



**DANONE**  
ONE PLANET. ONE HEALTH

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# H1 2023 RESULTS

July 26, 2023

# CEO INTRODUCTION

Antoine de Saint-Affrique

Chief Executive Officer



# A SOLID FIRST HALF OF THE YEAR

CONSISTENTLY DELIVERING ON STRATEGY

**STRONG LIKE-FOR-LIKE  
SALES GROWTH**

**+8.4%**

vol/mix -1.1%  
price +9.4%

**IMPROVEMENT IN MARGIN  
FROM OPERATIONS**

**+93 bps**

vs LY

**STEP-UP IN  
REINVESTMENTS**

**-99 bps**

vs LY

**MODERATE IMPROVEMENT IN  
RECURRING OPERATING MARGIN**

**+14 bps**

vs LY



# MAKING PROGRESS ON THE CORE

## BACK TO CATEGORY FUNDAMENTALS IN EDP EUROPE

**PRIORITIZED DEMAND SPACES**

**SHARPER AND MORE FOCUSED PORTFOLIOS**

**HIGHER AND RETURN-ORIENTED INVESTMENTS, DISCIPLINED EXECUTION**

<b>HEALTH THROUGH FUNCTIONALITY</b>	>	<b>ACTIVIA</b> <i>Actimèl</i> <b>YoPRO</b>
<b>INDULGENCE</b>	>	<b>Danette</b> <b>oïkos</b> <small>GREEK YOGURT - YOGOURT GREC</small>
<b>KIDS</b>	>	<i>Danonino</i>
<b>CORE &amp; ESSENTIALITY</b>	>	<b>DANONE</b>



