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Nicolas Ceron *(Managing Director, BofA)*

Very happy to welcome Antoine de Saint-Affrique, CEO of Danone today with us. I'm very biased when I say that, obviously, but I think it's fair to say you've done one of the best turnaround I've seen in consumer staples since you came as the CEO of Danone four or five years ago. So what we'll try to do in this session is to take a bit of a step back, address some of the short-term issues that everybody wants to talk about but also think about the longer term and where you see Danone is going. So maybe I'll start with, as a first question, the US and the yogurt in the US, because that's really what a lot of people have been interested about.

So you've laid out very recently a very strong innovation plan for next year, but could you tell us a bit more in practice how this is going to work? You have a very strong competitor growing very fast. How will you convince the retailers to take your product on shelf? Do you need to invest more in that part of the business? And how quickly do you think you can see some market share evolution in '27 as you launch those new products?

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

Thank you, Nicolas. First, I'm sorry not to be with you. By the way, there is a huge echo from the room, so it's very bizarre if technic can kill it. So delighted to be with you, sorry not to be here in person, but as I do all the time, I'm in the country reviewing the plans of Europe for next year and the performance for this year. So to your question, when it comes to the US, we come with a very, very strong innovation pipeline that goes through '27, which we started presented to other trade in the US and for which, by the way, we had a very, very strong welcome. It's an innovation pipeline which is the best we had in years, tackling a number of things.

Obviously, everyday Greek, we had been playing very successfully in performance Greek, but we were absent of everyday Greek. And there, we'll come with an angle which is natural, which is affordable, cleaner. Besides everyday Greek, we will be playing, obviously, or will bring and be playing kefir. Kefir is something that is moving very fast in the US. We're also playing or moving very fast across the world. We will also enter fiber. So a very, very rich innovation pipeline. That's the first point. The second point is the US market keeps growing extremely fast. So we are not playing only a share game in what is a stable market. We bring innovation in what is a very, very fast-growing market. The market, by the way, is still in terms of consumption per capita, a third of what it is in Europe. So it's been fueled obviously by GLP-1, it has been fueled by everything around MAHA, but it is not the end of the journey. So strong innovation pipeline, very strong market dynamic, but none of this matters, in some way, if you are not capable of executing.

So execution is at the heart of what we are doing. You remember that in the quarterly results we talked about our service levels, week by week, by week, our service levels are going into the right direction. So I find it encouraging. Before the end of the year, we should be at the right level, which means that the selling and the refill of the inventories [...] of the shelf at a later stage into our market shares.

As we moved into a more offensive state, you've seen also that we made some leadership changes. François Lacombe, who is now the new leader of the US, is a French American. He started in the US. He's the guy that turned around our Spanish business. He's a guy with a very broad and very deep operational experience, be it in operations and supply chain, be it in commercial, be it in marketing. He has hit the ground running. So we

see things moving concretely on our execution, leadership wise with François. And as I was saying, with a very, very strong innovation pipeline that has been presented for large part to the trade and is being welcomed.

Nicolas Ceron *(Managing Director, BofA)*

Great. Thank you. If I can follow up a bit on that, in the US, there's a clear consumer trend towards clean label and your main competitor has been very active on that front. It feels like you are probably a bit playing catch up on this, especially I would say in coffee creamers. Do you think that, in general, Danone needs to reformulate a lot more products towards clean label is something you've been active enough in terms of innovation?

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

Listen, in the US on coffee creamers, we have been late on clean labels. I was very, very open about that. We are moving very fast. We have done something tactical. I mentioned it as well. We are now doing things that are more structural. Core creamers are heading in the right direction. We will come with renovation and with new formula early in '27. We will come also with clean label innovations. What is important, by the way, is there is not only clean label. I mean, it needs to be clean label, it needs to be tasty, it needs to be healthy. We have been late in creamers, but it's not the case, and it's a bit paradoxical, it's not the case everywhere. I mean, as I was saying, I'm in Turkey today. I've got our products and if you take the last relaunch of Activia in Turkey, it trades only three ingredients, billions of probiotic. You are straight into what I was telling, which is, it's a clean label. It has an amazing taste. It does something to your health. By the way, in some ways, this is what Huel is doing in the UK, but also in the US. So, while we have been late on creamers, we are moving pretty fast in other segments and catching up in creamers.

