



DANONE
ONE PLANET. ONE HEALTH

Deutsche Bank Global Consumer Conference

June 13, 2018

Cécile Cabanis
Bernard Ducros





Delivery and Transformation to Create Sustainable Value

Cécile Cabanis
CFO



Our strategic ambition, our core philosophy

Leading the way to create and share sustainable value



Healthier
eating and drinking



Responsible
business stewardship



**SUPERIOR
SUSTAINABLE
PROFITABLE
GROWTH**



DANONE
ONE PLANET. ONE HEALTH

An unparalleled health-focused portfolio

Fully aligned with the Food revolution throughout consumers' lifespan

29%

Specialized Nutrition



7.1 bn€



52%

Essential Dairy and Plant-Based



4.5 bn€



8.4 bn€



19%

Waters



4.6 bn€



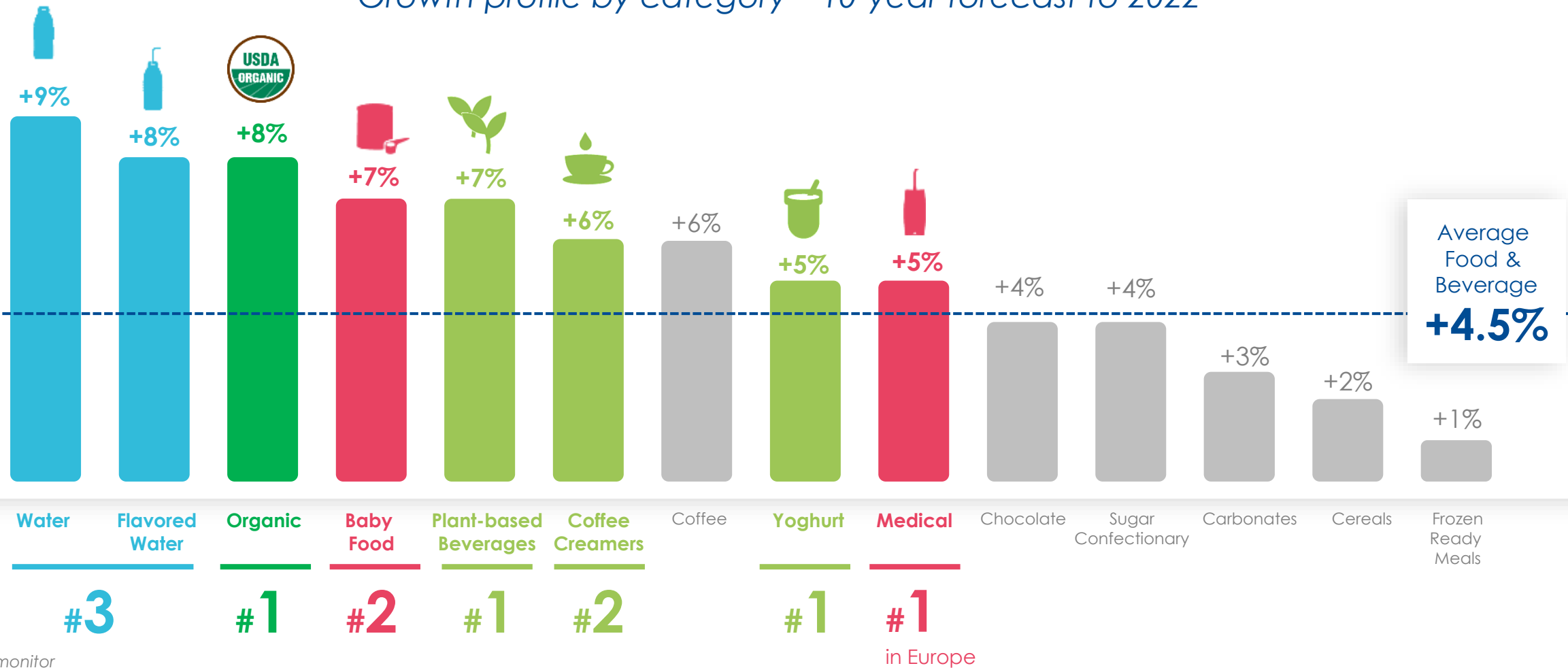
> **88%** of volume sold **recommended for daily consumption⁽¹⁾**

(1) Refers to water, yogurt and other daily dairy products, baby milks & foods, milks and milk powders, beverages with 0% sugar and medical nutrition. Based on official public health recommendation, these categories are generally suitable for daily consumption.