# MAKING PROGRESS ON THE CORE

## REBUILDING THE ESSENTIALITY OF THE DANONE BRAND



### EVERYDAY NUTRITION



**Executed in Spain early 2023**  
**Launching in France in July 2023**

### VALUE-ADDED PROPOSITIONS



**Ongoing sequential ramp up**  
**Renovation and innovation pipeline**

**DANONE BRAND IN SPAIN: MONTHLY PENETRATION x2**

# FURTHER BOOSTING OUR WINNERS

LEVERAGING SCIENCE, DRIVING BRAND POWER, EXECUTING AND INVESTING

## COFFEE CREATIONS



## EVIAN



## HIGH PROTEIN



Roll-out in Q3 2023

## SPECIALIZED NUTRITION



STEEP DOUBLE-DIGIT LFL GROWTH IN H1

+8% LFL GROWTH IN H1

# ADDRESSING OUR UNDERPERFORMERS

## TURNING AROUND MIZONE

### Drivers of the turnaround

Portfolio simplification

Product formulation

In-store execution

Activation and investments



**+15.9% LFL growth in H1 – Volume driven**

Market share gains

Core restored around 2 SKUs

Piloting 2 innovations: Zero and Electrolytes

随时



回来

# INVESTING FOR TODAY AND TOMORROW

## BIGGER AND BETTER A&P



## RELEVERAGING SCIENCE



## DRIVING END-TO-END VALUE CREATION







# Satu-satunya dengan IronC™

Dukung si Kecil berpikir cepat dan berani



## FINANCIAL REVIEW

Juergen Esser

Chief Financial Officer



# Q2 HIGHLIGHTS

SOLID GROWTH LED BY ALL GEOGRAPHIES AND CATEGORIES



**+6.4%**

LFL sales growth in Q2 23

Europe

**+6.5%**

North America

**+5.0%**

China, North Asia & Oceania

**+9.6%**

Latin America

**+10.8%**

Rest of the World

**+3.9%**



**+6.2%**



**+4.9%**

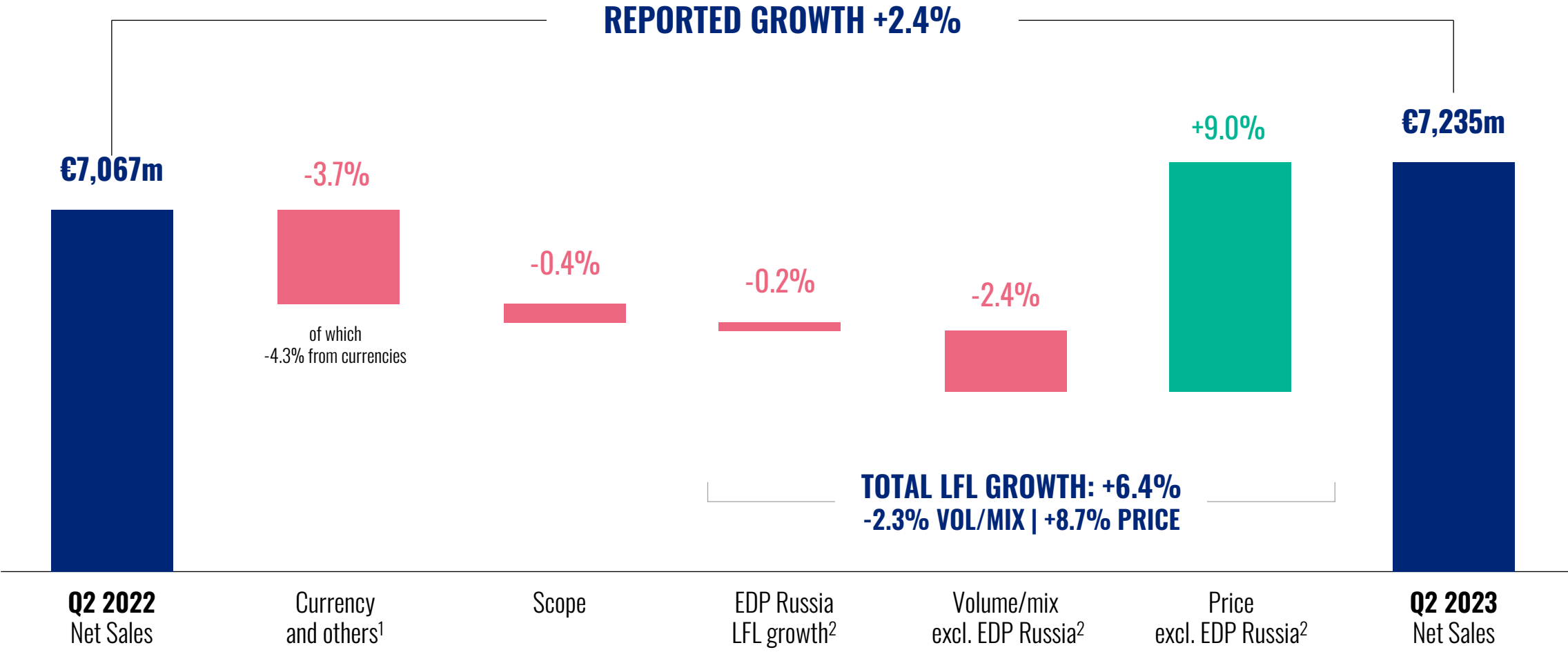


**+9.6%**

Note: all data in like-for-like

# Q2 SALES BRIDGE

+6.4% LFL SALES GROWTH



1. Includes IAS 29 and contribution of hyperinflation; 2. Includes EDP Belarus

# EUROPE

## PRICE-LED GROWTH DRIVEN BY ALL CATEGORIES

### Q2 2023: LFL GROWTH +6.5% | VOL/MIX -5.1%

- Growth led by France, Poland, Spain while Germany progressively recovers
- Resilient growth in Specialized Nutrition and Waters
- Further progress on EDP portfolio transformation

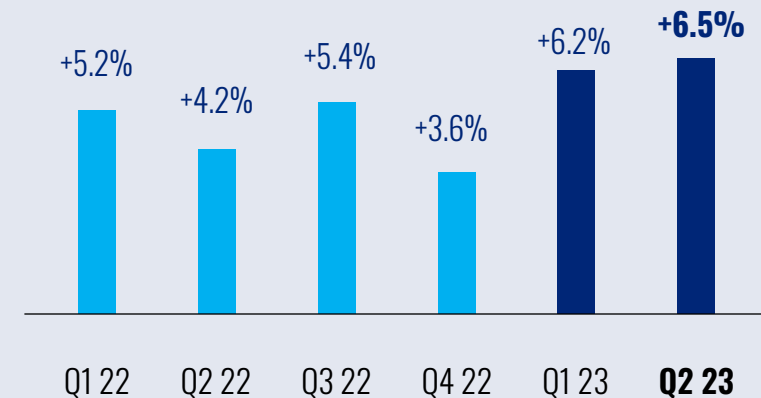


Note: all data in like-for-like

### H1 2023 KEY FIGURES

<b>H1 23 NET SALES</b>	<b>€4.7bn</b>
<b>LIKE-FOR-LIKE SALES GROWTH</b>	<b>+6.4%</b>
Volume-Mix / Price	-4.6% / +11.0%
<b>H1 23 RECURRING OPERATING MARGIN</b>	<b>10.6%</b>
Reported change	-232 bps