Nicolas Ceron *(Managing Director, BofA)*

Great. Still on the US yogurt, trying to think about with hindsight what went wrong in the US yogurt business. You were doing very well in 2024, and you hit a bit of a roadblock. Were you just too cautious on the macro environment and so too conservative on the CapEx? And does that experience create a risk that you're too cautious in investing in other part of the business?

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

If you look at the US yogurt category, it has been extremely dynamic, driven by GLP-1, driven by MAHA, driven by yogurt being seen now as something that is part of a healthy diet. And we have been surprised by the speed at which the US market has been developing in the field of protein. So we were short of capacity. As we were short of capacity, we had to make Malthusian choices. I'll explain in a moment. Focusing on OIKOS Pro, that kept going from strength to strength, at the expense of other parts of the range because simply we didn't have the capacity. When you realize you are short of capacity, and you push the button, it takes between 12 to 18 months to catch up because that's the time it takes to either create new lines or create new factories. And this is what has forced us in the US specifically to make clear priority at the expense of our market shares. So it's corrected as we've said as of December, the thing is gone and we are focusing now on service, service, service. We invest, to your broader question, and we invest for growth. We are building or expanding our factory in Japan to take an example. I opened three weeks ago, a large part of a factory in France on medical nutrition. We expand our medical nutrition, our factory in Wuxi in China, and we do invest because we see long-term trends. So, I think the good news with the categories in which Danone is playing is we are playing in categories that structurally are poised to grow because of aging population, because of more focus on health, because health through food and healthy food is making a difference to the life of people. So there is a momentum of growth that indeed gives us also the confidence to keep investing, most of the time ahead of the curve, sometimes behind the curve, which had the impact you mentioned in the US.

Nicolas Ceron *(Managing Director, BofA)*

Okay. If we stick with yogurt, but look at Europe, which has been, I think, positively a surprise if you look at the market point of view, market has growing mid single digit, hasn't been the case for a while. How do you make sure with your current portfolio you're well positioned to not keep losing share? Activia is obviously a big part of that portfolio in Europe. It's been changing consumer, I would say, messaging over the years. Do you think with Activia you still can grow shares using the gut health messaging? And do you think you need to really push much harder on other parts of the portfolio?

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

So, first, I'm super excited with the portfolio we have in Europe. I'm super excited also with the performance we have in Europe. When you remember probably that for a large number of years, we didn't have quality growth, or we didn't have growth at all in Europe. We have been deeply transforming our portfolio over the last numbers of years. The journey is not over. We're deeply transforming our portfolio to perform. So you were mentioning Activia, fourth consecutive quarter of growth with Activia. We don't talk about the Danone brand, but Danone is growing extremely fast with things like skyr, with things like cottage cheese. You look at kefir, our kefir business is north of 100 million today. So there is a very, very strong dynamic and all the work that we have been doing in terms of restructuring the portfolio is starting to pay. Is the journey over? No.

We still need to transform our Activia portfolio. There is a legacy part of the portfolio which is still in some ways people loving fruit yogurts and not driven by the benefit. Those people we still need to take with us. In some countries, my priority is not market share. It's making sure that we streamline the portfolio, we have portfolio that is structurally more profitable and more competitive. But by and large, I think the journey that the European team has done is pretty remarkable. I think the dynamic we see in Europe is very encouraging when it comes to yogurt. Job is not over or is not done, but the dynamic is there.

