

## Danone Through the Ages: From Infant to Adult Nutrition | Barclays Consumer Healthcare | June 25, 2026

Warren Ackerman:

We're going to crack on with the next session. So hopefully this morning you heard a little bit about the industry, the challenges of the industry, what some of the founders think about the industry. And now we're moving into the company section. And we're thinking about consumer health as I said at the beginning in a broad sense and that's why we're delighted to have Danone and Carla with us today. I think companies like Danone do play in the intersection between health and nutrition and the portfolio of Danone is very much built around health.

So delighted today to have you with us, Carla. Carla, you're the SVP for research and innovation for Danone's categories and zones, so quite a mouthful. But you've been at Danone for two years. And I think you've had a long and distinguished career at Unilever in multiple R&D innovation roles, including leading Unilever's R&D efforts in food. So very much looking forward to our time together. We're going to try and leave a few minutes at the end for Q&A. So if there are questions as we go, please don't be shy at the end.

So to kick off Carla, maybe to set the scene, perhaps you could sort of orientate us a little bit in terms of how you see the consumer health market evolving today and how Danone specifically fits into that shift. I know it's a big picture question, but to try and start us off, then we'll drill in.

Carla Hilhorst:

Thank you. Well, first of all, thank you for having me.

Warren Ackerman:

You're welcome.

Carla Hilhorst:

Well, the consumer health, one of the things that we're seeing, and I guess that's what you spoke about this morning as well, is that consumer health is really starting to move to a tipping point. We're seeing that health out`doesn't happen in a month, starting to move from niche to mainstream, with a generation Z that is much more aware of their health in general, but also of the role that food plays within it. So you see high protein is booming, products like kefir, kombucha, et cetera, are doing very well. So really moving into a more holistic space.

Well, Danone within it ... Well, you know Danone very well, right? Danone has been a company in gut health from the beginning, from the moment that Isaac Carasso founded the company in 1919. And he put a yogurt onto the market that helped children with intestinal infections. And what we're seeing is that gut health is actually also starting to move more holistic. So you see a growing link between gut health but also immune health and mental health and of course metabolic health, but also sleep and stress. I think that is also that both consumers are moving holistic, but we're also seeing that the area of gut health is moving holistic. And that for us is very interesting in a Danone that has had a longstanding business model around health through food and a portfolio that's one of the healthiest in the industry. So I think the combination of us makes it very interesting and I think we're quite well positioned there.

Warren Ackerman:

I mean, it's fascinating you say that. But in terms of how does it impact the day-to-day operating environment for Danone given this shift, how are you from a day-to-day taking the top down and implementing it?

Carla Hilhorst:

And making it happen.

Warren Ackerman:

Yeah, making the magic happen.

Carla Hilhorst:

Yeah. Well, I think what you need, many people realize it, but maybe not everybody, is there's a massive link between health, nutrition, and food. They are massively correlated. And if anything, they're more intertwined than ever. And science ... I mean, you are talking to the R&I person, right? Science is really helping to better understand that link, right, to strengthen that bond. And science has been kind of important for Danone from the beginning in the history and has now been confirmed and renewed Danone. And it is very much informing structural priorities, investment decisions, et cetera.

Warren Ackerman:

Because the other interesting thing is Danone, health through food is obviously the big strap line for Danone. It has been for a long time. The portfolio's been designed around health.

Carla Hilhorst:

Definitely. Yeah.

Warren Ackerman:

I've covered Danone a long time. I remember what Danone used to be like as a conglomerate a long time ago and all the portfolio changes that have been made. But how should we think about it in a much more complex health landscape? How does it remain as relevant today as it was then?

Carla Hilhorst:

Yeah. So I think what's important to say is it always starts with the consumer and the patient. So when we talk about a science-based consumer and patient-centric strategy, it always starts with the consumer and the patient, even in defining your scientific program. So what we've done is based on deep consumer understanding, we have identified what we call enduring consumer and patient benefit platforms that are delivering against a fundamental consumer and patient need, but where at the same time we believe that we have a potential to differentiate, right? And that again should then deliver to the consumer and the patients and be delivered through the brands and in the categories where we play. And then you need to think about things like gut health, but also immune health, brain health, everyday nutrition and hydration.