### LFL SALES GROWTH BY QUARTER



# NORTH AMERICA

## SOLID GROWTH LED BY YOGURT AND BEVERAGES

**Q2 2023: LFL GROWTH +5.0% | VOL/MIX -2.7%**

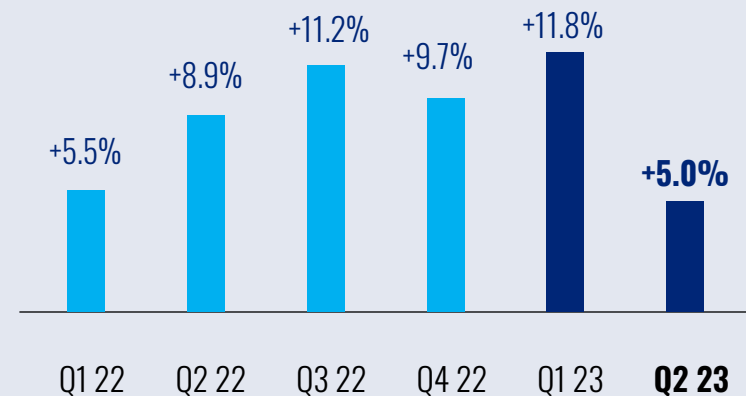
- Resilient growth led by Yogurt, Coffee Creations and Waters
- Strong growth in Oikos, International Delight, Stok and evian
- Plant-based and Specialized Nutrition lapping the high base of last year

## H1 2023 KEY FIGURES

<b>H1 23 NET SALES</b>	<b>€3.4bn</b>
<b>LIKE-FOR-LIKE SALES GROWTH</b>	<b>+8.3%</b>
Volume-Mix / Price	-1.0% / +9.3%
<b>H1 23 RECURRING OPERATING MARGIN</b>	<b>10.3%</b>
Reported change	+222 bps



## LFL SALES GROWTH BY QUARTER



Note: all data in like-for-like

# CHINA, NORTH ASIA AND OCEANIA

## QUALITY GROWTH LED BY ALL CATEGORIES

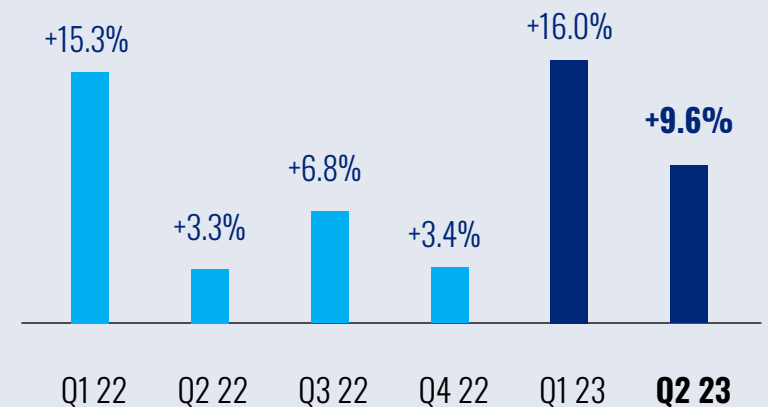
### Q2 2023: LFL GROWTH +9.6% | VOL/MIX +8.8%

- Continued solid growth of Aptamil in China with further market share gains
- Strong performance of Nutrison in Adult and Neocate in Pediatrics
- Mid-teens volume-led growth in Mizone with market share gains

### H1 2023 KEY FIGURES

<b>H1 23 NET SALES</b>	<b>€1.8bn</b>
<b>LIKE-FOR-LIKE SALES GROWTH</b>	<b>+12.4%</b>
Volume-Mix / Price	+11.2% / +1.2%
<b>H1 23 RECURRING OPERATING MARGIN</b>	<b>30.9%</b>
Reported change	-107 bps

