



Management's Prepared Remarks
Q1 2026 Earnings Call
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JP O'Meara
Senior Vice President, Head of Investor Relations

Thank you Heidi, and good morning everyone.

I am delighted to welcome you to our Q1 2026 results conference call.

On today's call are Frans Muller, our President & CEO and Jolanda Poots-Bijl, our CFO. After a brief presentation, we will open the call for questions.

In case you haven't seen it, the earnings release and the accompanying presentation slides can be accessed through the Investors section of our website aholddelhaize.com, which also provides extra disclosures and details for your convenience.

To ensure everyone has the opportunity to get their questions answered today, I ask that you initially limit yourself to 2 questions. If you have further questions then feel free to re-enter the queue.

To ensure ease of speaking, all growth rates mentioned in today's prepared remarks will be at constant exchange rates unless otherwise stated.

I'll now turn the call over to Frans.



Frans Muller
President, Chief Executive Officer

Thank you JP and good morning everyone.

We had a solid start to the year.

Our Q1 performance reflects the strength of the foundation we have built with our Growing Together strategy - focused on delivering value for customers, associates and all our stakeholders, every day.

This is underpinned by clear choices - investing in our customer value proposition, strengthening our portfolio and expanding our footprint - while maintaining discipline in how we allocate capital.

We continue to operate in a dynamic and, at times, more demanding environment.

Food inflation was more moderate this quarter, with year-over-year deflation in several categories, which has been helpful to customers. At the same time, geopolitical tensions, including the recent conflict in the Middle East, are contributing to uncertainty, energy prices are elevated, putting further pressure on household budgets.

This is not new for us. We have managed through similar conditions before, and we are applying those learnings today.

For example:

- First, customer value remains at the heart of everything we do. Across our brands, we continue to invest in price, in quality, and in relevance—whether through our own brands, our fresh offering, or the experience in our stores and digital platforms. In an environment like this, consistency builds trust. And trust drives share.
- Second, we remain disciplined in how we run the business. We focused on cost, on productivity, and on simplifying how we operate—but always with the flexibility to support our brands locally. We have strengthened our energy position by moving to longer-term contracts and increasing the use of renewable energy sources. And we are further embedding ‘should-cost’ models to ensure cost increases from suppliers are proportional, transparent and well managed.
- Third, we continue to invest in the future. We are sharply focused on our growth model - combining scale, relevance and execution. Whether in digital, in data, or in our omnichannel capabilities, we are building a platform that allows us to serve customers in more relevant and more personal ways.

These factors gelling well together enable our strong financial performance and our ability to deliver consistent and attractive returns for our shareholders.

Looking at the quarter:

- Net sales and comparable sales excluding gasoline increased 2.0 percent at constant exchange rates



- We delivered an underlying operating margin of 4.0 percent
- And diluted underlying EPS increased 8.9 percent

When we launched our Growing Together strategy, I talked about quality. It is a defining characteristic of the culture of how we operate our company:

- The quality of our sales
- The quality of our brands
- The quality of our execution
- And the quality of our people

And that's the lens I would like us to use as we look at our results today.

Customers continue to navigate the environment carefully, making deliberate choices and seeking value.

Our response is clear: strong, consistent customer value.

Across our U.S. brands, excluding some technical and macro factors Jolanda will go through in more detail, our first quarter sales performance kept a similar pace to the trends we have seen last year. Inside this growth, we are:

- Enhancing own-brand assortments
- Executing our second full year of on-top price investments
- And optimizing personalized offerings



Own brands continue to outpace the rest of the store in both sales and volume, supporting price perception and margin quality. And at the entry level, we are playing into the growing demand from customers who are looking for high quality products at affordable prices.

Examples include:

- Stop & Shop lowering everyday prices across key states
- Hannaford introducing refreshed own-brand packaging to improve navigation and value perception
- And The GIANT Company launching its “Simply Low” campaign

At Stop & Shop, Roger and team are leveraging strong local knowledge:

- Volumes are trending positively
- Online penetration is at record levels
- And own-brand growth is strong

Customer response to price investments remains encouraging, and NPS continues to reflect strong engagement by customers to the actions we are taking in the day-to-day quality of execution.

As we have now seen several quarters of consistent improvement at Stop & Shop, we will accelerate our store remodel program and expand price investments across the full fleet by the end of 2026, with over 40 targeted store remodels planned for 2026 to further improve the in-store experience.

Staying with quality sales growth, in Europe, performance was a little ahead of where we had anticipated. Our brands continue to strengthen their positions through relevance and execution.