Superior growth profile as consumers move to healthier food and nutrition

Our categories outperform the industry average

Growth profile by category – 10-year forecast to 2022



Source: Euromonitor

Unique brand portfolio, creating value in a responsible way

Meeting consumer demand for more sustainable, authentic products



-10.5% reduction in CO₂ emissions full scope⁽¹⁾



58% of clean water returned to nature⁽²⁾



30% of global sales



2 US flagship dairy brands Non-GMO⁽³⁾



14% recycled PET used in Waters⁽⁴⁾



Now offering products that are Non-GMO Project Verified – with still more to come.



The data provided on this page are as of end 2017, do not include WhiteWave entities and are based on constant scope of consolidation and constant methodology in comparison with 2016. (1) Intensity (g CO₂equivalent/Kg product) Baseline 2015. Full scope (1,2,3) (2) % of wastewater discharged to nature compliant with Danone "Clean Water Standards" (3) 79% of Dannon and 96% of Danimals are Non-GMO project certified (4) Recycled PET in Waters division excluding Turkey and China

New consumer preferences are transforming our industry

Transition from mass volumes to lifestyle purchase decisions

Our environment

1/3

of value consumption from **young**⁽¹⁾



58%

of growth driven by **local** brands⁽²⁾



+16%

e-commerce average growth⁽³⁾



55%

buying decisions from brand **advocacy**⁽⁴⁾



Our transformation

Products

- Local, authentic, natural
- From multi-packs to single serve

Brands

- Committed and accountable
- Resonating messaging
- Targeted digital marketing model

Channels

- Convenience and on-the-go
- E-commerce

Organization

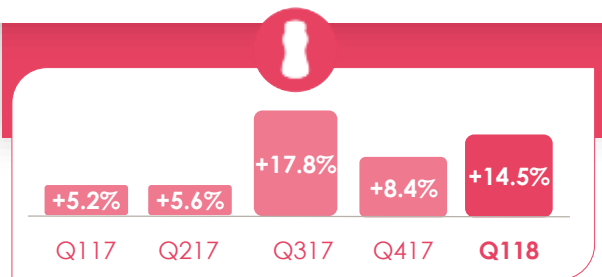
- Innovating locally in small scale
- Cross-regional collaboration
- Partnerships with customers and suppliers



(1) Source: Nielsen (2) Source: Kantar Worldpane (3) CAGR 2012-22; source: Planet Retail 2016; (4) Source: BCG Brand Advocacy Index

Making strategic progress in every business unit

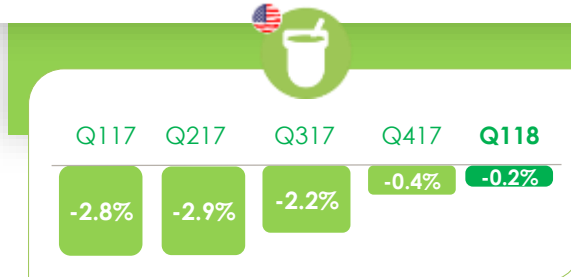
Stronger capabilities in operational execution



Direct and Ultra-premium



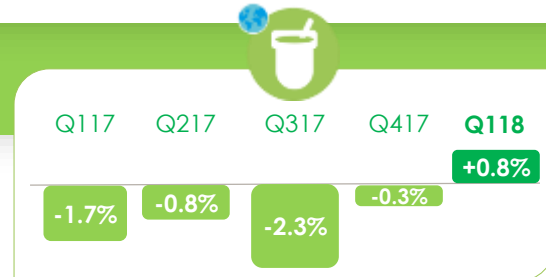
Tailored nutrition



Record market share in yogurt



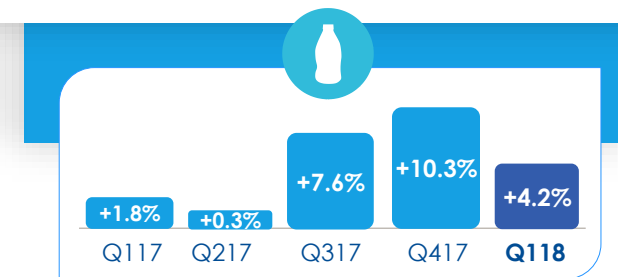
\$50m synergies from WhiteWave integration to date