### LFL SALES GROWTH BY QUARTER



Note: all data in like-for-like

# LATIN AMERICA

## DOUBLE-DIGIT GROWTH LED BY EDP AND SPECIALIZED NUTRITION

### Q2 2023: LFL GROWTH +10.8% | VOL/MIX -2.0%

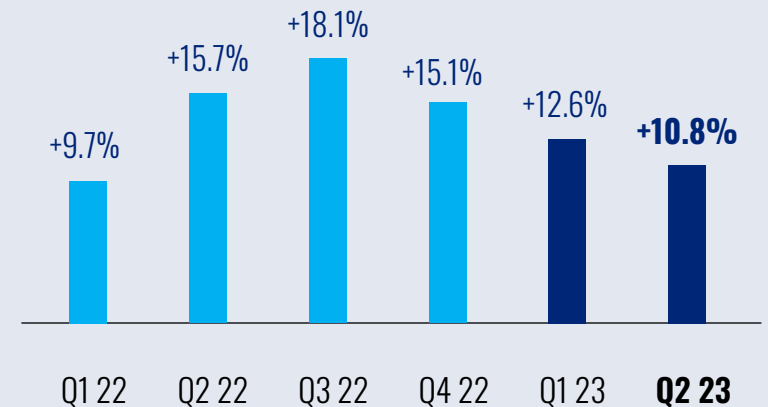
- Performance driven by EDP and Specialized Nutrition in all countries
- Strong growth in Danonino, Danette, Danone, Yopro, La Serenísima, Aptamil
- Accelerating portfolio rationalization in Brazil

### H1 2023 KEY FIGURES

<b>H1 23 NET SALES</b>	<b>€1.5bn</b>
<b>LIKE-FOR-LIKE SALES GROWTH</b>	<b>+11.7%</b>
Volume-Mix / Price	-1.1% / +12.8%
<b>H1 23 RECURRING OPERATING MARGIN</b>	<b>2.8%</b>
Reported change	+291 bps



### LFL SALES GROWTH BY QUARTER



Note: all data in like-for-like

# REST OF THE WORLD

## Q2 GROWTH SEQUENTIALLY NORMALIZING

### Q2 2023: LFL GROWTH +3.9% | VOL/MIX -4.3%

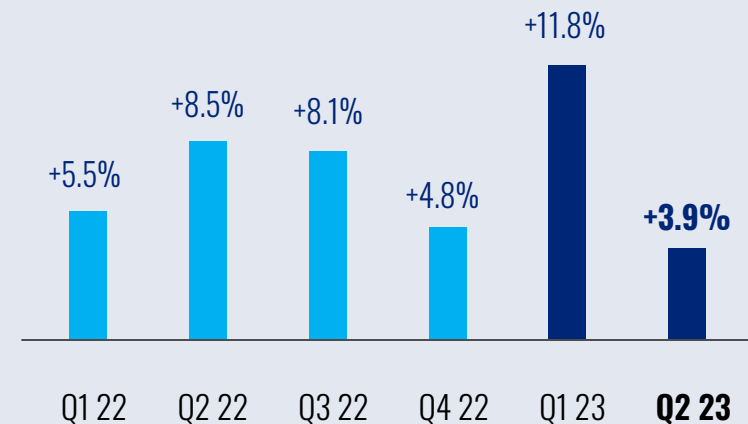
- Q2 performance normalizing after Q1 one-offs
- Growth continuing to be led by key Specialized Nutrition platforms
- Dilutive contribution of Russia

### H1 2023 KEY FIGURES

<b>H1 23 NET SALES</b>	<b>€2.8bn</b>
<b>LIKE-FOR-LIKE SALES GROWTH</b>	<b>+7.7%</b>
Volume-Mix / Price	-2.8% / +10.5%
<b>H1 23 RECURRING OPERATING MARGIN</b>	<b>10.4%</b>
Reported change	+127 bps