Key developments include:

- The Delfood acquisition, adding over 300 convenience stores in Belgium
- Continued rollout of Delhaize's affiliate model to 7 new locations, offering customers the best Delhaize standards with appealing assortments, the latest digital experiences and great local customer service.
- And we made progress in Serbia following the end of government pricing measures.

Simultaneously, our European brands are using their own brand propositions to play a leading role in innovation across our stores. Recent success stories include:

- Albert Heijn's recently renewed BBQ assortment with over 80 new products – right on time for the sunny weather.
- Alfa Beta's award-winning own-brand range: "AB close to the Greek land" highlighting their commitment to high-quality products inspired by the richness of Greek gastronomy and local production.
- And to support customers who have faced ongoing pressure on their household budget, Maxi Serbia significantly stepped up their own brand offering.

Switching gears now, let's talk about quality of execution.

Our omnichannel proposition continues to scale. For example, in the U.S.:

- Online sales grew 14.3 percent at constant exchange rates, marking the eighth consecutive quarter of double-digit growth
- Over 90 percent of customers have access to online shopping
- And more than 90 percent of online sales are fulfilled through same-day services

At bol, where consumer discretionary spending in general is less robust than last year, we are on top of the rapid changes in customer behavior, with AI and social commerce reshaping how customers shop. Maite and team are expanding bol's suite of AI-powered tools – including the soon-to-launch 'Shopper Agent', ensuring customers have the support they need throughout their shopping journey.

In Romania, we have merged Mega Image and Profi into one legal entity under the leadership of Xavier. Xavier, who has an extensive track record at Mega Image, recently served as brand president at Delhaize Belgium and brings deep expertise in driving change. The synergy capture from the integration is progressing well, which will provide fuel as we speed up space expansion in the quarter ahead.

As we focus on the quality of execution, technology helps us secure it for the future—bringing greater consistency, efficiency, and precision at scale.

With technology and innovation, we stay curious and disciplined — exploring early and scaling only when our customers are ready and it fits our business.

Our approach to AI is a good example. Under the leadership of Jan Brecht, we have brought 30 experts together into a Group Focus Area to speed up execution and learning (the power of our portfolio is we can trial and learn a lot quicker than a single operator) – similar to what we did with things like Retail Media or Mechanization. As you see with outcomes like Edge, our US/EU retail media application and our fully mechanized ecommerce fulfilment centers in the Netherlands, we test and learn quickly—and scale what works.

For AI, we concentrate on four domains:

- Sourcing and merchandising
- Marketing
- Store operations
- Agentic shopping

With more than 100 active use cases, we are already capturing value by:

- Improving availability and freshness
- Optimizing pricing and assortment decisions
- And increasing operational efficiency in stores

And again, when we can integrate these across the system, we really see compounding effects. As we build on our existing AI-supported store associate App in Albert Heijn, we are moving towards the self-optimizing store. Here, AI serves as the store's brain: reading every signal and orchestrating work across people, systems, and devices, including electronic shelf labels.

Lastly, before I hand over to Jolanda, I would like to spend a few moments on the quality of our people and the strength of our distributed operating model.

What continues to set us apart is the strength, experience and passion of our local teams. They are closest to the customer, owning the business in real time, and making decisions every day that truly count. Around them, our support functions continuously improve, simplify and strengthen the system so that our brands can perform at their best.

As you will have seen from this morning's announcement, the Supervisory Board has completed a thorough process to identify Thierry Garnier as my successor.

In the meantime, I remain fully committed. We have a clear strategy that gives focus and is delivering results.

My priority over the coming periods is exactly where it should be:

- Strengthening the foundation for the long term and delivering on our promises in the short term;
- Working with our teams, keeping the business on track and continuing to execute with discipline and consistency.

Now over to you Jolanda to talk more about the financials.

Jolanda Poots-Bijl
Chief Financial Officer

Thank you Frans and good morning to everyone.

Reflecting on the current market environment, customers remain both resilient and selective. They are adapting – seeking value, making deliberate choices, and increasingly rewarding consistency and trust.

Picking up from Frans, staying closely in sync with the environment and being closely connected to customers with our local teams is a strength.

Our proximity to customers and strong footprint of stores are an asset.

With 77 million customers shopping with us every week, our primary data gives us insight into changing needs: from price sensitivity to convenience and seasonal trends. It allows us to respond locally at speed and execute our strategy at a cadence that we carefully adjust as conditions evolve.