And then we are subsequently designing our science and technology strategy around that. So it's informing our scientific roadmaps. And then we are using our unique expertise in the area of life science, bionics, proteins, ferments, et cetera, to develop nutritional solutions, proven nutritional solutions against those identified consumer and patient benefit platforms. And then again, you need to

integrate that into a product, right? So in the end, you eat this product, that's the vehicle. But we also know that people, the taste at which you deliver it in is very important. So next to the fact that you want to have that proven nutritional solution, you also want to deliver it in a product that is delivering a superior sensory experience. And there again, you need to have consumer understanding. And then you valorize it through claims and demos.

Warren Ackerman:

It's actually interesting, when you look at this product, Oikos Fusion, it's 23 grams of protein.

Carla Hilhorst:

Yeah.

Warren Ackerman:

And I guess that the demand for more protein, more and more protein in the same bottle, it must get tougher to put 30 grams, 35 grams, 40 grams. But I guess companies like Danone that have the R&D heritage can probably increase the amount of protein without actually changing the taste profile. Because I've tasted some products that are 35 grams and they're quite chalky. Actually the thing about-

Carla Hilhorst:

Yeah, they're grainy, right?

Warren Ackerman:

Yeah, the mouthfeel on this actually is pretty smooth. So in terms of the R&D and the science, is that something, protein compaction that works in this, when consumers want more protein, it can still work?

Carla Hilhorst:

Yeah. Maybe give you an answer at two levels.

Warren Ackerman:

Sure.

Carla Hilhorst:

So absolutely protein concentration, compaction and protein processing technology is super important to deliver a product that is sense ... This product, to whatever competitor we test it against we win, right?

Warren Ackerman:

On taste.

Carla Hilhorst:

On taste. Yeah. And the same for this. But what is also important to say is when you talk about protein, it is not only the quantity of protein that is important, it's also the quality of protein, right? So protein is, if you want to be nutritionally complete, protein and fiber is very important. It's not only important for your muscles, but it's actually important for many functions in your body. And the building blocks of

protein are amino acids. Some of you will notice because you get this in a secondary school. And you have a number of amino acids that are what we call essential amino acids. So you only get them through the diet. So it's not only the quantity of protein that's important, it's also the quality. And what we are working on, and we have now integrated a solution in our GetPro HiPRO products is to not only have the quantity of protein, but also add nutritional solutions that are giving you the right amino acid profile but are also helping with protein absorption. And by doing so that it unlocks claims like energy fatigue. And if you look at this product, what is nice to say is this product, Oikos Fusion, it's a food companion for people that are on a GLP-1 weight loss journey, right? And we are integrating an engine in there, which we call the acticin engine. An acticin engine is a muscle preservation engine, which is substantiated by 16 clinical trials. So it's quite a lot. Which is showing that it helps in muscle synthesis, muscle mass, and also muscle strength, right?

Warren Ackerman:

Yeah.

Carla Hilhorst:

And that engine or ... Antoine always talks about technology bricks. So Paul keeps reminding me that I need to say technology bricks. But that engine we have integrated into already a medical nutrition product, which is helping people with frailty and people that are suffering with falls and fractures. But we've now also taken that same engine and had it travel to the FMCG category. So what's beautiful about the science that we can do is that it can travel across the different brands and across the different categories. And you can imagine that such an engine is also very relevant for people that are on a cancer care journey or are on a long-term recovery journey.

Warren Ackerman:

That's super interesting.

Carla Hilhorst:

Just to explain,

Warren Ackerman:

I hadn't really thought about the synergy between the two subcategories in medical and the high protein.

Carla Hilhorst:

And it's a protected engine, which we usually also like.

Warren Ackerman:

I mean, Carla, you've touched on this already a little bit, but how does being consumer and patient centric by design actually change the way that you build products? And coming from the company that you came from to Danone, I'm sure when you came in there were many things that were different. But how do you actually do it by design at the beginning of the journey? Is there any kind of observations that you would make coming into Danone in terms of how you think about it and where it's going?

Carla Hilhorst:

Yeah. Well, maybe before

Carla Hilhorst:

If I really specifically answer your question, what I think is very nice about the Danone portfolio is that it is covering the different life stages of a person. From the moment that you are born, and I'm not sure many people realize, but the moment you're born, you do not have a microbiome. When you're in the womb, you don't have a microbiome. It actually starts getting generated the moment you go through the birth channel and then in the first years of your life, you develop and establish your microbiome. But then in adulthood, you have to maintain your microbiome where some of an Activia or an Aptimal really can help you to do so. And then later in life you get a decreased diversity of your microbiome so it can be rebalanced. And sometimes in your life you have tough conditions. So you might be suffering from allergy or your child might have a growth problem or even tougher, you're on an oncology journey for instance and then your microbiome gets compromised and that's where we can deliver nutritional solutions.

