Management's Prepared Remarks

Q3 2026 Earnings Call

November 4, 2026

JP O'Meara
Senior Vice President, Head of Investor Relations

Thank you Sharon, and good morning everyone.
Welcome to our Q3 2026 results conference call.

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

Our earnings release, presentation slides and supporting disclosure are available in the Investor section of our website aholddelhaize.com.

To give everyone an opportunity to participate, please initially limit yourselves to two questions. You are welcome to re-enter the queue afterwards.

As usual, growth rates in today's prepared remarks are at constant exchange rates, unless otherwise stated.

With that, over to Frans.

Frans Muller
President, Chief Executive Officer

Thank you, JP, and good morning, everyone.

Our third-quarter performance gives us confidence in the strength of our business and the progress we are making with Growing Together. Despite a challenging consumer environment, our brands delivered positive volume growth in both regions, gained market share across our key markets and maintained healthy profitability, while continuing to invest in the areas that matter most to customers.

Behind these results are strong fundamentals: trusted local brands, a deep understanding of customers, growing omnichannel capabilities and the scale and financial strength to keep investing.

And perhaps most importantly, dedicated people who bring all of this to life every day.

Of course, we are not immune to the challenges around us. Household budgets remain under pressure, operating costs require careful management and, since the end of the quarter, we have faced a significant cybersecurity incident. We take these challenges seriously and are addressing them with determination and discipline.

But I want to be equally clear about what has not changed at all.

Our brands remain competitive, our strategy continues to deliver, and our confidence in the long-term opportunities for Ahold Delhaize is unchanged.

Before discussing the quarter, I want to address the cybersecurity incident in October and how our teams have responded.

After detecting the issue at an early stage, and in line with our protocols, we took certain systems offline to protect our data and IT environment and initiated an investigation, which remains ongoing.

This affected our online capabilities in the Benelux and the U.S., as well as parts of our Benelux supply chain. Bol in itself was not impacted.

We apologize to our customers for the disruption and inconvenience and are grateful for their trust, loyalty and understanding. As our brands welcome customers back, we are showing our appreciation through special promotions and small gestures.

I also want to recognize our colleagues, who worked tirelessly to restore operations and serve our customers, supported by our partners, authorities and industry peers. Cyber threats are an increasingly harsh reality of doing business today, and we deeply appreciate the cooperation and support we received.

We can take real pride in how our people responded. Their commitment, collaboration and determination in difficult circumstances reflect the very best of our organization.

But pride in our response must sit alongside an eagerness to learn. We are taking the lessons seriously, strengthening our capabilities and working to ensure we emerge even better prepared.

The incident will affect our Q4 performance, and Jolanda will address the financial implications and updated outlook.

So let me turn to the underlying progress we made in the third quarter.

Across our markets, our brands continued to demonstrate the value of understanding their customers and responding with relevance and agility.

Four areas stand out: customer value, own brand, omnichannel growth and the expansion of our market positions.

First, customer value.

When household budgets are stretched, people make more deliberate choices. They want affordability, but not at the expense of quality, health or convenience.

Our brands understand this and are responding through price investments, stronger own-brand assortments and increasingly more personalized loyalty propositions. In the U.S. alone, our brands delivered more than 4.3 billion personalized offers in this quarter.

Hannaford brought its value proposition together under the Save Now platform, reinforcing everyday low prices and clearer value communication.

Stop & Shop introduced Dollar Deals, offering hundreds of selected products for just one dollar, while Giant Food launched new instant-win promotions through its in-store savings stations.

Across Europe, we see the same focus on understanding what matters to customers. Delhaize performed exceptionally well in Belgium, supported by compelling campaigns, including the introduction of CRAVY, its new freshly prepared street-food concept.

Albert Heijn is strengthening its investment in Price Favorites, matching key value items to price levels of discounters. And in Serbia, Maxi is winning back market share through own brand, attractive promotions and an extensive range of price favorites.

Each approach is locally relevant, but the principle is shared.

Own brand is increasingly central to those propositions, with Group penetration increasing by 50 basis points year to date, demonstrating its appeal across customer segments, including higher-income households.