### LFL SALES GROWTH BY QUARTER

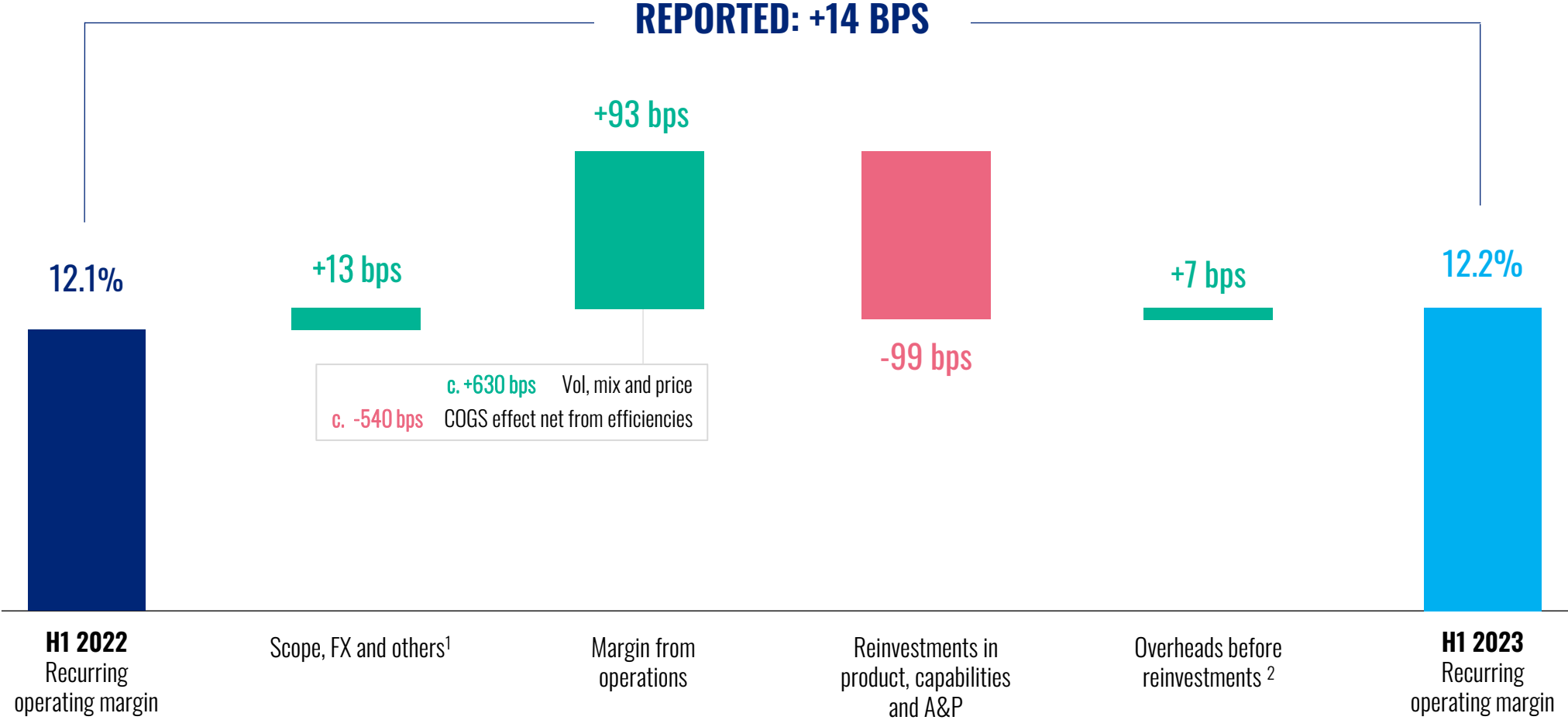


Note: all data in like-for-like



# H1 2023 RECURRING OPERATING MARGIN

MODERATE IMPROVEMENT LED BY MARGIN FROM OPERATION; STEP-UP IN REINVESTMENTS

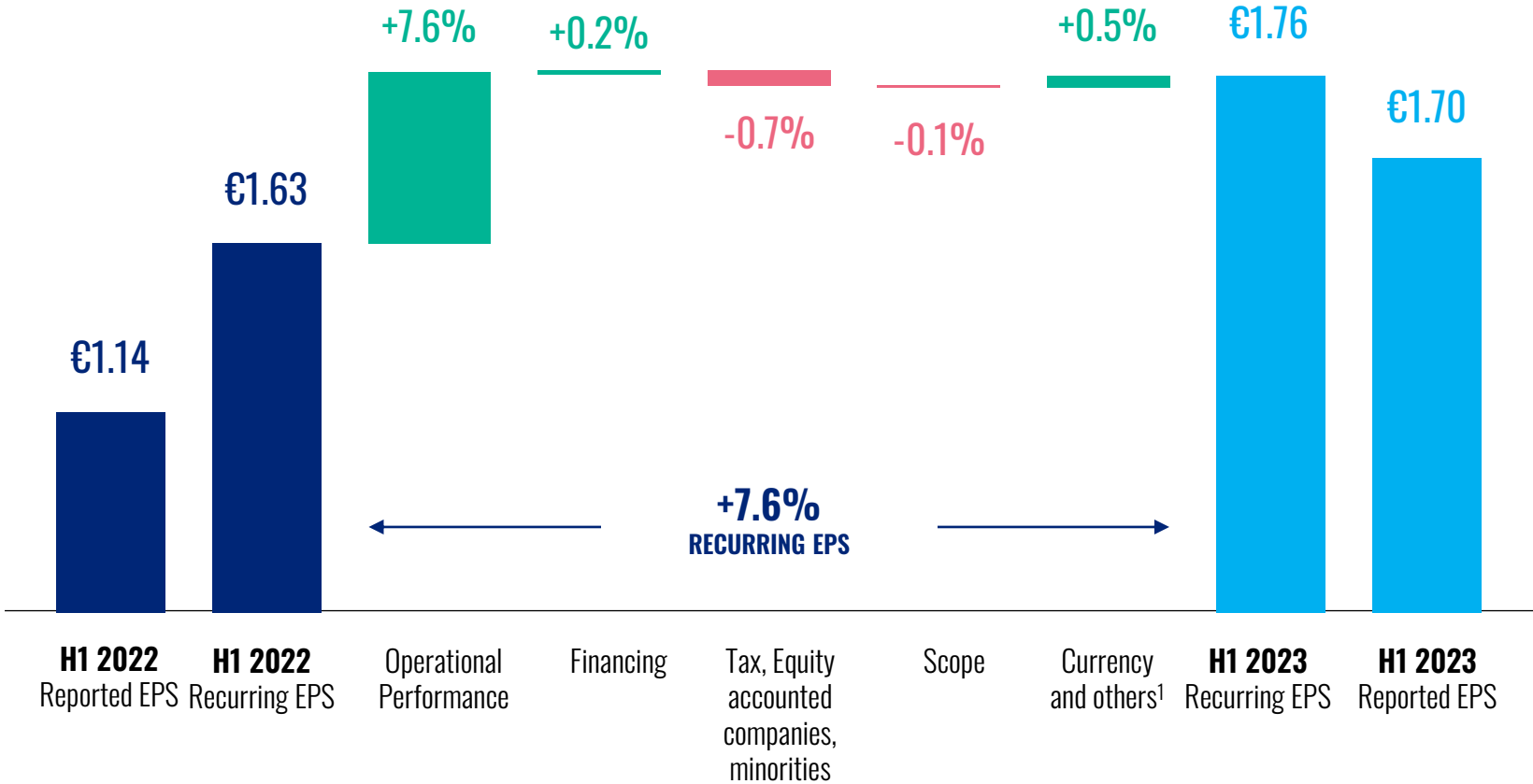


<sup>1</sup>Includes IAS 29 and contribution to growth from hyperinflation geographies and effects from other income and expenses; <sup>2</sup>Mostly driven by Local First savings

# EPS BRIDGE AND FREE CASH FLOW

RECURRING EPS UP +7.6% VS LY; €1.1 billion FCF

## EPS



## FREE CASH FLOW

**€1.1bn** in H1  
**+0.4bn** vs LY

Disciplined  
 capex and working  
 capital management

<sup>1</sup>Including IAS 29

# 2023 MOVING FORWARD

## ACCOUNTING TREATMENT OF EDP RUSSIA

- EDP Russia financial deconsolidation as of July 2023
- As of 31/12/2023: c. -€0.2bn of cash impairment and recognition of c. -€0.5bn non-cash RUB/EUR FX translation difference

## CONNECTING WITH OUR SUSTAINABLE BUSINESS MODEL

- **SEQUENTIAL VOLUME RECOVERY**
