financial review by segment continued
Ahold Delhaize Group

Ahold Delhaize Group

€ million	2024	2023	Change versus prior year
Operating income (expense)	**(337)**	(68)	(269)
Underlying operating income (expense)[1]	**(127)**	(69)	(58)
Insurance results	**35**	77	(42)
Underlying operating income (expense) excluding insurance results[1]	**(162)**	**(146)**	**(16)**

1. Underlying operating income (expense), underlying operating income (expense) excluding insurance results, and the percentage changes in constant rates are alternative performance measures that are used throughout this report.

Ahold Delhaize Group (formerly known as Ahold Delhaize's Global Support Office or GSO) consists of functions that help the Company's brands improve the quality of their services in areas that include finance, legal, communications and sustainability. The Ahold Delhaize Group sets functional strategies, provides subject matter expertise, facilitates best practice sharing, and provides policies and guidelines.

In 2024, Ahold Delhaize Group costs amounted to €337 million, up €269 million compared to the previous year. This net increase was primarily driven by a €206 million loss, resulting from an amendment to and additional funding for the Dutch pension plan, and by lower gains on self-insurance activities.

Insurance results were €35 million, down €42 million year over year. The decrease in insurance result is mainly driven by interest rate fluctuations and loss adjusting expenses related to weather impacts, such as hurricanes, floods and fire events in the United States and Europe.

Excluding self-insurance, underlying Ahold Delhaize Group costs were €162 million, which was €16 million higher than the previous year. This increase in costs was mainly driven by incidental hired services and technology expenses.

Outlook

Summary

Key financial targets	Results in 2024	Outlook 2025
Group underlying operating margin	4.0%	Around 4%
Diluted underlying EPS growth	€2.54	Mid- to high-single digits
Gross capital expenditures[1]	€2.3 billion	Around €2.7 billion
Free cash flow[1]	€2.5 billion	At least €2.2 billion
Dividend per share **Payout ratio**[2,3]	€1.17 46%	YOY growth in dividend per share and 40-50% payout ratio
Share buyback	€1 billion	€1 billion

1. Excludes M&A
2. Calculated as a percentage of underlying income from continuing operations
3. Management remains committed to the Company's share buyback and dividend programs while continuously assessing macroeconomic, geopolitical and legislative factors as part of its decision-making process. In addition, the programs may be adjusted in response to corporate activities, including significant mergers and acquisitions.

Changes to our strategy

In May 2024, we introduced our Growing Together strategy, which will support our brands in growing faster than the market during the period from 2025 to 2028. See *Our Growing Together strategy* for more detail. Building on our strong foundation, with over 150 years of retail experience, this strategy is an evolution of our prior Leading Together strategy and further expands on the work already done. We consider our Growing Together strategy to be well balanced. It is focused on growth and delivering industry-leading margins, but also on cost discipline, investing in the future and generating cash to grow shareholder returns. Our Growing Together strategy is built around four key levers:

- Consistently investing in our customer value proposition, creating exceptional customer experiences and providing trusted products to strengthen loyalty and engagement
- Densifying and growing our markets, strengthening our foundation and expanding our horizon into new growth territories
- Innovating and creating new opportunities to fully utilize our assets and our data and accelerate complementary income streams
- Relentlessly leveraging and lowering our cost base through enhanced digital, automation and infrastructure capabilities

These levers are then powered by six strategic priorities at the brand and functional level, which support and mutually reinforce each other. You can read more about these priorities in our *Strategy* section.

Noteworthy changes to our business to come in 2025

The following are changes in the business that will impact comparable performance for 2025 and have been incorporated into our Outlook:

- The acquisition of Profi, which we closed in January, will add approximately €3 billion in net sales to our Europe segment.
- The closure of 32 Stop & Shop stores in the second half of 2024 as part of our revitalization plan will have a negative impact on net sales for The United States segment in the range of $550 to $575 million.
- The cessation of tobacco sales will impact Albert Heijn's net sales at franchised stores for the first half of the year. In addition, Delhaize and Albert Heijn stores in Belgium will end tobacco sales as of April 1, 2025, due to regulation changes. This will have around a 1.0 percentage-point impact on reported and comparable store sales in Europe in 2025.