Well, going back to your question, it always starts with understanding what is the consumer and the patient pain point or need that you are delivering a solution against. It always starts with that. We in RNI start with that. Then you deliver a proven nutritional solution against it. Then you have to incorporate it into a product and you have to make sure that that product delivers a superior experience. And that again requires that you have an in depth understanding of what is driving the preference of that consumer and that patient. What are the drivers of liking so that you can design against that? And in many cases, that's very local because the consumer preferences are still quite local around the world. And that together delivers you a superior product. Let me give you an example, I like the example, it's Oncosensations. Oh my God, you probably know it because you have been watching Danone for a long time, but maybe not everybody here in the audience knows it. It's a product that is for people that are on an oncology trajectory. And what we know is that if you get the right nutrition when you are on such a trajectory, you have a higher chance to actually finish your treatment and also your recovery goes faster. And we have designed an engine which is a combination between protein and omega, which is really helping you nutritionally across that journey. But one of the things we also learned when we started talking to patients on an oncology journey is that their taste profile really alters. When you're on a chemotherapy trajectory, your taste preferences really change. So you get very sensitive to a metallic taste for instance. So what we've done is we have created... So we put the nutrition engine in the product, but we've also created a sensory profile which is preferred by oncology patients.

And as a consequence, you get a higher adherence. So they use the product for longer and that creates a multiplier because if they use it for longer, you get more nutritional impact, but it's also attractive for us as Danone.

Warren Ackerman:

Yeah, you talk about superiority, Kara, and maybe a specific example that I'm doing work on is Nuturis, which is your new infant milk formula product for China. And it's something I know that's gone into Hong Kong, and I've read quite a lot that it could potentially be a game changer for the infant milk formula industry in that the actual formulation is closer to breast milk than even some of the more kind of HMO products. So given this is about science in a category where innovation has been limited, can you talk a little bit about the science of Nuturis and why from an R&D and R&I point of view, this is something that could actually be very interesting and there's maybe a technology that could be, I don't know, taken more widely into the Aptimal brand if it's proven to be successful in China, which is one of

the most demanding markets in the world. I've been in the Lancet and there's been quite a lot of scientific backing for this and it seems to already have approval in China. I'd love to get your perspective on the science of it.

Carla Hilhorst:

Yeah. Well, it's something that the teams have been working on for more than 10 years. So I joined Danone two years ago. So personally-

Warren Ackerman:

You can't say too much about it.

Carla Hilhorst:

I cannot take much credit for this one. But it's seriously super interesting. So it's based on the science of the droplet size of lipids and what the team has been able to do is to replicate the structure, the composition and the size of lipids that are in breast milk. So it's a real replication. And in the bigger picture, what you see is that the lipid droplet sizes in, call it standard infant formula is much smaller than what you find in breast milk. But that's quite a complex thing to replicate. And then what it does is it helps in improving the absorption of the lipids, but it also has an impact on the composition of the gut microbiota.

And what we have been proving through clinical trials is that it moves the growth trajectory of an infant closer to a breastfed infant. So yes, it is a massive breakthrough. I think what is important to add is you can imagine the moment you create such a... You think it's simple, it's a lipid droplet, well, it's super complicated because it's different layers, et cetera. So subsequently being able to produce this at large scale is not easy, and we have been applying a tremendous amount of processing knowledge on spray drying to make that happen at three, four, five tons an hour scale in a consistent way. So yes, I think it's definitely a solution that's the next step-up and it's something that we have protected. And by way already through the processing it gives a massive barrier to entry for our competitors as well.

Warren Ackerman:

And if you did have scale, would there be any reason why you couldn't take it outside of China?

Carla Hilhorst:

No, there is no reason. We can take it outside of China. What you need to realize is that the consumer in China is a highly, highly scientifically informed consumer and that's not the case in every country. So what we need to start doing is again, to go back to the consumer, understand the pain point and then make sure that we translate that into the locally relevant story so that we can also make sure that Nuturis start traveling across the globe.