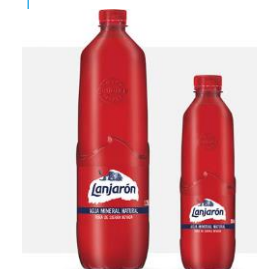
Gradual Stabilization



Increased contribution from Innovations



Mizone end of transition

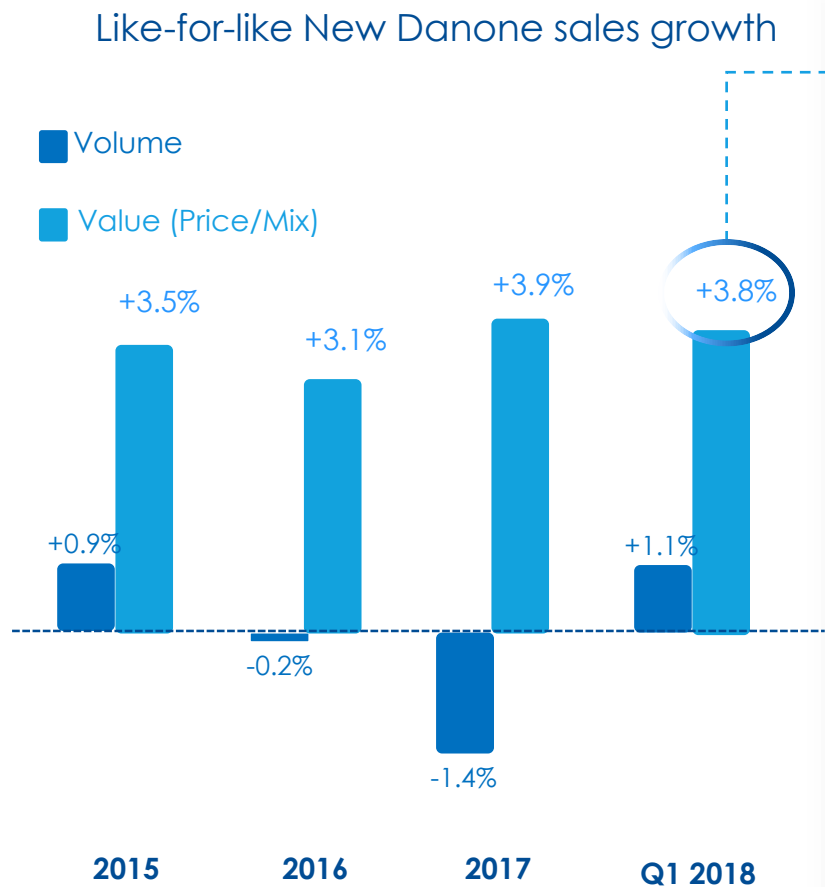


Transition to Circular Plastics

Sales growth figures in Like-for-like New Danone

Growth model driven by value

Premium innovations and resilient pricing contribute to enhanced value



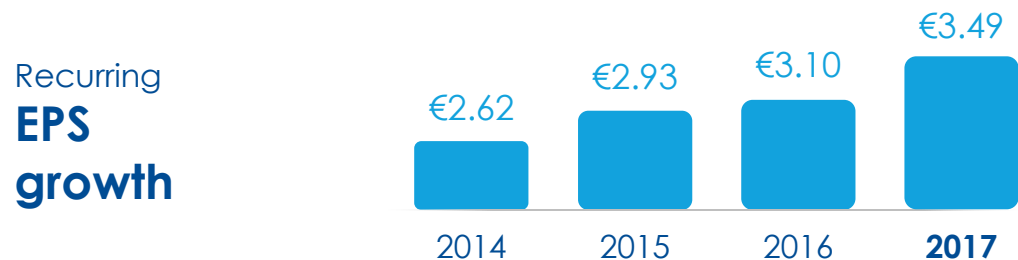
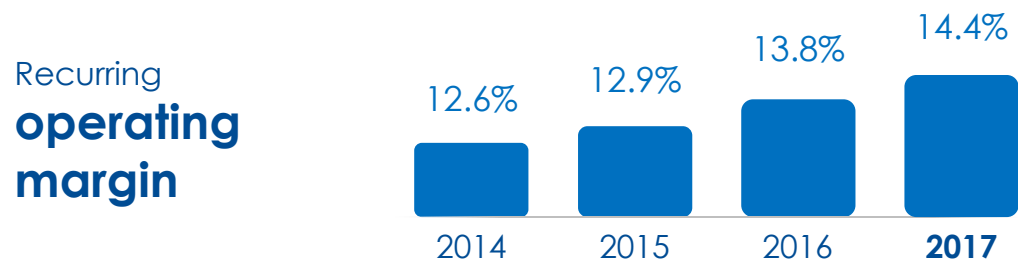
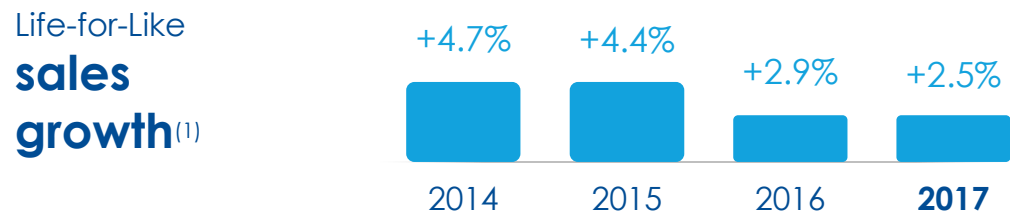
Portfolio valorization from premium innovations and resilient pricing