Overall market conditions and differences between regions

On a macro level, in the U.S., the IMF expects 2.2% real GDP growth in 2025, down from 2.8% in 2024. Inflation is back at low-single-digit levels and current unemployment levels imply continued wage inflation, supporting resilient consumer spending, though elevated levels of household debt could offset consumption in the U.S. Consumer confidence, as measured by the OECD, experienced some volatility during 2024, but has been on an overall upward trajectory over the last 24 months, back toward the long-term average, which is supportive of consumption.

In Europe, the IMF expects 1.6% real GDP growth in 2025, which is flat compared to 2024. Consumer spending should benefit from real wage growth, as unemployment is low and inflation is moving back toward low-single-digit levels. Consumer confidence, as measured by the OECD, improved marginally during 2024, but remained stagnant toward the end of the year. Its proximity to the long-term average is supportive of consumption.

Looking at food in particular, the U.S. Department of Agriculture (USDA) expects food prices to increase more slowly than the historical average rate, citing an overall slowdown in price growth of goods. Food-at-home inflation in the U.S. in 2025 is projected at 1.6% against food-away-from-home inflation at 3.1%. The European Central Bank expects food inflation of 2.4% for the euro area in 2025, down from 2.9% in 2024, as energy and commodity price shocks start to dissipate.

Sales growth in 2025

Our strong and consistent performance in 2024 enabled a kick-start to several strategic initiatives, which will fuel accelerated growth in 2025. Our expectation is to deliver sales growth above market levels, driven partially by our brands' increased investments in their winning customer value propositions. Improvements in volume as a result of our focus on own-brand across the regions, aided by price investments in the U.S., specifically, should play a significant role.

Omnichannel sales will be another contributor to our sales growth. We expect to see continued outsized growth in this channel, driven, in part, by an increase in monthly active app users as a result of the rollout of unified apps in Europe and the onboarding of brands onto our proprietary PRISM platform in the U.S., as well as the investments in and further scaling of service locations and delivery centers, such as the mechanized HSC in Zwolle, the Netherlands.

Outlook continued

Sales growth will also come from our brick-and-mortar store locations as we densify and grow our markets. Examples include the expected 235 remodels and new stores in the U.S., the addition of Profi in Romania and the continuation of new store openings in the CSE region as well as remodels across Europe.

Maintaining healthy margins in 2025

In 2025, we expect to deliver a margin of around 4%, in line with our guidance for 2025 to 2028. We will continue executing the Stop & Shop revitalization plan we started last year. In addition, 2025 will be the first year of our announced $1 billion price investments plan for the period 2025 to 2028.

As you may expect from us, it is our intention that these investments will be offset by strong cost savings and the benefits coming from our complementary revenue streams. These complementary revenue streams are an important part of our strategy to innovate and create new opportunities to fully utilize our capabilities and data.

Saving for our customers

To leverage and lower our cost base, we are making a step up in our Save for Our Customers program, which is expected to yield at least €1.25 billion in 2025. This will be the first step of our overall €5 billion cost-savings program over the four-year period ending in 2028. Our Save for Our Customers program will focus on areas such as sourcing (including the benefits we receive from our European purchasing alliances), simplification, automation across the entire organization, and further leveraging of the power of data and AI.

Gross capital expenditure of around 2.7 billion[1]

For 2025, we expect gross capital expenditures to be around €2.7 billion, or 3.0% of sales (net capital of around €2.6 billion), which includes divestments. To fuel our growth, we will make a step up in investments in our store fleet, distribution centers (e.g., bringing in more mechanization) and in Digital and Technology. These will expand our brands' customer reach and have a positive impact on their customer value propositions and new income streams. Beside the step up in these three areas, we will maintain strong levels of investments into our healthy communities & planet initiatives.