One thing that, by the way, is very interesting when it comes to yogurt in Europe is one of our best performers is Alpro yogurt. And this is really interesting because you remember that a couple of years ago, we were talking about plant-based and plant as an opposite or as an alternative to yogurt. The shift we made from plant-based to plant-powered, making sure that when we compete in a category, we compete by the rules of the category, is what we've done with Alpro plant-based yogurt. The results in Europe are really impressive. By the way, the products are really good. So good momentum, job is not over, still plenty to do, but extremely encouraging.

Nicolas Ceron *(Managing Director, BofA)*

Thanks. Maybe if we can move away from yogurt, thinking about capital allocation. I think twice this year, you've made it pretty clear you were not interested in buying a large baby food asset in the US. Since that comment has been made, there's another competitor or company in the US which has talked about spinning up their nutrition division, which has a large baby food business in the US. So I just wanted to understand whether that announcement or this development have changed your view on that market.

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

Nicolas, I think I said it more than twice, four or five times already. I'm not interested in putting significant amount of capital in this [...]. I explained. I mean, there are ongoing litigations that are not over. It's a market where there are plenty of liabilities. There is a lack of alignment in that market with WHO rules. There are all the constraints of the WIC programs. So with all of that in mind, putting significant amounts of capital in this market is not a good allocation of capital. On top of that, or next to that, we do not need this to have a vibrant SN business, specialized nutrition business in North America.

I mean, if you look at what we did with Kate Farms, I mean now our SN business, so our medical nutrition in that case business in North America is about 500 million, growing double-digit, extremely healthy. So we don't need that to grow in SN in North America. We don't need that, by the way, also to grow in SN. There are plenty of other geographies where we still have opportunity in SN. Places in Latin America where the market is to be taken. There are places in South Asia or Southeast Asia where we are still subscale, which are

probably a better allocation of capital, given also the superiority that we have with all the strengths of the Aptamil credentials.

Nicolas Ceron *(Managing Director, BofA)*

Thanks. I think that's very clear one more time. So if I move on now to China, which is obviously a big market for you, maybe if we could take a step back and think about the localization of product in China. Today, I think China imports around 30%, 40% of product when it comes to infant formula, and that's a big part of what you do. Do you think that the business model of importing product into China is sustainable over the long term or do you think you need to adapt to more local production, local innovation in China, both on the infant formula side, but maybe also on the clinical nutrition side? How important will it be over time to be local for local in China?

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

So listen, I think what really matters in China is bringing to China the best of global science, global manufacturing, global quality with obviously a deep, deep expertise of China, of Chinese mother, of China ecosystem, of China patient. And this is what we are doing. I mean, I was 10 days ago in China opening a research and innovation center in Shanghai where we work on the microbiome of Chinese patients where we innovate in China for China and the rest of the world, where we will keep developing, as we have done in the past, things that are absolutely anchored into China and that are extremely relevant to China, because this is what is making the difference for Chinese consumer that is absolutely acutely focused on quality and science and looking for products that are making a real difference to their babies or to themselves when you are talking of patients.

In infant formula, you said it, I mean the significant part of our products are being imported. We also have, by the way, local production, which gives us some flexibility and allows us to respond to the different needs of Chinese. But fundamentally, on infant formula, our differentiation is anchored into science, is anchored into very strong execution, including digitally. I mean, what the Chinese team is doing is extremely impressive andit's showing. You look at what we have done with Essensis, Essensis is going from strength to strength and we are not at the end of the journey. You look at Nuturis, which is the next generation which we launched in Hong Kong and we are progressively rolling out, it is anchored into science with a very specific business model addressing the need of the ultra-premium segment of the Chinese market.

In medical nutrition, by the way, the model is slightly different. We do the majority of our production local for local. Interestingly, we export from China to the rest of the world. But by the way, there, the rest of the model is the same. So it's deep, deep engagement with healthcare professional. It is absolutely anchored into science. It is pushing the limits of what you can do to the service of the consumer.

By the way, we are currently expanding our Wuxi factory and investing into our Wuxi factory. So it's not one or the other. It's the two and interesting, yes, we import part of our portfolio in China, but we export also from China, part of our portfolio.