Operational efficiency and financial discipline as key performance drivers

Consistent EPS growth and balanced investment over the cycle

Our financial track record



How we delivered

Organization and Efficiency



Portfolio



Vision and ambition



⁽¹⁾ Like-for-like New Danone

Managing near-term regional trends

Discipline and agility to navigate emerging markets volatility



Regulation



**Political
uncertainties**



Boycott



Geared to accelerate towards 2020 objectives 2018: a year of execution and delivery

2020 Strategic priorities

- 1 Accelerate growth
- 2 Maximize efficiencies
- 3 Allocate capital with discipline

2018

2018 objective

**DOUBLE-DIGIT
RECURRING EPS
GROWTH**

at constant exchange rate

excluding Yakult transaction impact⁽¹⁾

2020



**SUPERIOR
SUSTAINABLE
PROFITABLE
GROWTH**

4-5%

Like-For-Like
Sales
growth

>16%

Recurring operating
margin

EPS

Consistent recurring
EPS growth

<3x

Net debt/Ebitda⁽²⁾

~12%

ROIC⁽²⁾

(1) See definition on page 6 of Q1 2018 press release (2) See definition on page 64 of 2017 Registration document



Creating value in Essential Dairy and Plant-Based Europe

Bernard DUCROS
Regional VP EDP Europe



Essential Dairy and Plant-Based (EDP) in Europe Business at a glance



15 years at Danone, > 20 years at Unilever

Since Apr.17 ● Regional Vice President EDP Europe

2014-17 ● GM Dairy - Russia

2009-14 ● GM Waters - Asia

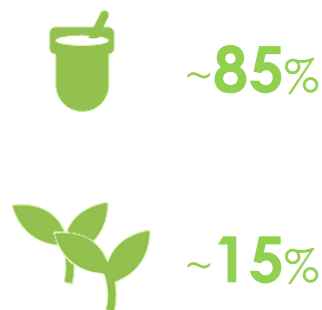
2007-09 ● GM Waters - Indonesia

2003-07 ● GM Bledina – France

#1 in Essential Dairy and Plant-Based in Europe

~ €3.5 bn revenues

Top-5 countries⁽¹⁾



Portfolio of **global** and **local** brands

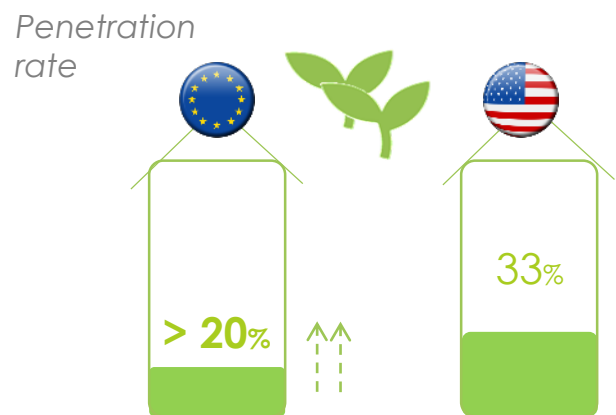


(1) As of Q1 2018

Alpro: the plant-based leader in Europe

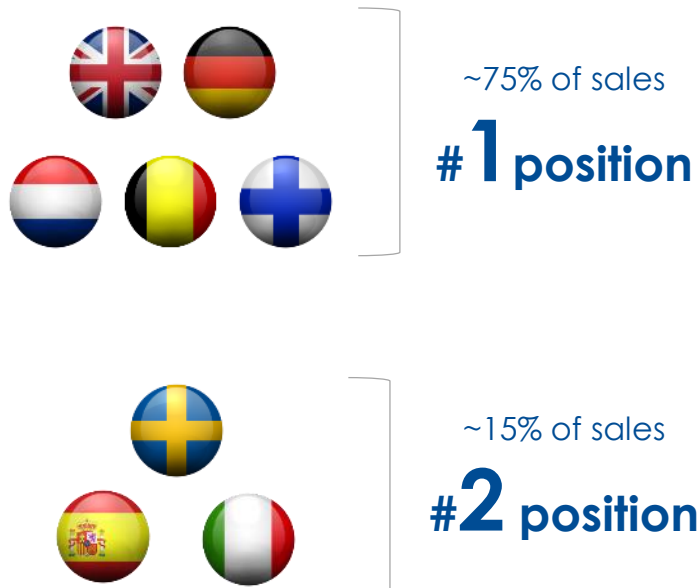
Strong fundamentals at second largest brand in EDP Europe