1. Excludes M&A

Sustained strong free cash flow generation

Our operational outlook for 2025 translates into strong cash flow generation, which is reflected in our 2025 free cash flow outlook of at least €2.2 billion. This is underpinned by our expectations of growth in 2025 operating cash flows, supported by sales growth and consistent margins, as we step up our overall level of investments.

Overall, we expect our free cash flow generation to remain strong over the upcoming years as well, in line with our cumulative free cash flow forecast of €9 billion over the four-year period from 2025 to 2028.

Returning capital to shareholders continues

The strong level of free cash flow embedded in our 2025 outlook supports our €1 billion share repurchase authorization announced in November 2024, as well as our dividend policy, which calls for sustainable growth in our annual cash dividend and a 40-50% payout ratio from underlying net income.

We propose a cash dividend of €1.17 for the financial year 2024, an increase of 6.4% compared to 2023. If approved by the General Meeting of Shareholders, a final dividend of €0.67 per share will be paid on April 24, 2025. This is in addition to the interim dividend of €0.50 per share, which was paid on August 29, 2024.

Focus on our people

For our Company, the dedication and commitment of our people continues to be one of the key drivers of success. High engagement and inclusion helps drive business, professional and personal growth. In 2025, we will continue to pursue our aspirations across the following metrics: an associate engagement score of 78% or greater, an inclusive workplace score equal to or greater than 81% and an associate growth score of 75% or greater in line with our continued commitment to grow our people. It is our intention to always be above the Global Retail benchmark.

Healthy communities & planet

We will continue to focus on healthier lives and reducing Ahold Delhaize's impact on the climate. Our current ambitions have a time horizon up to the end of 2025. At the completion of our nature project, we will determine the most appropriate future ambitions and actions going forward, where applicable.

For all other targets with future time horizons, we continue to drive progress in line with our plans, as set out in this Annual Report. For our healthy food sales target, we aim to grow own-brand healthy food sales. We do not foresee changes in the Nutri-Score and Guiding Stars methodology; key drivers for progress are focused on our brands' assortments and how they support customers in making choices.

To reduce our scope 1 and 2 carbon-emission reductions, we will follow our transition plan, and for scope 3 carbon emissions, we remain focused on the actions our brands are implementing in partnership with others. More information on our plans for scope 1, 2 and 3 carbon emissions are included in the *Climate change* section of this report.

We aim to evolve our approach to nature and biodiversity in the coming years, based on the outcomes of our detailed impact, dependency and risk assessments for our identified priority value chains and regions. This will result in refreshed and/or new targets in areas where Ahold Delhaize has the best opportunity to drive action.

In the area of circularity, our brands continue their efforts to reduce food waste in our own operations and strengthen collaboration with local food banks. This is supported on a Group level through our partnership with the Global FoodBanking Network. In 2025, our focus remains on own-brand plastic product packaging elimination, the shift to more reusables and recyclability. Our targets on packaging have a time horizon up to the end of 2025. We will determine the most appropriate future ambitions and actions, going forward, where applicable in 2025.

Information about Ahold Delhaize shares

Shares and listings

Koninklijke Ahold Delhaize N.V. is a public limited liability company registered in the Netherlands with a listing of shares on Euronext's Amsterdam Stock Exchange (AEX) and Euronext Brussels (Ticker: AD, Bloomberg code: AD NA, ISIN code: NL0011794037, CUSIP: N0074E105, Reuters code: AD.AS).

Ahold Delhaize's shares trade in the United States on the over-the-counter (OTC) market (www.otcmarkets.com) in the form of American Depositary Receipts (ADRs) (ticker: ADRNY, Bloomberg code: ADRNY US, ISIN code: US5004675014, CUSIP: 500467501).

The ratio between Ahold Delhaize ADRs and the ordinary Netherlands (euro-denominated) shares is 1:1 – i.e., one ADR represents one Ahold Delhaize ordinary share.