Warren Ackerman:

That's super interesting if you can really make it work. I'll be watching that carefully.

Carla Hilhorst:

Well, I think you're watching it more than carefully.

Warren Ackerman:

But maybe kind of again, stepping back a little bit in terms of like, one of the mantras in this sector is fewer bigger bets in terms of the way that innovation scales. So when you came in to Danone from Unilever, when you observed the kind of size of the innovation, and Unilever also talk about bigger, better. Sure you've heard that mantra many times over over many, many, many years. How does the fewer, bigger, better mantra change the way Danone will innovate and how Danone is thinking about scaling products? Because obviously you want to have the best product, but you also want speed and the ability to scale. How do you get that balance right? So how do you think about that?

Carla Hilhorst:

Well, let me first give you the answer from an R&I and a science point of view. I think it's very important to realize that science is agnostic. It travels across different categories and brands. So take protein science, for instance. If you have a lot of protein science to tap into, it can deliver nutritional solutions to people that are on a performance trajectory. It can deliver a nutritional solution to people that are on a weight loss or a weight maintenance journey, but also to people who are suffering from frailty or on an oncology journey or on a stroke. So science can travel and the same is the case for biotic science. It can deliver to immune health, mental health, metabolic health, et cetera. And it is the science of biotics and protein what we do to then deliver nutritional solutions that can travel.

Your question was also about innovations, so some of it is what from hearsay because I came in two years ago. But I'm definitely seeing a massive focus on maintaining, so not allowing that we are getting a plethora of innovation projects so that we really make sure that we don't have too many. But the ones that we do have that we make them bigger and what I'm seeing, and it's a shift that I've already observed in the last two years, is that we see a shift towards more projects that are on a global platform and that gives us an ability scale. I think a nice example, what can travel was the oxytocin example I just gave. It's a nice example of kind of an engine that can be applied to different brands.

Warren Ackerman:

The other thing you talk about is the life stages from early life to an aging population. And you have an infant nutrition business and you also have an adult nutrition business. I'm just interested about how that breadth through the life cycle strengthens your science. You gave the example of the synergy on the protein between medical and infant, but in terms of... Is that how Danone thinks? Is it thinking about the life cycles and putting products at each point within the cycle? Just in terms of like the philosophy of the life cycle and how that plays into your thinking around R&I.

Carla Hilhorst:

Yeah. No, I think I already explained it to you. When you get born, your microbiome gets established and developed and then we have solutions that can help there. Senior, we have now a solution called IronBiotics that can really help in a better establishing of that microbiome.

Carla Hilhorst:

In your adulthood or so when you are an adult, your microbiome needs maintenance every day. That's where products like Actimel, Activia, Skyr can play a key role. If you then get older in life, which I guess some of us are trying to prevent, but it does happen, the diversity of your microbiome decreases and then a product like YouthBiotics that we've landed in China a year ago or so can really help to rebalance. And then you have the nice phases in life and you have the tough phases in life. Even when you get an antibiotic treatment, which could be for 10 days, your microbiome gets compromised, right?

Warren Ackerman:

Yeah.

Carla Hilhorst:

But when you have an allergic child or when you suffer from frailty or from oncology, we can deliver personalized nutritional solutions to that. And I think I already gave you the example. The moment you start looking at, as I have protein science and I have biotic science, and then it gives me the ability to deliver nutritional solutions to all of these different life stages. Then you also start scaling your science much more.

Warren Ackerman:

Because you talk about gut health and protein, but there's a lot of talk at the moment about fiber.

Carla Hilhorst:

Definitely.

Warren Ackerman:

Fiber every day is more and more in the news. In terms of how Danone are positioned in fiber, is that something where there's a lot of R&I work going on at Danone? Maybe you can share your journey on that and how you, again, differentiate within fiber in what is a very crowded space.

Carla Hilhorst:

Space, yeah. So first of all, like a protein, if you want to be nutritionally complete, you need fiber, right?

Warren Ackerman:

Yeah.

Carla Hilhorst:

What you see in general across the world, so it's a generic comment, is that most of us have a fiber gap. So we are not eating enough versus the recommended amount of fiber. Fiber is actually a biotic. So it falls in the biotic space. And you have soluble fiber, insoluble fiber, and especially the insoluble fiber very often is what we call a prebiotic. So it's food for the microbiota. It feeds the beneficial bacteria in your gut. So yes, it is a critical part of the work that we're doing in science. And the reality is that we have been adding it to our nutritional engines for many years.