Attractive category growth

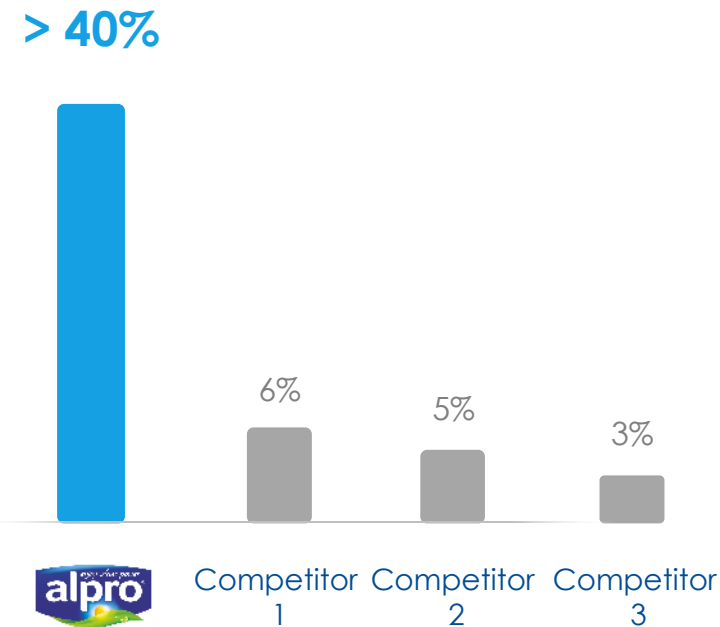


Unique reach and footprint

> €500m sales
only player with pan-European reach

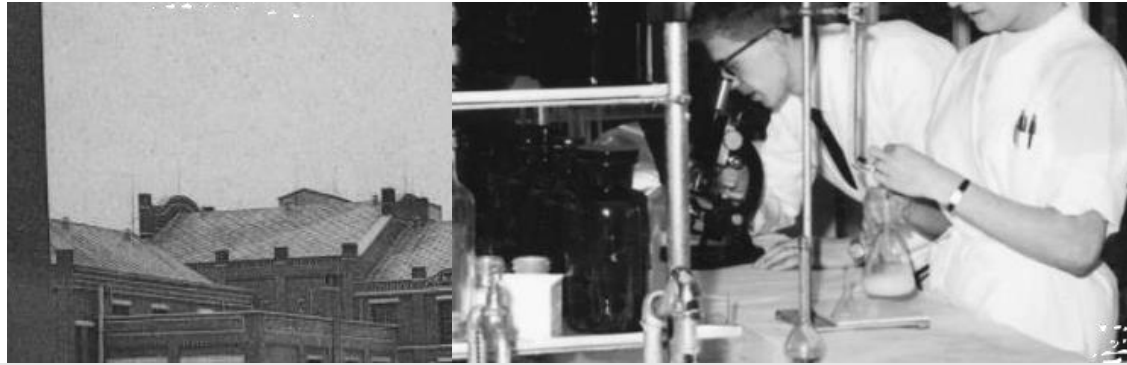


Undisputed leadership



Longstanding know-how in plant-based products

Unique expertise and technology



1899

Vandemoortele
Pioneer of
vegetal oils

1980

Creation
of Alpro

2009

Alpro sold
to Dean
Foods

2017

Acquisition of
WhiteWave
by Danone

2018

Opening
new automated
warehouse and
innovation pilot
plant in Wevelgem

The broadest plant-based offering

Across products, ingredients and moments of consumption



Strong product innovation supporting growth

Growing consumer base and moments of consumption

More **organic**.
More **fruits**. Less **sugar**



Adjacent
indulging categories



A large, high-growth category

Aligned with today's consumers trends



Balanced
protein diet



Minimally
processed food



Convenient
healthy snacking



Permissible
indulgence



Personalized
food



**Environmental &
Social**

Driving Alpro's geographical expansion

Leverage Danone and Alpro's complementary footprint

Alpro - Top-4 markets in Europe



#1



Expansion in France and Spain has started Accelerated step-change in execution



After 6 months



Innovation

x 2
number
of Alpro SKUs



Awareness

+ 50%
brand awareness
in France



Distribution

> 50%
weighted
distribution⁽¹⁾



Position

2
position⁽¹⁾
after 6 months

(1) In plant-based alternatives to yogurts

Complementary categories and footprint with Danone Leveraging the “flexitarian” momentum

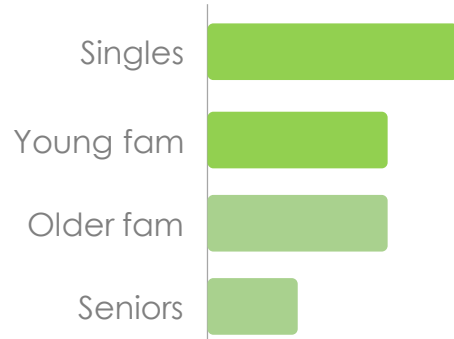


Accelerating Dairy transformation

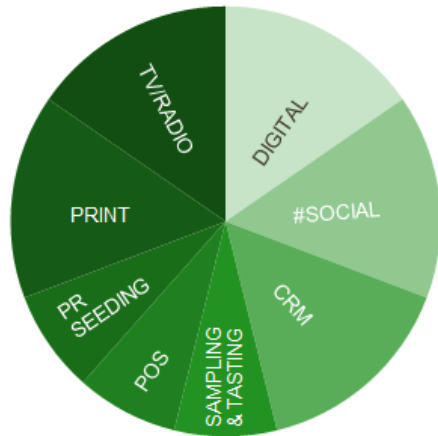
Engaging with a different consumer base

Know-how to
**recruit
young
consumers**

Who buys Alpro?



Strong
**360°
marketing
approach**

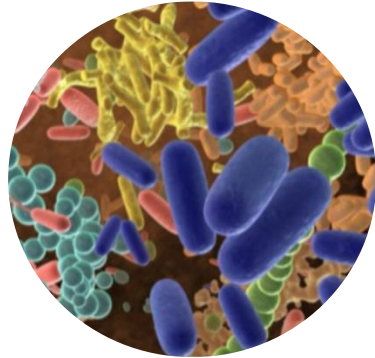


A multi-part strategy to drive value creation