Structure: Sponsored Level I ADR

J.P. Morgan (the Depositary) acts as the depositary bank for Ahold Delhaize's ADR program. Please also see *Contact information* for details on how to contact J.P. Morgan regarding the ADR program.

Share performance in 2024

On December 27, 2024, the closing price of the Ahold Delhaize ordinary share on Euronext Amsterdam was €31.38, a 20.6% increase compared to the €26.02 closing price on December 29, 2023. During the same period, the Euro STOXX 50 index increased by 8.3% and the AEX index increased by 11.7%.

During 2024, Ahold Delhaize shares traded on Euronext Amsterdam at an average closing price of €29.18 and an average daily trading volume of 2.0 million shares. Across all European trading platforms, Ahold Delhaize shares traded at an average daily trading volume of 5.0 million shares. Ahold Delhaize's market capitalization was €28.7 billion at year-end 2024. The highest closing price for Ahold Delhaize's shares on Euronext Amsterdam was €33.25 on December 5, 2024, and the lowest was €25.47 on January 19, 2024.

The complete list of the select peer group includes: Walmart Inc., Kroger Co., Tesco Plc., Costco Wholesale Corporation, Carrefour SA, J Sainsbury Plc., Target Corporation and Albertsons Companies, Inc. The chart represents the performance of Ahold Delhaize shares, along with the AEX, Euro Stoxx 50 and our peer group, on an equal-weighted basis. The price performance of our shares shown in the graph to the right is not necessarily indicative of future stock performance.

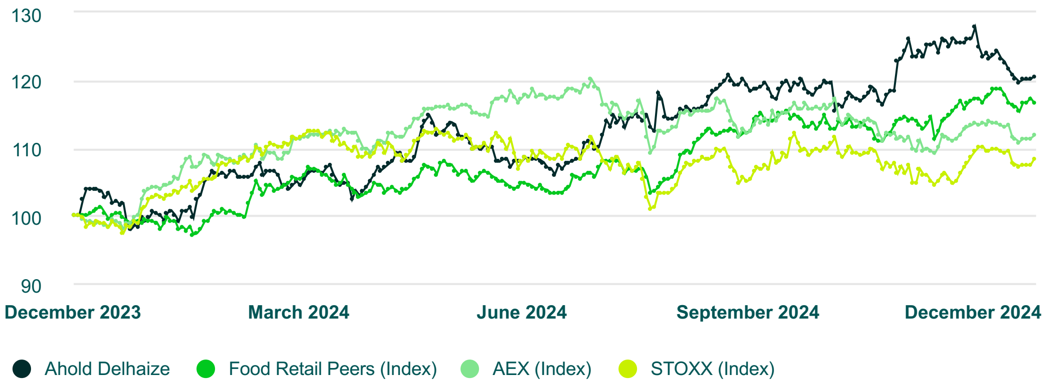
On December 27, 2024, the closing price of Ahold Delhaize's ADR was $32.75, 14.0% higher than the closing price on December 29, 2023 ($28.74). In the same period, the Dow Jones Index increased by 12.9% and the S&P 500 increased by 23.3%. In 2024, the average daily trading volume of Ahold Delhaize ADRs was 83,649.

Performance of Ahold Delhaize's common shares on Euronext Amsterdam

	2024	2023
Closing common share price at year end (in €)	**31.38**	26.02
Average closing common share price (in €)	**29.18**	29.27
Highest closing common share price (in €)	**33.25**	32.27
Lowest closing common share price (in €)	**25.47**	25.98
Average daily trading volume	**1,972,690**	2,074,697
Market capitalization (€ million)	**28,668**	24,615

Source: Bloomberg

Ahold Delhaize share price performance



Ahold Delhaize share price (€)

Information about Ahold Delhaize shares continued

Earnings per share

During 2024, Ahold Delhaize realized basic income from continuing operations per share of €1.90 and diluted income from continuing operations per share of €1.89. Basic underlying income from continuing operations was €2.55 per share, and diluted underlying income from continuing operations was €2.54 per share. This difference between our reported and underlying income from continuing operations is related to a net €606 million of one-time charges, largely driven by costs related to the repositioning of Stop & Shop, the Belgium Future Plan and an amendment to and additional funding for the Dutch pension plan.