Nicolas Ceron *(Managing Director, BofA)*

Okay, that's very clear. Thank you. Staying in China on the clinical nutrition business that you talked about, if you could help us understand the growth opportunity versus the risk on the pricing side. On the pricing there's been obviously on the pharma side, on the med tech side, a lot of price erosion with the volume-based purchasing made by the government in China. So how do you see that evolving for the clinical nutrition business and how do you offset that with growth opportunities in that business?

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

So Nicolas, maybe three different things. I mean, the first thing is volume-based procurement is not a new news. That's the base of the model in most of the countries in the world. In China, most of the transition is done, I think 70% give or take of the market is covered with volume-based procurement with an approach, by the way, of the Chinese authorities, which is very measured. It's not price down at all costs. It's making sure

also that you preserve the innovation, that you preserve the quality, that you preserve the positive impact of research, innovation to the service of the patient. So I'm not too worried about volume-based procurement. What I'm very excited about is the opportunity the market is offering.

In tube-feeding, where the balance between enteral and parenteral is still very much onto parenteral, where our presence is largely in tier one hospital, but we can go much further into tier two, tier three and into community hospitals. I'm very excited because we have a pharma license in China, which gives us a barrier to entry. I'm also excited because a lot of the science that we have, which applies to diseases that are linked to aging, can come to bear in China. As you know, we've put a foot or a toe in the water with food for special medical purpose. You look at the age of the population in China, it will keep going up and up. We talk about very significant numbers in the next five years. With age come the increase of the number of diseases like cancer. Medical nutrition makes a huge difference to it. You see it, by the way, there are studies that are very interesting. There was a study published on that, I think in the UK, showing that one pound invested into medical nutrition was yielding six pounds in terms of savings, because people recover faster and go faster out of hospital. You're probably aware that medical nutrition or the dimension of nutrition is now integrated in the medical pathways for cancer in Europe. I mean, we'll take the same direction. So plenty of opportunity on tube-feeding where we are very strong position that we can go further, plenty of opportunities around food for special medical purpose, plenty of opportunities by the way, and we already mention it, but around everything that is pediatric. So there I think we are only at the start of the journey.

Nicolas Ceron *(Managing Director, BofA)*

Great. Thank you. Just going through the different businesses in China. So Mizone has been a great turnaround story when you arrived. It came a bit from a boom and burst cycle and it's been a great turnaround and this year has probably a bit more difficult. So maybe you can help us understand whether you think this issue at Mizone or this softness has been more cyclical as opposed to structural, because I think there's still an ongoing debate there, whether that's a business that has really growth potential in the long term.

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

So listen, let me start with one thing. Mizone is a very, very strong brand. It's a brand with a very strong equity. It's a brand with a very strong distribution power and distribution network, it's a brand that has a role to play in China. I mean, this year was basically the perfect storm, no puns intended by the way. So it's extremely bad weather impacting the key regions of consumption. As a result, local players playing a very, very stupid game on price basically and promotion, which we decided not to follow because we thought it wasn't making sense. So we decided to pay the price for it and it showed in the number, but we thought it was the right thing to do for the business.

By the way, quarter four is much smaller in terms of seasonality, but we'll keep being negative because we will make sure that we don't have excess inventory in the trade so that next year we start on a strong footing. So very intentional decision, taken in a context of really bad season and bad weather impacting in particular out-of-home, which is our strength. And there, us making the difficult right rather than the easy wrong. But Mizone is a very, very strong brand. We have a very strong system in China, so I'm very confident in what we can do with that brand.

Nicolas Ceron *(Managing Director, BofA)*

Okay. Maybe to just wrap it up in China as we go through the different model, it's a large part of your profit. Is it just too big, China, for Danone? When you think about long-term capital allocation and how the board thinks about how to develop the company going forward, is there a conversation around just rebalancing the profit pool away from China?