Warren Ackerman:

Yes.

Carla Hilhorst:

The first engine that we landed with fiber was a Nutricia tube feed, 1998, with prebiotic fiber. This product has prebiotic fiber. We're having Activia fiber where we're more actively talking about it. So I think it's a combination between adding it to engines where it helps to deliver that nutritional solution. And then in some cases we start to more actively talk about it because the consumer is so much more aware. But yes, it has been part of our science roadmap for a very long time.

Warren Ackerman:

Because the other thing that you've done recently, I think it was a small Belgium company called Akkermansia and I read the press release. It looks like it's a new biotic.

Carla Hilhorst:

It is? Can you [inaudible 00:27:38]?

Warren Ackerman:

Can you maybe share a little bit of information about what that is? And you're talking about science and fiber and probiotics and then you've done this thing in... How does that play into the way that you're thinking about using that new biotic and Akkermansia? Well, what is it that-

Carla Hilhorst:

What is it?

Warren Ackerman:

Yeah. So I don't really know what it is.

Carla Hilhorst:

No. So maybe again to frame it first, right? So gut health is one of the consumer and benefit platforms that we've identified will not surprise you, right? And we have decades of microbiome expertise. And so we have really built the pipeline of biotic nutritional solutions. Well, we're continuously feeding that pipeline through external collaborations, but also through acquisitions. And Akkermansia is an acquisition that we've done and it is the new kid on the block. It's a strain. It's actually Akkermansia muciniphila because there are more Akkermansias, if you like. And it's a strain that we've added to our ferment library. And what it does, and you are very aware of it because I think you wrote about it, but there was an article published in Nature recently that showed that if you supplement adults that are overweight and obese with Akkermansia, then they show that you have less weight gain after a weight loss journey.

So it has an impact there, but Akkermansia can have a bigger impact. It's known to play a role in strengthening the gut barrier and it can also have an impact on reduced inflammation. So it's what I call a technology brick, or an engine that we are adding to the total that we have and now we are exploring. And again, this one will travel. I can tell you, it can travel to a medical nutrition type of proposition and to FMCG type of proposition.

Warren Ackerman:

Are there any other next wave of opportunities? I mean, we've touched on Akkermansia, we've touched on Nutricia. Are there other, in terms of where the next wave of R&I is coming from, what are the top priorities for you? Is there any technologies out there that you want to get bigger in? Or when people say to you, "Okay, it's great what you've been doing, but what's next?"

Carla Hilhorst:

Well, first of all, I think we are always building a pipeline of future assets, right? And we've been doing that now in the area of biotic science, in the area of protein science. And with the investment that we had in the last two years, I think we're in a much better place of having a future fit pipeline and we're

continuously working on it. Let me give you one example what we've landed because I cannot talk to you about something that we haven't landed yet, right?

Warren Ackerman:

Sure.

Carla Hilhorst:

And I gave it this morning as well. I find it a very nice example. Iron biotics. Have you heard about iron biotics? No? There are many people, actually there quite a big percentage in the population that is suffering from anemia and that's a little bit more in women in childbearing age than others, but the moment you are suffering from anemia as a mother, then there is quite a likelihood that your baby is also suffering from anemia, your infant. And anemic children, it does show an impact on both physical growth, but also brain development. So the engine that we developed is iron, logically, because it's driven by an iron shortage, combined with biotics that is helping to improve the absorption of the iron, but is at the same time also protecting the gut from unabsorbed iron, proven by clinicals and now integrated into ELN products already in more than 20 countries. And what we're working on next to that as well, and we're almost there, so I'm quite excited. So I can tell you about that one, is an iron tracker.

So if you are anemic and you know how many people are in the room are 50, 60, there will be a few people in this room that suffer from anemia. And then you think, "Huh?" It's very silent, so you might not immediately feel it, which makes that the awareness is very low. So what we've done is we developed what we call an iron tracker and I tested this already, it's quite fun actually, where you can make a picture of your eye white or of your nail, then you upload it in the tool and it immediately gives you feedback whether you are suffering from anemia, yes or no. So you can imagine that helps us to increase the awareness, but it also helps us to give the proof points that our products are working and that drives massive credibility but also adherence.