Share capital

During 2024, Ahold Delhaize's issued and outstanding share capital decreased by approximately 32 million common shares to 914 million common shares. This decrease resulted mainly from the share buyback of €1 billion, as announced on November 8, 2023, marginally offset by the issuance of shares for the Company's share-based compensation program.

The common shares issued decreased by 32 million to 920 million at the end of 2024. The difference between the common shares outstanding and common shares issued are the treasury shares.

As of December 29, 2024, there were 6,910 thousand shares held in treasury, the majority held by Ahold Delhaize to cover the long-term share-based incentive plan.

Ahold Delhaize's authorized share capital as of December 29, 2024, comprised the following:

- 1,923,515,827 common shares at €0.01 par value each
- 326,484,173 cumulative preferred financing shares at €0.01 par value each
- 2,250,000,000 cumulative preferred shares at €0.01 par value each

For additional information about Ahold Delhaize's share capital, see Note 21 to the consolidated financial statements.

Distribution of shares

Shareholders by region[1]

%	January 2025	January 2024
North America	**33.9**	32.4
U.K./Ireland	**19.8**	17.6
Rest of Europe	**10.3**	11.7
France	**8.1**	8.0
Germany	**5.3**	5.2
The Netherlands[2]	**4.0**	5.2
Rest of the world	**3.0**	2.5
Undisclosed[2]	**15.6**	17.4

1. Source: CMi2i
2. The Netherlands excludes the percentage of shareholdings of all retail holdings and treasury shares, which are included in Undisclosed.

Significant ownership of voting shares

According to the Dutch Financial Markets Supervision Act, any person or legal entity who, directly or indirectly, acquires or disposes of an interest in Ahold Delhaize's capital or voting rights must immediately give written notice to the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten or AFM) if the acquisition or disposal causes the percentage of outstanding capital interest or voting rights held by that person or legal entity to reach, exceed or fall below any of the following thresholds:

3%	5%	10%	15%	20%
25%	30%	40%	50%	60%
75%	95%			

The obligation to notify the AFM also applies when the percentage of capital interest or voting rights referred to above changes as a result of a change in Ahold Delhaize's total outstanding capital or voting rights. In addition, local rules may apply to investors.

The following table lists the shareholders on record in the AFM register on February 20, 2025, that hold an interest of 3% or more in the share capital of the Company.[1]

- BlackRock, Inc. – 5.63% shareholding (6.91% voting rights) disclosed on August 11, 2023
- Amundi Asset Management – 3.04% shareholding (3.04% voting rights), disclosed on August 25, 2023
- State Street Corporation – 3.01% shareholding (2.17% voting rights), disclosed on December 23, 2024
- Goldman Sachs Group Inc. – 3.00% shareholding (3.00% voting rights) disclosed on February 14, 2025

1. In accordance with the filing requirements, the percentages shown include both direct and indirect capital interests and voting rights and both real and potential capital interests and voting rights. For further details, see *www.afm.nl*.

For further details on the number of outstanding shares and the percentages of the issued share capital they represent, see Note 21 to the consolidated financial statements.

Shareholder returns

On April 10, 2024, the General Meeting of Shareholders approved the dividend over 2023 of €1.10 per common share. The interim dividend of €0.49 per common share was paid on August 31, 2023. The final dividend of €0.61 per common share was paid on April 25, 2024.