- **GROSS MARGIN EXPANSION**
- **FURTHER REINVESTMENTS**

# 2023 OUTLOOK AND GUIDANCE

LFL Sales Growth  
**+4 to +6%**

Recurring Operating Margin  
**Moderate improvement**



# CEO CONCLUSION

Antoine de Saint-Affrique  
Chief Executive Officer



# DRIVING SUSTAINABLE VALUE CREATION

Significant progress on Renew Danone enablers since March 2022



Starting to impact Danone's performance and delivering on the target business model

# APPENDIX



DANONE  
**HiPRO**  
OFFICIAL SPONSOR



**Giro d'Italia**  
106 AMORE INFINITO




**INSIEME**  
**TAPPA DOPO TAPPA.**

# Q2 2023 SALES BY GEOGRAPHICAL ZONE



	EUROPE	NORTH AMERICA	CHINA, NORTH ASIA & OCEANIA	LATIN AMERICA	REST OF THE WORLD	COMPANY
<b>Q2 net sales</b>	€2,429m	€1,704m	€954m	€779m	€1,369m	€7,235m
<b>Like-for-like growth</b>	+6.5%	+5.0%	+9.6%	+10.8%	+3.9%	+6.4%
Volume/Mix	-5.1%	-2.7%	+8.8%	-2.0%	-4.3%	-2.3%
Price	+11.7%	+7.7%	+0.8%	+12.9%	+8.2%	+8.7%