In the U.S., our brands introduced products ranging from Nature's Promise sourdough breads and Taste of Inspirations charcuterie meats to new fresh salads and lettuce mixes. In Europe, own brand already represents

half of our food sales and is growing. Our joint sourcing initiatives allow us to combine scale with local customer understanding, bringing great products to more markets while supporting commercial excellence.

Albert in Czechia, for example, recently launched a major campaign around Perla coffee, already a successful own-brand proposition in the Netherlands and Belgium.

Own brand is more than about affordability. It also gives us an important opportunity to help people live healthier lives. Our latest research among more than 8,000 consumers found that 92% want to eat healthier, yet only 14% believe that their diet is very healthy today. With 77 million customers shopping with us every week, we have both an opportunity and a responsibility to help close that gap.

Ultimately, helping customers live better is an important part of building the trust and loyalty on which lasting growth depends.

Alongside value, convenience continues to shape how customers choose where and how to shop. Our omnichannel strategy connects physical stores, digital platforms, loyalty ecosystems and fulfilment capabilities, allowing customers to engage with our brands in ways that work for them.

Our omnichannel customers spend on average between 1.5 and 3 times more than customers shopping exclusively in physical stores.

We are adapting our digital capabilities to ensure our brands remain discoverable wherever customers choose to shop, while bringing new tools and services into the customer experience. At bol, for example, we recently introduced Shophulp, a conversational AI-powered shopping assistant helping customers find the right products faster and more easily.

We are also continuing to invest in the physical reach and density of our brands. In the U.S., Food Lion opened a new store in Q3 and remains on track to open ten stores in total by year-end. The brand has launched omnichannel remodels across 92 stores in Greensboro, North Carolina, with preparations already under way for the next round of remodels in the Richmond and Roanoke markets. Stop & Shop is progressing towards exceeding its original target of 40 remodels this year.

In Europe, our complementary portfolio of Mega Image, Profi and Shop & Go gives us a strong platform in Romania, a market of 20 million people, serving different shopping missions, locations and price points. We have already opened 64 stores this year, with further expansion planned. And in Belgium, Delhaize announced a 120 million euro investment in its logistics operations to support future growth and maintain high service levels for customers and affiliated partners in Belgium and Luxembourg.

While organic growth remains at the heart of Growing Together, disciplined acquisitions can accelerate our strategy where we see attractive opportunities to build on our existing capabilities and market positions.

That is the rationale behind our recently announced agreement to acquire Tesco's operations in Czechia and Slovakia, subject to customary closing conditions, including regulatory clearances. Following completion, integration and the necessary portfolio optimization, the combined business with Albert is expected to become the leading grocery retailer in Czechia by market share, while establishing Ahold Delhaize as a significant player in Slovakia.

It is an exciting opportunity to bring our local retail expertise, scale and disciplined capital allocation together in markets we know well, and we have a lot of experience and knowhow with this type of project.

More broadly, it illustrates the multiple ways we can create value through Growing Together — by strengthening existing businesses, expanding into attractive adjacencies and investing where we believe we can make a meaningful difference.

Stepping back, I am encouraged by what this quarter tells us about our business. Our brands are gaining share, customers continue to respond to the investments we are making, and we are building stronger positions for the future.

Just as importantly, our people continue to demonstrate the commitment and entrepreneurial spirit that make our business what it is. With Claire in the US and Margaret in Europe established in their regional leadership roles, and Thierry joining us in January, we have a strong leadership team to drive the next phase of Growing Together.

As we enter the final months of the year, our priorities are clear. Our brands are preparing compelling promotions and inspiring seasonal assortments to help customers enjoy the moments that matter with family and friends. We remain confident in our business, proud of our people and focused on the long-term opportunities ahead.

Our updated 2026 outlook reflects the impact of the cybersecurity incident, but also our commitment to the broader Growing Together ambitions remains unchanged.

And with that, over to Jolanda.

Jolanda Poots-Bijl
Chief Financial Officer

Thank you Frans and good morning to everyone.

Our third-quarter results give me confidence in the underlying strength of our business and in the progress that we are making in the execution of Growing Together. A strategy that is centered around our customers, aimed to drive growth to generate returns that we can invest in our value proposition – backed up by strong and continuing cost reductions

I would highlight three things.