Unique combination of platforms and expertise to accelerate growth



Combining goodness from Dairy and Plant-based Cross-fertilization to open unique opportunities



World-class
Fermentation
expertise



World-class
Plant-based
expertise



Accelerated
innovation
opportunities



Within next 12 months:

a **plant-based**
offering

for all our
major brands

Accelerating Dairy transformation

From multipacks to more local, single serve and on-the-go





Disclaimer

- *This presentation contains certain forward-looking statements concerning Danone. In some cases, you can identify these forward-looking statements by forward-looking words, such as “estimate,” “expect,” “anticipate,” “project,” “plan,” “intend,” “objective” “believe,” “forecast,” “foresee,” “likely,” “may,” “should,” “goal,” “target,” “might,” “will,” “could,” “predict,” “continue,” “convinced,” and “confident,” the negative or plural of these words and other comparable terminology. Forward looking statements in this document include, but are not limited to, statements regarding Danone’s operation of its business, and the future operation, direction and success of Danone’s business.*
- *Although Danone believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. For a detailed description of these risks and uncertainties, please refer to the “Risk Factor” section of Danone’s Registration Document (the current version of which is available on www.danone.com).*
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- *All references in this presentation to “Like-for-like (LFL) New Danone” sales growth, Recurring operating margin, Recurring EPS, Yakult Transaction Impact correspond to financial indicators not defined in IFRS. Their definitions are listed in appendix of press release for 2018 first quarter sales.*
- *Due to rounding, the sum of values presented in this presentation may differ from totals as reported. Such differences are not material.*