Information about Ahold Delhaize shares continued

Shareholders KPIs 2020-2024

	2024	2023	2022	2021	2020
Dividend per common share[1]	**1.17**	1.10	1.05	0.95	0.90
Final dividend	**0.67**	0.61	0.59	0.52	0.40
Interim dividend	**0.50**	0.49	0.46	0.43	0.50
Dividend yield	**3.7%**	4.2%	3.9%	3.2%	3.9%
Payout ratio	**46%**	43%	40%	42%	40%

1. 2024 dividend subject to the approval of the AGM

We propose a cash dividend of €1.17 for the financial year 2024, an increase of 6.4% compared to 2023, reflecting our ambition to sustainably grow the dividend per share. This represents a payout ratio of 46%, based on the expected dividend payment on 52 weeks of underlying income from continuing operations.

If approved by the General Meeting of Shareholders, a final dividend of €0.67 per share will be paid on April 24, 2025. This is in addition to the interim dividend of €0.50 per share, which was paid on August 29, 2024.

Share buyback

On November 8, 2023, Ahold Delhaize announced it would return €1 billion to shareholders by means of a share buyback program, which was completed on December 6, 2024. An additional €1 billion share buyback program was announced on November 6, 2024, which is expected to be completed before the end of 2025. Maintaining a balanced approach between funding growth in key channels and returning excess liquidity to shareholders is part of Ahold Delhaize's financial framework to support our Leading Together strategy. The purpose of the program is to reduce Ahold Delhaize's capital, by canceling all or part of the common shares acquired through the program.

Multiple year overview

The multiple-year overview is provided for 10 years. However, the figures prior to 2018 are not comparable because they have not been restated for the impact of IFRS 16. In addition, it should be noted that years prior to 2016 only relate to the former Ahold business. The former Delhaize business is included as of July 24, 2016.

Results, cash flow and other information

€ million except per share data, exchange rates and percentages	2024	2023 restated[1]	2022	2021	2020	2019	2018 restated[2]	2017[2]	2016[2,3]	2015[2]
Net sales	**89,356**	88,734	86,984	75,601	74,736	66,260	62,791	62,890	49,695	38,203
Of which online sales	**9,235**	8,931	8,618	7,704	5,547	3,493	2,817	2,393	1,991	1,646
Net sales growth at constant exchange rates[4]	**0.9%**	3.9%	6.9%	5.0%	12.3%	2.3%	2.5%	28.9%	32.3%	2.3%
Operating income	**2,784**	2,846	3,768	3,320	2,191	2,662	2,623	2,225	1,584	1,318
Underlying operating income margin	**4.0%**	4.1%	4.3%	4.4%	4.8%	4.2%	4.4%	3.9%	3.8%	3.8%
Net financial expense	**(562)**	(546)	(552)	(517)	(485)	(528)	(487)	(297)	(541)	(265)
Income from continuing operations	**1,764**	1,874	2,546	2,246	1,397	1,767	1,797	1,817	830	849
Income (loss) from discontinued operations	**—**	—	—	—	—	(1)	(17)	—	—	2
Net income	**1,764**	1,874	2,546	2,246	1,397	1,766	1,780	1,817	830	851
Earnings and dividend per share										
Net income per common share (basic)	**1.90**	1.95	2.56	2.18	1.31	1.60	1.51	1.45	0.81	1.04
Net income per common share (diluted)	**1.89**	1.94	2.54	2.17	1.30	1.59	1.49	1.43	0.81	1.02
Income from continuing operations per common share (basic)	**1.90**	1.95	2.56	2.18	1.31	1.60	1.53	1.45	0.81	1.04
Income from continuing operations per common share (diluted)	**1.89**	1.94	2.54	2.17	1.30	1.59	1.51	1.43	0.81	1.02
Dividend per common share	**1.17**	1.10	1.05	0.95	0.90	0.76	0.70	0.63	0.57	0.52
Cash flow										
Free cash flow	**2,545**	2,425	2,188	1,618	2,199	1,843	2,165	1,926	1,441	1,184
Net cash from operating, investing and financing activities	**2,514**	475	(92)	(218)	(383)	535	(1,587)	827	2,114	73
Capital expenditures (including acquisitions)[5]	**3,699**	4,099	4,107	5,776	4,456	3,604	2,838	1,822	16,775	1,172
Capital expenditures as % of net sales	**4.1%**	4.6%	4.7%	7.6%	6.0%	5.4%	4.5%	2.9%	33.8%	3.1%
Regular capital expenditures[6]	**3,673**	4,051	4,053	4,187	4,448	3,512	2,772	1,723	1,377	811
Regular capital expenditures as % of net sales	**4.1%**	4.6%	4.7%	5.5%	6.0%	5.3%	4.4%	2.7%	2.8%	2.1%
Average exchange rate (€ per $)	**0.9242**	0.9248	0.9515	0.8461	0.8770	0.8934	0.8476	0.8868	0.9038	0.9001