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

First, if you look at us with the scale of China, we are still small to the scale of China. Once you've said that, I mean, be it in IMF or SN it's give or take in the same ballpark,the activity we have in emerging markets are more or less of the same size as China. So the name of the game for us is not to slow down in China, it is actually to accelerate elsewhere, hence also the investments that we have done for instance in Kate Farms in the US. So we'll keep moving, we'll keep expanding outside China, but I mean, we do intend to keep performing in China. So it's not one or the other, but it's the two at the same time.

Nicolas Ceron *(Managing Director, BofA)*

Okay. If we stay around Asia Pacific, you made two acquisitions in EDP in Asia Pacific, you bought MADE and you also bought your joint venture partner with Saputo in Australia. So if you could help us understand what your ambition is in terms of expansion in EDP and other Asia Pacific market, where do you think the growth potential in that region in terms of EDP? And maybe you could touch upon the yogurt opportunity in China. In the past, you've tried, you've decided not to pursue that opportunity in China. Is that something that you could reconsider as you try to focus again more on the EDP in Asia Pac?

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

You were just telling me that I'm too big in China. So listen, MADE and the MADE team are just a fantastic team. It's a very, very strong set of brands in fields that are Danone fields. So I mean, ready to drink, high protein, gut health, yogurt, plant-based in that case, or coconut product, with an amazing track record of growth, with an amazing track record of innovation and with a footprint that is very interesting to us. Obviously Australia and New Zealand, which is where the company's being born, but they've done some very interesting things in Thailand. They're now present also in Hong Kong and Singapore. So it's a combination of a very strong set of brands. By the way, I thought I would show you Cocobella Protein, super product. For those of you that are in Asia, you should try. Super set of brands and a very, very good team.

What MADE is bringing to us, it is doubling our dairy business in APAC combined with the acquisition of remaining stake in Australia, tallying about 400 million of sales. So we start having a real critical mass, a real knowledge. We start having also assets that enable us to serve the market.

So to your earlier question, will we, out of MADE, keep expanding into various places in the region, tapping into a high protein and the high protein crave? Well, MADE in particular is offering us a great, great platform to do that. I mean, by the way, we've said it when we closed the acquisition, it's also an acquisition, MADE, that will be accretive both at operating margin and EPS from year one. So it is a good add to our business in a region that is an extremely dynamic region.

Nicolas Ceron *(Managing Director, BofA)*

And entering yogurt in China, is that any back in the plans?

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

Well, I mean, yogurt for yogurt, no is the answer, or not at this stage. Are there things we could do or explore on the base of some of the MADE platforms? Why not?

Nicolas Ceron *(Managing Director, BofA)*

Okay. Thank you. If we carry on thinking about the rest of the world, so we talk about the US, China, Europe, think about the emerging market a bit more broadly. Where do you see the main growth opportunity for you in specialized nutrition, be it baby food or clinical nutrition? And maybe in that context, zoom a bit on India, which is a very bigger market, very big opportunity. We see Unilever starting to tackle the protein opportunity despite not having any protein portfolio elsewhere. What are you doing in terms of protein opportunity in India? Are you investing fast enough in that potential market?

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

Let me start with the broader picture of our specialized nutrition in emerging market. It is a business, I was saying, that is give or take the same size as the one in China. It is one that is growing very fast and it's high single digit in the first nine months of the year. It is one that is largely driven by infant formula while we have also some medical nutrition business. So it's a really exciting business. And it's a mix of places where we have been playing for quite some time. So you take places like Brazil, you take places like Argentina, you take places like Indonesia where we have very, very good business. But also, countries where we have entered more recently. I mean, you look at Vietnam, where we entered a couple of years ago, growing extremely fast. You look at places like Colombia where we were not. So growing fast, big business, but we are not at the end of the journey, both from a share standpoint where we are and from a market expansion where we are not.

In India, we have an infant formula business that is growing extremely fast, which is still relatively reduced, but in a country that is an opportunity country. I mean, we were talking earlier about China. China is around 8 million babies per year, or a bit less actually. India is 23 million babies per year. So it is, for us, in infant formula, a major opportunity. And it's an opportunity by the way, which is executable as our infant formula is being sold through pharmacies, and pharmacies is much easier to reach than the very, very broad retail that you find in India.