# Q2 2023 SALES BY CATEGORY

				COMPANY
<b>Q2 net sales</b>	€3,731m	€2,142m	€1,362m	€7,235m
<b>Like-for-like growth</b>	+6.2%	+4.9%	+9.6%	+6.4%
Volume/Mix	-3.3%	-1.7%	0.0%	-2.3%
Price	+9.6%	+6.6%	+9.6%	+8.7%




# Q2 2023 SALES BY GEOGRAPHICAL ZONE BY CATEGORY

	EUROPE	NORTH AMERICA	CHINA, NORTH ASIA & OCEANIA	AMEA, CIS & LATIN AMERICA	COMPANY
 <b>EDP</b> <b>Sales</b> LFL growth	<b>€1,085m</b> +5.8%	<b>€1,539m</b> +5.2%	<b>€96m</b> +14.9%	<b>€1,012m</b> +7.6%	<b>€3,731m</b> +6.2%
 <b>SPECIALIZED NUTRITION</b> <b>Sales</b> LFL growth	<b>€766m</b> +3.4%	<b>€87m</b> -9.0%	<b>€611m</b> +6.9%	<b>€677m</b> +7.0%	<b>€2,142m</b> +4.9%
 <b>WATERS</b> <b>Sales</b> LFL growth	<b>€577m</b> +12.4%	<b>€78m</b> +22.3%	<b>€247m</b> +15.1%	<b>€459m</b> +2.0%	<b>€1,362m</b> +9.6%
 <b>COMPANY</b> <b>Sales</b> LFL growth	<b>€2,429m</b> +6.5%	<b>€1,704m</b> +5.0%	<b>€954m</b> +9.6%	<b>€2,149m</b> +6.1%	<b>€7,235m</b> +6.4%

# H1 2023 SALES BY GEOGRAPHICAL ZONE

	EUROPE	NORTH AMERICA	CHINA, NORTH ASIA & OCEANIA	LATIN AMERICA	REST OF THE WORLD	COMPANY
<b>H1 net sales</b>	<b>€4,677m</b>	<b>€3,418m</b>	<b>€1,778m</b>	<b>€1,466m</b>	<b>€2,828m</b>	<b>€14,167m</b>
<b>Like-for-like growth</b>	<b>+6.4%</b>	<b>+8.3%</b>	<b>+12.4%</b>	<b>+11.7%</b>	<b>+7.7%</b>	<b>+8.4%</b>
Volume/Mix	-4.6%	-1.0%	+11.2%	-1.1%	-2.8%	-1.1%
Price	+11.0%	+9.3%	+1.2%	+12.8%	+10.5%	+9.4%

# H1 2023 SALES BY CATEGORY

				COMPANY
<b>H1 net sales</b>	<b>€7,503m</b>	<b>€4,250m</b>	<b>€2,413m</b>	<b>€14,167m</b>
<b>Like-for-like growth</b>	<b>+7.7%</b>	<b>+8.3%</b>	<b>+10.6%</b>	<b>+8.4%</b>
Volume/Mix	-3.3%	+1.7%	+1.1%	-1.1%
Price	+11.0%	+6.6%	+9.5%	+9.4%

# H1 2023 SALES BY GEOGRAPHICAL ZONE BY CATEGORY














	EUROPE	NORTH AMERICA	CHINA, NORTH ASIA & OCEANIA	AMEA, CIS & LATIN AMERICA	COMPANY
 <b>EDP</b> <b>Sales</b> LFL growth	<b>€2,152m</b> +5.5%	<b>€3,106m</b> +8.4%	<b>€180m</b> +16.9%	<b>€2,065m</b> +8.1%	<b>€7,503m</b> +7.7%
 <b>SPECIALIZED NUTRITION</b> <b>Sales</b> LFL growth	<b>€1,518m</b> +3.0%	<b>€173m</b> -1.9%	<b>€1,220m</b> +10.8%	<b>€1,340m</b> +14.1%	<b>€4,250m</b> +8.3%
 <b>WATERS</b> <b>Sales</b> LFL growth	<b>€1,007m</b> +14.0%	<b>€139m</b> +21.0%	<b>€378m</b> +15.9%	<b>€889m</b> +3.9%	<b>€2,413m</b> +10.6%
 <b>COMPANY</b> <b>Sales</b> LFL growth	<b>€4,677m</b> +6.4%	<b>€3,418m</b> +8.3%	<b>€1,778m</b> +12.4%	<b>€4,294m</b> +9.0%	<b>€14,167m</b> +8.4%