I am pleased with our Q1 performance, as it reflects discipline in action. And the solid start to the year provides us with space to be agile as we trade through the coming quarters and continue to invest in prices to support our customers and drive growth.

Let's have a look at the key underlying numbers for the quarter:

- Net sales grew 2.0 percent to 22.3 billion euros. While the sales growth rate was less robust than in prior quarters, our sales were resilient. We are pleased with overall positive volumes which underscores that our strategy is fit for purpose, as we are relatively outperforming the market.
- Health continues to be a key differentiator. As demand grows for high-protein and healthier options, products like our high-protein yoghurt and cottage cheese are among our best sellers, with around 30 new high-protein items planned for this year. Over 50 percent of own-brand sales already come from healthier products. We are now expanding our ambition across the full store - making healthier choices more accessible, more affordable and more relevant.
- Underlying operating margin was 4.0 percent. Strong performance in the U.S. and an increase in insurance results at Ahold Delhaize Group more than offset the effect of the governmental decree and intervention on grocery industry prices in Serbia.
- Diluted underlying earnings per share was 62 cents, up 8.9 percent, primarily driven by higher underlying operating profit and the impact from the share buyback program, partially offset by higher financial expenses and income taxes.

Slide 18 shows our results on an IFRS-reported basis for Q1, which were in line with our underlying performance.



And for your convenience, Slide 19 provides our comp store sales trends, with and without adjustments for weather, calendar and other notable items.

Looking at the regional performance in more detail, U.S. net sales were 12.7 billion euro. Comparable sales excluding gas increased 1.5 percent.

Top-line performance reflected a mix of factors:

- Weather and calendar (positive 40 bps)
- Pharmacy sales were impacted by the Inflation Reduction Act (negative 70bps)
- Egg prices normalizing sharply versus last year (negative 65bps)
- SNAP program eligibility changes reduced the benefits available to lower-income customers (negative 55bps)

Together, these factors reduced our growth rate by 1.5 percentage points.

Underneath this, volumes remained stable and our competitive position is strong, demonstrating the resilience of our model.

To help with your modeling for the coming periods, here are a few things to remember.

- We now expect an approximate 450 million dollar impact on U.S. reported and comparable sales for the year from pharmacy pricing.



- Eggs will impact Q2 top-line, but to a lesser extent, as market prices stabilized gradually as we moved into the second half of the prior year, and
- More changes in the SNAP program will be deployed during the year. As the magnitude and trajectory of these changes is uncertain, we will closely monitor the impact as changes are deployed.

Underlying operating margin in the U.S. was 4.6 percent, up 20 basis points from the prior year. Higher sales leverage and favorable mix from winter storms, the positive margin effect from cost deflation in eggs, and a favorable mix in pharmacy more than offset price investments and additional costs related to winter storms.

In the U.S., our omnichannel proposition continues to be a strong growth engine and one of our key competitive advantages. We finished Q1 with a record-high penetration level of 10 percent, with some of the brands already above 11 percent.

Our customers value our partnerships with third parties, as our network allows us to further expand the accessibility and convenience of our online services to existing and new customers. In Q1, online sales through these channels grew by over 20 percent.

We recently welcomed Uber Eats to our network. We are excited about the growth opportunities ahead, especially given Uber Eats' strong urban presence and membership program, allowing us to tap into new audiences.

Turning to Europe, sales were 9.6 billion euro. Comparable sales grew 2.7 percent, excluding the net impact from calendar shifts and the end of tobacco sales in Belgium. We have now fully cycled the impact of tobacco sales.

Online sales grew 3.3 percent, while online grocery sales grew 7.4 percent. Albert Heijn's performance was negatively impacted by severe winter conditions, which disrupted delivery capabilities in January. Adjusted for this, Albert Heijn's online sales grew by double-digits. Performance at bol was impacted by the cycling of a strong prior year and increased consumer pressures contributing to down trading within bol's assortment.

Underlying operating margin in Europe was 3.4 percent, down 10 basis points from the prior year. The realization of synergies and a lower turnover tax rate, or IMCA, in Romania partially offset the impact from the governmental decree and intervention on grocery industry pricing in Serbia, which was in effect through February. Now that the decree has ended, our teams are executing recovery plans as we rebuild our position in the market. We are assessing the impact of the new law on unfair trade practices, or UTP, which was adopted in April in Serbia.

New rules on temporary labor in the Netherlands are coming through and planned increases to the youth minimum wage take effect from 2027. We are addressing the higher cost pressure through tight cost control, productivity improvements and operational efficiencies.