So we will keep driving IMF as the priority for our business in India. This being said, we also have a brand which happens to be in protein called Protinex, which is an adult nutritional brand around protein, around recovery, with a number of variants, which used to be, by the way, the bulk of our business in the past. It's a brand that offers a number of opportunities and it's a brand on which we'll keep working. So huge runway when it comes to IMF. We are not absent from protein with a brand like Protinex. But with 23 million babies per year, I can tell you the priority is clear: get as many as the babies as possible.

Nicolas Ceron *(Managing Director, BofA)*

Okay. That's very clear. Thank you. Switching gears, looking more like on the financials a bit, at the margin. In your medium-term algo, there's always margin progression. When you became CEO, obviously there was a margin reset. There was a need to reinvest in the business and you're slowly rebuilding that margin. But we're getting close to where we started after a few years of margin rebuild. So it would be useful if you could help us understand how much more runway there will be once we're back to where we started. Where do you see the most driver for margin expansion maybe in terms of geographies or categories? What are the key obvious things that will drive that margin progression going forward?

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

Yeah. So when we set the guidance and then we repeated the guidance with the chapter two of Renew Danone, the guidance is basically based on a model, which is a model where, as we deliver quality growth with a volume/mix component of it, and it varies depending whether there is inflation or not, you get out of your growth and out of quality growth leverage. That leverage enables you to invest into A&P, invest into research and development, while having your bottom line growing faster than your top line. So that is the philosophy of the guidance. And by the way, that's a guidance on which we have delivered year after year after year for the last numbers of years now.

This guidance is relevant, is sensible. And as we said, we are sticking to it. What are the things above and beyond the quality of our growth that can help us or will enable us to deliver on that guidance?

Well, the first thing is specialized nutrition altogether is accretive from a margin standpoint, and if you except the crisis of early life nutrition this year, has been accretive in terms of growth. It is a growth engine. We think it will remain a growth engine. I talked about Kate Farms in North America. I talked about what we do in Latin America, across Asia. There will be a mix effect that is enabled by our specialized nutrition business. The second thing obviously is as we bring our EDP business in North America back in a much more competitive situation, it has obviously an impact on profitability. So we see a number of things that will enable us to deliver on our guidance, which is why we think our guidance is sensible.

Nicolas Ceron *(Managing Director, BofA)*

Great. Thank you. If I can ask a broader question on supply chain. You've had a number of supply chain issues that you've had to highlight over the past two years, we've talked about some of it in the US, but I think it's fair to say it's been something we've seen across other companies and across the space. It just feels like the companies are not investing enough in CapEx and supply chain or haven't been in recent years.

Do you feel that's the case at Danone? Do you think companies are always guilty of underestimating the potential impact there and you should always try to invest a bit more in CapEx or do you think it's just been a series of one-off factor that happened to happen at the same time and so it would be unfair to put it that way?

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

The supply chain issue we faced were very much localized and they were very much execution-related. If you look in parallel, interestingly, the supply chain in Danone has been acknowledged by Gartner as being one of the best in the world. So there are problems, we can do much better, but still in comparison versus the rest of the world, at least external benchmark are looking at us in a relatively favorable way.

To your question on CapEx and investment, we have stepped up the investment as we were stepping up the growth, above one billion. Adding capacity in EDP, but also adding capacity in specialized nutrition, in particular in medical nutrition. Obviously we discussed about what we do in the US, but I was mentioning we invest in Japan, we invest in France, we invest in China for medical nutrition. We invest in research and innovation because we do believe it's a differentiating factor for Danone. So at the last CME, we set a maximum threshold for CapEx at 4.5% of net sales. We remain comfortable operating in that framework. We are very disciplined in allocating our CapEx on the right categories, on the right geographies, anticipating early enough.Not always successful as we've seen in the US, but by and large working okay.

