



Ahold Delhaize details impact of IFRS 16 accounting change, no change in underlying outlook

Zaandam, the Netherlands, March 25, 2019 - Ahold Delhaize today is hosting a briefing in London to update analysts on how our financial statements will be impacted by IFRS 16, the new financial reporting standard for lease obligations that came into effect on January 1, 2019.

IFRS 16, which requires lease obligations to be moved onto the balance sheet, will have no economic or cash impact on the group or on the way our business is managed. It will however have significant implications for our balance sheet, income statement and certain key performance indicators due to the size of our lease portfolio. Ahold Delhaize leases a significant number of its stores, distribution centers, offices and other assets, such as company cars and equipment.

The impact on the 2018 financial statements is as follows:

- Underlying operating margin increases by 0.3% point to 4.4%
- Underlying EPS decreases by €0.03 to €1.57
- There is no impact to net cash flow or the ending cash and cash equivalents amount. However, under the new definition of free cash flow, there is a decrease by €177 million due to repayment of finance leases not previously included in the definition
- Net debt at end-2018 increases by €7.9 billion to €11 billion
- No impact expected on our funding structure and credit ratings

Outlook (pre-IFRS 16 outlook unchanged):

- Reiterate full-year 2019 group margin guidance to be in line with restated 2018 margins
- Continue to expect underlying earnings per share to grow in 2019 by high single-digit percentage
- New definition of free cash flow for 2019-2022 around €1.8 billion per year (it remains €2.0bn per year under previous definition) including repayment finance leases

Cautionary notice

This communication includes forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Words such as outlook, will, guidance, to be, (continue to) expect or other similar words or expressions are typically used to identify forward-looking statements.

Forward-looking statements are subject to risks, uncertainties and other factors that are difficult to predict and that may cause actual results of Koninklijke Ahold Delhaize N.V. (the "Company") to differ materially from future results expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the risk factors set forth in the Company's public filings and other disclosures. Forward-looking statements reflect the current views of the Company's management and assumptions based on information currently available to the Company's management. Forward-looking statements speak only as of the date they are made and the Company does not assume any obligation to update such statements, except as required by law.