Moving on to slide 22, Q1 free cash flow was a negative 330 million euro, driven by net working capital due to the calendar and seasonal phasing between the quarters and year over year. This is largely timing, and our 2026 guidance for the full year remains unchanged.

We invested 600 million euros in gross capital expenditure. Our brands are well on track with our store remodeling program, elevating our store fleet and integrating the latest innovations to offer our customers a seamless shopping experience while growing our complementary business models. We also opened 41 new stores, including two new Food Lion stores. And in February, The Giant Company announced the acquisition of two family-owned stores in Pennsylvania, which will open later this year.

That wraps up my financial review of Q1 and brings me to our Outlook.

Given the solid start to the year, we reconfirm our guidance. While external risks have increased, we remain confident in our plan.

This summer period, we have strong activation plans in place to drive volumes and market share. We will also step more aggressively into price investments as we time our activities to capture the big moments of the summer period.

Although we do not provide specific quarterly guidance, phasing effects in and between the quarters are to be expected as we flow investments in



line with real-time trading conditions, allowing us to stay sharp and calibrate actions iteratively – always keeping an eye on our full year goals.

In closing, we built our growth model not just to navigate challenging conditions, but to perform through them and grow with them.

In times like these, performance isn't proven by big statements. It shows up in those everyday moments when customers choose our brands because they trust the value we offer.

This is in our culture.

The strength of our local teams.

Their know-how and their passion to serve their customers in real-time. Supported by systems and central scaled competencies which continue to improve and simplify how we work.

Together, this gives our business model a lasting edge—and gives us confidence in delivering sustainable long-term value.

With that, I thank you for tuning in, and Heidi, please open the lines for questions.

Cautionary notice

This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Forward-looking statements can be identified by certain words, such as “anticipate,” “intend,” “plan,” “goal,” “seek,” “believe,” “project,” “estimate,” “expect,” “strategy,” “future,” “likely,” “may,” “should,” “will” and similar references to future periods.

Forward-looking statements are subject to risks, uncertainties and other factors that are difficult to predict and that may cause the actual results of Koninklijke Ahold Delhaize N.V. (the “Company”) to differ materially from future results expressed or implied by such forward-looking statements. Therefore, you should not place undue reliance on any of these forward-looking statements. Factors that might cause or contribute to such a material difference include, but are not limited to, risks relating to the Company’s inability to successfully implement its strategy, manage the growth of its business or realize the anticipated benefits of acquisitions; risks relating to competition and pressure on profit margins in the food retail industry; the impact of economic conditions, including high levels of inflation, on consumer spending; changes in consumer expectations and preferences; turbulence in the global capital markets; political developments, natural disasters and pandemics; wars and geopolitical conflicts; climate change; energy supply issues; raw material scarcity and human rights developments in the supply chain; disruption of operations and other factors negatively affecting the Company’s suppliers; the unsuccessful operation of the Company’s franchised and affiliated stores; changes in supplier terms and the inability to pass on cost increases to

prices; risks related to environmental, social and governance matters (including performance) and sustainable retailing; risks related to data management and data privacy; food safety issues resulting in product liability claims and adverse publicity; environmental liabilities associated with the properties that the Company owns or leases; competitive labor markets, changes in labor conditions and labor disruptions;

increases in costs associated with the Company's defined benefit pension plans; ransomware and other cybersecurity issues relating to the failure or breach of security of IT systems; disruption from developments in artificial intelligence or inability to realize related benefits; the impact of adverse publicity or operational disruption related to activism or negative media coverage; the Company's inability to successfully complete divestitures and the effect of contingent liabilities arising from completed divestitures; antitrust and similar legislation; unexpected outcomes in the Company's legal proceedings; additional expenses or capital expenditures associated with compliance with federal, regional, state and local laws and regulations; unexpected outcomes with respect to tax audits; the impact of the Company's outstanding financial debt; the Company's ability to generate positive cash flows; fluctuation in interest rates; the change in reference interest rate; the impact of downgrades of the Company's credit ratings and the associated increase in the Company's cost of borrowing; exchange rate fluctuations; inherent limitations in the Company's control systems; changes in accounting standards; inability to obtain effective levels of insurance coverage; adverse results arising from the Company's claims against its self-insurance program; the Company's inability to locate appropriate real estate or enter into real estate leases on commercially

acceptable terms; and other factors discussed in the Company's public filings and other disclosures.

Forward-looking statements reflect the current views of the Company's management and assumptions based on information currently available to the Company's management. Forward-looking statements speak only as of the date they are made, and the Company does not assume any obligation to update such statements, except as required by law.