1. The net sales, online sales and net sales growth at constant exchange rates for 2023 have been updated to reflect the change in presentation for media and data income. For details see *Note 3*. Financial information prior to 2023 has not been restated.
2. 2018 figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to 2018 has not been restated for the impact of the implementation of IFRS 16 Leases.
3. Included former Delhaize business as of July 24, 2016.
4. Net sales growth in 2021, 2020, 2016 and 2015 is adjusted for the impact of week 53 in 2020 and 2015. Net sales growth in 2021 and 2016 is calculated based on a 52-week comparison to 2020 and 2015 respectively. Net sales growth in 2020 and 2015 is calculated based on a 53-week comparison to 2019 and 2014, respectively.
5. The amounts represent additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets. The amounts exclude discontinued operations.
6. The amounts represent additions to property, plant and equipment; right-of-use assets; investment property; and intangible assets, excluding the impact from acquisitions. The amounts exclude discontinued operations.

Multiple year overview continued

Balance sheet and other information

€ million, except for number of stores and otherwise indicated	December 29, 2024	December 31, 2023	January 1, 2023	January 2, 2022	January 3, 2021	December 29, 2019	December 30, 2018, restated[1]	December 31, 2017[1]	January 1, 2017[1]	January 3, 2016[1]
Group equity	**15,454**	14,755	15,405	13,721	12,432	14,083	14,205	15,170	16,276	5,621
Share buyback[2]	**(1,000)**	(999)	(998)	(995)	(1,001)	(1,002)	(1,997)	(998)	—	(161)
Gross debt	**20,315**	17,766	17,640	17,089	14,554	15,445	14,485	7,250	7,561	3,502
Cash, cash equivalents, and short-term deposits and similar instruments and investments in debt instruments – current portion	**6,185**	3,500	3,223	3,143	3,119	3,863	3,507	4,747	4,317	2,354
Net debt	**14,129**	14,267	14,416	13,946	11,434	11,581	10,978	2,503	3,244	1,148
Total assets	**51,842**	47,821	48,555	45,712	40,692	41,490	39,830	33,871	36,275	15,880
Number of stores	**7,765**	7,716	7,659	7,452	7,137	6,967	6,769	6,637	6,556	3,253
Number of employees (in thousand FTEs)	**222**	232	250	259	249	232	225	224	225	129
Number of employees (in thousands headcount)	**388**	402	414	413	414	380	372	369	370	236
Common shares outstanding (in millions)[2]	**914**	946	977	1,011	1,047	1,088	1,130	1,228	1,272	818
Share price at Euronext (€)	**31.38**	26.02	26.84	30.14	23.11	22.75	22.07	18.34	20.03	19.48
Market capitalization[2]	**28,668**	24,615	26,232	30,482	24,197	24,751	24,938	22,508	25,484	15,944
Year-end exchange rate (€ per $)	**0.9591**	0.9059	0.9341	0.8795	0.8187	0.8947	0.8738	0.8330	0.9506	0.9208

1. December 30, 2018, figures have been restated to reflect the impact of the implementation of IFRS 16 Leases. Financial information prior to December 30, 2018, has not been restated for the impact of the implementation of IFRS 16 Leases.
2. In the financial year ended January 1, 2017, an additional €1,001 million was returned to shareholders through a capital repayment.