- First, the underlying health of our business is strong; the investments we are making in the customer value proposition result in market share gains;
- Second, we continue to demonstrate strong execution by combining our growth ambitions with solid margins;
- And third, our cash-generating capacity and our balance sheet remain important strengths

And these are meaningful strengths, particularly in today's challenging environment. Just as we discussed, after Q3, our business was disrupted by a cybersecurity incident. Our current estimate is that, due to this incident, Q4 net sales will be impacted between 200 and 250 million euro and underlying operating income will be impacted by 75 to 100 million euro. The underlying operating income impact is based on many elements next to the regular sales flow through, for example: it’s shrink, extra hours

worked to get supply running, promotional actions to welcome customers back and the negative impact on, for example, lost vendor allowances and retail media.

European sales, particularly in the Netherlands, were disproportionately affected. As a result, approximately 80 percent of the expected sales impact is in Europe and 20 percent is in the U.S.

Since the Netherlands was able to mitigate part of the profit impact, the expected underlying operating income split is more balanced.

Next to the above, the direct incremental response and remediation costs are expected to have a marginal impact on full year 2026 IFRS operating income.

We have updated our full year outlook accordingly, which I will come back to later.

There is an important distinction between the pressures affecting near-term performance and the underlying earnings power and potential of our business.

Our third-quarter results give us confidence in the latter.
Let me take you through the details.

Starting with the Group results.

- Net sales increased 1.9 percent to 23.1 billion euro, including a positive 15 basis points impact from weather and calendar shifts.
- Underlying operating margin was 4.1 percent, down 10 basis points. A favorable discounting effect on insurance provisions at Group level was offset by a modest decline in the U.S., partly reflecting the price investments we are making and the cycling of prior-year non-recurring items.
- Diluted underlying EPS increased 1 percent, to 69 euro cents, supported by higher underlying operating profit and our share buyback program, partially offset by higher financial expenses.

Overall, we have a solid quarter. We are delivering positive volumes, gaining market share and maintaining healthy profitability, while continuing to invest in the future of the business.
This balance remains central to how we manage the company.

On an IFRS basis, operating income was 30 million euro higher than underlying operating income, primarily reflecting a pension settlement gain in the U.S.

Slide 19 provides further detail on comparable sales, including adjustments for weather, calendar and other notable items. These are particularly relevant in understanding the U.S. performance this quarter.

In the U.S., net sales reached 13.3 billion euro, with comparable sales growth excluding gasoline of 0.5 percent. The reported growth rate reflects several distinct factors.

Changes to SNAP eligibility reduced growth by approximately 70 basis points, pharmacy pricing changes under the Inflation Reduction Act by 60 basis points, the cyclospora outbreak by 55 basis points and egg price deflation by a further 25 basis points.

Together, these represented a headwind of approximately 210 basis points, partly offset by a 20-basis-point benefit from weather. These factors matter to assess the underlying competitiveness of our brands. We delivered positive volumes in the quarter and gained market share across most of our brands.

Looking ahead, we expect the Inflation Reduction Act headwind to remain broadly similar in Q4, while the impact from egg deflation should moderate. We do not anticipate further effects from the cyclospora outbreak, while SNAP may still create some quarterly variability. Our full-year expectation for SNAP remains unchanged at approximately 60 to 80 basis points.

Turning to profitability, the U.S. underlying operating margin was 4.3 percent, down 30 basis points, primarily reflecting the cycling of prior-year non-recurring items, price investments, higher utility and indirect energy-related costs, partly offset by a favorable pharmacy mix.

We continue to address these pressures through cost discipline and productivity, while protecting our customer propositions.

One particularly encouraging area is online. U.S. online sales increased by 14.2 percent, marking the tenth consecutive quarter of double-digit growth, with penetration reaching approximately 10 percent and profitability improving step by step.

Food Lion sustained online growth above 20 percent, while across our U.S. brands we welcomed nearly 400,000 new online customers. Online retention also remained strong, exceeding 75 percent quarter-on-quarter. These are attractive dynamics, strengthening customer engagement and supporting our omnichannel growth model. So, while several external factors weighed on reported results, the underlying competitive momentum in our U.S. business is encouraging.

Turning to Europe, net sales reached 9.8 billion euro, with comparable sales growth of 2.1 percent, excluding a 10-basis-point calendar impact.