Warren Ackerman:

I wanted to switch gears quickly. I mean, you've obviously done a couple of, well Danone have done a couple of interesting deals. One is Kate Farms in US medical nutrition, the other's Huel. So it's two deals. Can you talk a little bit about those recent acquisitions, Kate Farms, Huel, if you can, and how you can help accelerate the science and then maybe leverage the science and innovation to turbocharge a little bit what you bought and scale into maybe new markets, new segments. I mean, Kate Farms in particular, it's a fascinating company because it looks like it's tube feeding, but it's plant-based.

Carla Hilhorst:

For medical nutrition. Plant based, yes.

Warren Ackerman:

Which is very unusual in medical in the US. So just interested to see from that, is plant-based from the US, can that go the other way in medical? I don't know. I mean, I'd love to hear how you're thinking about that.

Carla Hilhorst:

Yeah. So Kate Farms, I think very nice acquisition for Danone because it gives us for the first time access to the healthcare system in the US. You're right, plant-based nutritional solutions and they do something

right there or did do still. Number one doctor recommended plant-based solutions, right? So what's happening at the moment is that we are connecting the teams and we are looking, what can we learn from them, but at the same time we give them access to the portfolio of engines and technology bricks that we have available. We've also done quite a bit of work on plant-based. So in a tube feed, for instance, we've really increased the level of plant-based proteins in our products, but we're really trying to make sure what can we learn from them, what can they learn from us, how can we help them to scale, both in the US but also make it travel across the world.

Warren Ackerman:

Okay. We're running a bit short on time. I have got one question. Looking at all this water, I'm thinking about hydration. It's obviously a megatrend for consumers and obviously consumers think about it more when you have a heat wave, right? There really is consumer health hydration, but there are questions about how you can add science in a category like waters. You've done it a little bit in

Warren Ackerman:

...China with Mizone, where I guess it's more of a functional beverage where you've been able to add electrolytes, but given you've got big brands like Evian and Volvic and Badoit in water, from an RNI point of view, how do you see RNI within the water hydration space and where and how are you thinking about innovating in a key category for you guys?

Carla Hilhorst:

Yeah. Well, let me start that, and I think especially now it's so warm, people realize this, that water is supporting core functions in your body, right?

Warren Ackerman:

Yeah.

Carla Hilhorst:

It's helping with cellular metabolism. It actually regulates your temperature. I think that's also why now it's so hot people are drinking a lot of water, but it also plays a key role in absorption. Actually, 60% of your body consists of water, so it's super important.

One of the consumer and patient benefit platforms we identified is everyday nutrition and hydration. So we are delivering against it. But what I think is very interesting to call out is that there's a massive link of hydration and the other consumer benefit platforms. So there is a link between hydration and performance. There's a link between hydration and mental health. There's a link, or we know that hydration is very important for healthy aging. And I think that one for us is a very interesting link to see how can hydration and our water business help us to support or actually create a multiplier to the other categories.

Water itself, people think every water is the same. We've got three water sommeliers. I would love, if you ever had the exposure to a water sommelier.

Warren Ackerman:

No. I remember there was a Danone CMD a few years ago and all the analysts were tasting the different waters.

Carla Hilhorst:

There's a massive difference in taste.

Warren Ackerman:

There are.

Carla Hilhorst:

So you did taste it?

Warren Ackerman:

I have done it, yeah.

Carla Hilhorst:

Yeah. So we know that the mineral composition is very important for the water taste. And if you have an Evian, it comes from the source, right?

Warren Ackerman:

Yeah.

Carla Hilhorst:

So that's a given. But there are also other areas where we can play with that a little bit more. And then electrolytes, they help faster absorption. That's known.

Warren Ackerman:

Carla, we're running short of time. Just in terms of summing up where you are, if there's any final comments before we open it to the floor, in terms of where Danone are in the RNI journey, Antoine was very keen to put RNI back into the center of what Danone were doing, but in terms of how you're thinking about the go forward next two or three years, how would you summarize it?

Carla Hilhorst:

Yeah. Well, I think the two really big things to call out, one is gut health is an area that's only in its infancy and we talked about it already a little bit. I think it's really starting to move into a more holistic space where there's an increasing link between your gut health and your overall health. And I think that goes in parallel with a consumer that is starting to look more holistically at health, where they are also starting to shift more towards care rather than cure. And I think that in combination is making that very interesting for us because we are covering these different life stages, we can deliver nutritional solutions. And the fact that gut health, which is a strength of Danone from the start is starting to move more holistic. That's also opening new potential and new scientific frontiers for us. And then you need to start thinking about things like longevity that many people talk about where the thinking is starting to move from lifespan to health span, but also overall gut wellbeing.