Nicolas Ceron *(Managing Director, BofA)*

Thanks. Maybe if we could look a bit more into next year. We've talked about some of the very positive things that will happen in the US, your innovation pipeline in EDP, you have an easy comparison based in baby food, you had a product recalled earlier this year. So would that be reasonable to assume that the growth at Danone next year is likely to be higher than it is this year? If you compare to let's say the three, four years you've been there, this year is probably going to be on the lower end of what you've delivered in the past. Should we think it as a bit of a one-off and get back to more bit higher growth in '27 or is there anything that you want to flag that should offset a bit those kind of positive momentum we can see?

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

Nicolas, you see me smiling.

Nicolas Ceron *(Managing Director, BofA)*

I know.

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

I'm regularly asked the question. There is a reason, I think you heard me say a number of times, there is a reason for which we said we have a guidance that is 3% to 5% growth. It gives us the resilience and gives us the flexibility to do what is right for the business and to absorb some of the shocks of the road while delivering on the business model. There is always a sick child in the family, and despite that you want to be in a position where you keep delivering, you keep delivering, you keep delivering, which is why we have that 3 to 5% guidance. And in fairness, '26 is probably a good illustration of that. We had a very significant industry crisis on infant formula. We have a weather impact on Mizone and we have a North American business that is not working to the tune where we want it to work and still we are delivering on the guidance.

So 3% to 5% is our guidance. We are confident on it. I am pretty confident also that we will accelerate in North America and enter the year with a better dynamic. I trust there won't be another crisis and I let you do the math.

Nicolas Ceron *(Managing Director, BofA)*

Thank you. I'll try to ask another question, we're starting to be out of time, but on Kate Farms, it's been an interesting acquisition that you've done in the US clinical nutrition. It's been almost a year. If you could tell us what have been the first learnings and integration and how the business case would help Danone reaching more into the hospital channel. If you could help us understand whether that synergy has happened the way you though it would happen, that was really indeed a transformational acquisition for your business there.

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

It is a great acquisition. I mean, if you look at it, first we've doubled the size of our business of medical nutrition in the US. So we have now a $500 million business. So we matter in the US and double the business. With Kate Farms, has come first a team that is a very good quality team. They know things, they have a different view on the world, they are people that are doing a really good job. We are achieving meaningful scale and direct access to US healthcare, to hospital. I mean, Kate Farms today is present in more than 1000 hospitals or healthcare settings in the US. Our portfolio of customers, we are very complementary. So there we have a clear synergy. So the integration is going very well. It's going very well as well because we come in some ways from the same angle, which is we are convinced that nutrition is playing an absolutely critical role in health outcomes, we believe in science, and we deliver on it at a point in time where because of demography, because of diseases, this has never been so important. So two companies with very similar cultures, with complementary portfolio and knowledge, but with the same vision of what it takes to make a difference with medical nutrition. So delivering double-digit, which matters, super exciting for the future as well.

Nicolas Ceron *(Managing Director, BofA)*

Thanks. I'll just finish with a question on Africa, which is a part of the world we don't speak much of. It's been, I think fair to say in the past, it's been a bit of a challenge geography for Danone, especially when it comes to returns. Do you think the portfolio has been cleaned enough in the part of the world to see profitable growth or it's just going to be difficult going forward?

Antoine de Saint-Affrique *(Chief Executive Officer, Danone)*

Well, I mean the first thing is we've made good progress in Africa. I don't know if people realize, but we are very, very present in Africa. Obviously everybody knows or remember our Morocco business, which by the way is a good business, growing very nicely. But we are very, very present either directly or through joint venture through the northern part of Africa, but also with local brands like Fanmilk in Ghana or Nigeria or with brands like Ultramel in South Africa.

Good progress made, a number of good businesses. It is not the end of the journey. So we still have progress to make. We will keep doing a number of things. So I'm very happy with the progression we have seen, but it is clearly not the end of the journey. We still have a number of things that we need to do.

Nicolas Ceron *(Managing Director, BofA)*

Great. Well, Antoine, thank you so much for your time.