Our European brands delivered positive volume trends despite subdued consumer confidence, competitive pricing and deflation in several markets.
Underlying operating margin remained stable at 4.0 percent.

Progress on Romanian synergies and labor productivity helped offset weaker performance in Serbia following the government's grocery-pricing decree, alongside other higher indirect energy-related costs.

Maintaining a stable margin in this environment reflects the discipline of our teams and the benefits of our portfolio.

European online sales increased by 3.1 percent, broadly maintaining the pace of the previous quarter. At bol, performance was affected by a supply-chain incident at a warehousing partner and continued consumer pressure, leading to some downtrading within the assortment. Nevertheless, we continue to hold strong online market positions and our selective investments in future capabilities are yielding encouraging results.

Overall, Europe's performance demonstrates the value of strong local brands, disciplined execution and continued operational improvement.

Stepping back from the regional results, I want to spend a moment on productivity, because it is fundamental to the long-term economics of our business. Through Save for Our Customers, we are simplifying operations, improving efficiency and leveraging our Group capabilities.

Technology, data and AI are increasingly important enablers. For example, Albert Heijn's mechanized Home Shop Centers have improved productivity by more than 20 percent, while initiatives at Albert Heijn and bol have increased output capacity by 10 percent. We are moving beyond individual initiatives to scaling proven solutions across our business. This includes the new ADUSA distribution center in North Carolina and supply-chain projects across Europe, creating capacity, improving efficiency and supporting better service. These improvements are meaningful, but the broader financial logic matters even more.

For us, it is not simply about taking costs out. It is about creating the capacity to keep investing in our customers and strengthening our competitive positions.

Turning to cash flow.

We generated 445 million euro of free cash flow in the quarter, bringing the year-to-date total to 747 million euro.

The year-on-year reduction primarily reflects working-capital movements related to calendar and seasonal phasing, together with higher capital investment. As of September, we experience a negative impact on our free cash flow performance as a result of the new payment regulations in Serbia which has a full year impact of approximately 100 million euro.

While cash-flow timing can vary throughout the year, our underlying cash-generating capacity is a fundamental strength.

In the first nine months, we repurchased 844 million euro of shares under our 2026 program. Our approach remains one of balance: investing for future growth, maintaining financial flexibility and delivering attractive shareholder returns.

Finally, let me walk you through our updated full-year outlook, which include the cyber incident I outlined earlier.

We now anticipate an underlying operating margin of approaching 4 percent, with diluted underlying EPS at constant rates growing at a low-single-digit rate.

Taking account of the cyber incident and the new payment regulations in Serbia, we now expect free cash flow of around 2.1 billion euro.

Based on this updated outlook we aim for mid-single-digit dividend per share growth in 2026 and are confirming the continuation of our 1 billion euro annual share buyback program in 2027.

This reflects our confidence in future earnings and cash generation, but equally the discipline and consistency with which we manage the business.

Our recently announced agreement to acquire Tesco's businesses in Czechia and Slovakia is another example of the opportunities we see to deploy capital in a disciplined way to strengthen our market positions and support long-term growth.

We are excited about the potential and the great people that will join our company and the opportunities this will create for the future. At the same time, we recognize that there is a natural desire to understand more about what comes next. Until closing, however, both companies must remain focused on what matters most: running their respective businesses, serving customers and delivering on their commitments. This naturally

limits what we can share at this stage. We look forward to sharing more once the transaction has closed.

As we enter the final months of the year, our focus is clear.
We will complete our recovery from the cybersecurity incident, rebuild customer momentum and execute strongly through the holiday season ahead of us. We look forward to that.

Our brands are preparing the value, quality and inspiration our customers look for at this important time of year, helping families enjoy special moments, whatever their budget.

I also want to recognize our colleagues across the business. Their commitment through a demanding period has been remarkable, and it is an important part of what makes our company a special one.

We know the challenges we face, and we are addressing them.

We have the financial capacity to keep investing, the discipline to navigate challenging conditions and a strategy that continues to create opportunities for sustainable growth.

That is where our focus remains.

Thank you for joining us today.

Sharon, please open the line 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, including statements about the potential benefits of the proposed acquisition and the anticipated timing of the closing of the proposed acquisition, 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.