So what we are going to do is we will continue to invest in biotic science and work with the external ecosystem-

Warren Ackerman:

We've got a couple of minutes of questions. We're going to try and keep them on the research and innovation theme, if we can. So Nico?

Nico:

Yeah, hi. I understand Danone has specialized strains of bacteria that could lead to significant claims in the market, a bit like a super yogurt. But if I understand correctly, there are roadblocks in place, pesky things like oxygen, temperature control challenges, time and temperature fermentation. So what could some of these claims be of a set super yogurt and what are the challenges, and when could we solve some of these challenges? Is there a timeline?

Carla Hilhorst:

Right. So let me start that Danone is in the unique place that it has a ferment library with more than 2,000 strains that are proprietary, 2,001 now because we acquired Akkermansia, but that are proprietary for Danone. And not each strain is the same. Every strain needs a specific type of environment to grow in the most optimal way. So a lot is about making the choice, first of all, on the impact that a strain can have nutritionally, but also the impact that a strain can have on the quality of a product. What do you mean with the super yogurts? By the way, we have many super yogurts, if I'm honest.

Nico:

Well, basically like health claims that are much more substantial than just what you see on the advertising today. Basically you can go to really a turnkey activation that like it'll actually produce or minimize your chance of getting a cold or help you get over your cold faster, something with genuine gut health benefits that are a turnkey step change. I understand they exist, but there are complex logistical challenges to get it there. And then the real question is, if you have them and they exist and there are roadblocks, there should be a timeline to fix it. And if so, when? That'd be great.

Carla Hilhorst:

Yeah. Now, well, let me start that in many places we are actually moving our products to the next generation, right? We built that pipeline of new nutritional solutions and we are now starting to land that into our products. Sometimes in innovation, sometimes in renovating the existing range. Where if you take this product, I just told you we're moving away from only quantity claims and we're moving into fatigue reduction, et cetera. Depending on the category that we play in, so if you take FMCG as an example, it's a pretty highly regulated category from what you can do and what you cannot do from a claims point of view and that in order to then be able to valorize it and demonstrate it, it comes back to having a really good consumer understanding on what tension are you solving for so that you can then translate that into value propositions and claims that are delivering against that whilst you stay within that regulatory framework.

Well, if you go to medical nutrition, it's a different story because there, first of all, you need to go through quite a long regulatory trajectory to get it approved. You need loads and loads of clinical trials and then you can talk much more directly to healthcare professionals where you can bring to life what your product does and what your product doesn't do. So it depends a little bit on the category that you talk about.

Warren Ackerman:

I think I have time for one more quick one. Fred.

Fred:

Yeah. I mean, you play on three big [inaudible 00:44:19], right? Hydration, [inaudible 00:44:21], and protein. We see a small segment going quite fast, which is protein water. Any thoughts about putting some protein in your water and make this [inaudible 00:44:33] very big? It's a very nice question. I'm sure there are plenty of challenges around that. I'd love to hear more because it does sound an extremely attractive opportunity on the paper.

Carla Hilhorst:

Yeah. So let me give you a very high level answer and then make it more specific. I think when you look at the way you innovate, you always want to have a good balance between driving your core and building your future core, right? So that's more of a kind of conceptual answer to your question. Then you need to make some choices because usually, and that's a good thing, by the way, you have more opportunities than you choose to go after. So being choiceful, linking to the question that you had on the number of innovation projects that you do is important.

Well, now more specifically to your question, what we need to think through in that space is can we make that work in our brands? Can we make it work with our nutritional solution and can we make that work in the P&L that it requires in the totality of the thing? So that's the way we look at it. And then you also compare to the other opportunities that you have in the innovation pipeline to make a choice whether you go after it, yes or no.

Warren Ackerman:

I think we're going to cut it there. Thank you, Carla. It was a fascinating conversation, and if you're around lunchtime, I'm sure there'll be people that'd be very keen to continue. So thank you very much, Carla.

Carla Hilhorst:

And thank you. Thank you for having me.

Warren Ackerman:

Thank you.