# Q2 AND H1 2023 SALES BY GEOGRAPHICAL ZONE

	EUROPE	NORTH AMERICA	CHINA, NORTH ASIA & OCEANIA	LATIN AMERICA	REST OF THE WORLD	TOTAL
<b>Q2 2023</b>						
<b>Like-for-like sales growth</b>	<b>+6.5%</b>	<b>+5.0%</b>	<b>+9.6%</b>	<b>+10.8%</b>	<b>+3.9%</b>	<b>+6.4%</b>
Scope	+0.1%	+0.0%	+0.0%	-3.9%	-0.0%	-0.4%
Currency and others <sup>1</sup>	-0.5%	-2.6%	-7.8%	-5.7%	-11.5%	-4.6%
IAS 29 impact	+0.0%	+0.0%	+0.0%	+0.5%	-1.8%	-0.3%
Hyperinflation contribution	-0.0%	+0.0%	+0.0%	+8.9%	+2.2%	+1.3%
<b>Reported sales growth</b>	<b>+6.1%</b>	<b>+2.5%</b>	<b>+1.9%</b>	<b>+10.7%</b>	<b>-7.2%</b>	<b>+2.4%</b>
<b>H1 2023</b>						
<b>Like-for-like sales growth</b>	<b>+6.4%</b>	<b>+8.3%</b>	<b>+12.4%</b>	<b>+11.7%</b>	<b>+7.7%</b>	<b>+8.4%</b>
Scope	+0.1%	+0.0%	-0.0%	-5.2%	-0.0%	-0.5%
Currency and others <sup>1</sup>	-0.9%	+0.6%	-6.0%	-3.5%	-5.4%	-2.3%
IAS 29 impact	+0.0%	+0.0%	+0.0%	-2.0%	-1.9%	-0.6%
Hyperinflation contribution	-0.0%	-0.0%	-0.0%	+9.6%	+2.2%	+1.3%
<b>Reported sales growth</b>	<b>+5.5%</b>	<b>+8.9%</b>	<b>+6.4%</b>	<b>+10.5%</b>	<b>+2.6%</b>	<b>+6.3%</b>

<sup>1</sup> Excluding IAS 29

# CHANGES IN EXCHANGE RATES

	% total H1 2023	H1 23 vs H1 22 (avg)	Q2 23 vs Q2 22 (avg)
 <b>United States</b> Dollar	22.5%	+1.1%	-1.9%
 <b>Chinese</b> Renminbi	10.0%	-5.4%	-7.3%
 <b>Indonesian</b> Rupiah	5.9%	-2.6%	-3.7%
 <b>Russian</b> Ruble	5.3%	+0.9%	-17.0%
 <b>British</b> Pound	5.2%	-3.9%	-2.6%
 <b>Mexican</b> Peso	5.2%	+12.9%	+11.6%
 <b>Brazilian</b> Real	2.7%	+1.4%	-1.8%
 <b>Canadian</b> Dollar	2.6%	-4.6%	-6.8%
 <b>Polish</b> Zloty	2.5%	+0.2%	+2.1%
 <b>Argentine</b> Peso	2.0%	-46.5%	-50.0%
 <b>Turkish</b> Lira	1.8%	-24.0%	-25.3%
 <b>Moroccan</b> Dirham	1.5%	-3.7%	-3.7%
 <b>Japanese</b> Yen	1.3%	-7.9%	-7.6%

# RECURRING OPERATING MARGIN

€ million

	H1 2022		H1 2023		Change	
	€m	Margin (%)	€m	Margin (%)	Reported	Like-for-like
Europe	574	12.9%	497	10.6%	-232 bps	-290 bps
North America	254	8.1%	353	10.3%	+222 bps	+229 bps
China, North Asia & Oceania	534	32.0%	549	30.9%	-107 bps	-156 bps
Latin America	-1	-0.1%	42	2.8%	+291 bps	+155 bps
Rest of the World	251	9.1%	294	10.4%	+127 bps	+13 bps
Essential Dairy & Plant-based	494	7.0%	605	8.1%	+107 bps	+102 bps
Specialized Nutrition	933	23.2%	885	20.8%	-235 bps	-351 bps
Waters	185	8.3%	244	10.1%	+185 bps	+116 bps
<b>Total</b>	<b>1,612</b>	<b>12.1%</b>	<b>1,734</b>	<b>12.2%</b>	<b>+14 bps</b>	<b>-30 bps</b>



# NON-RECURRING NET INCOME

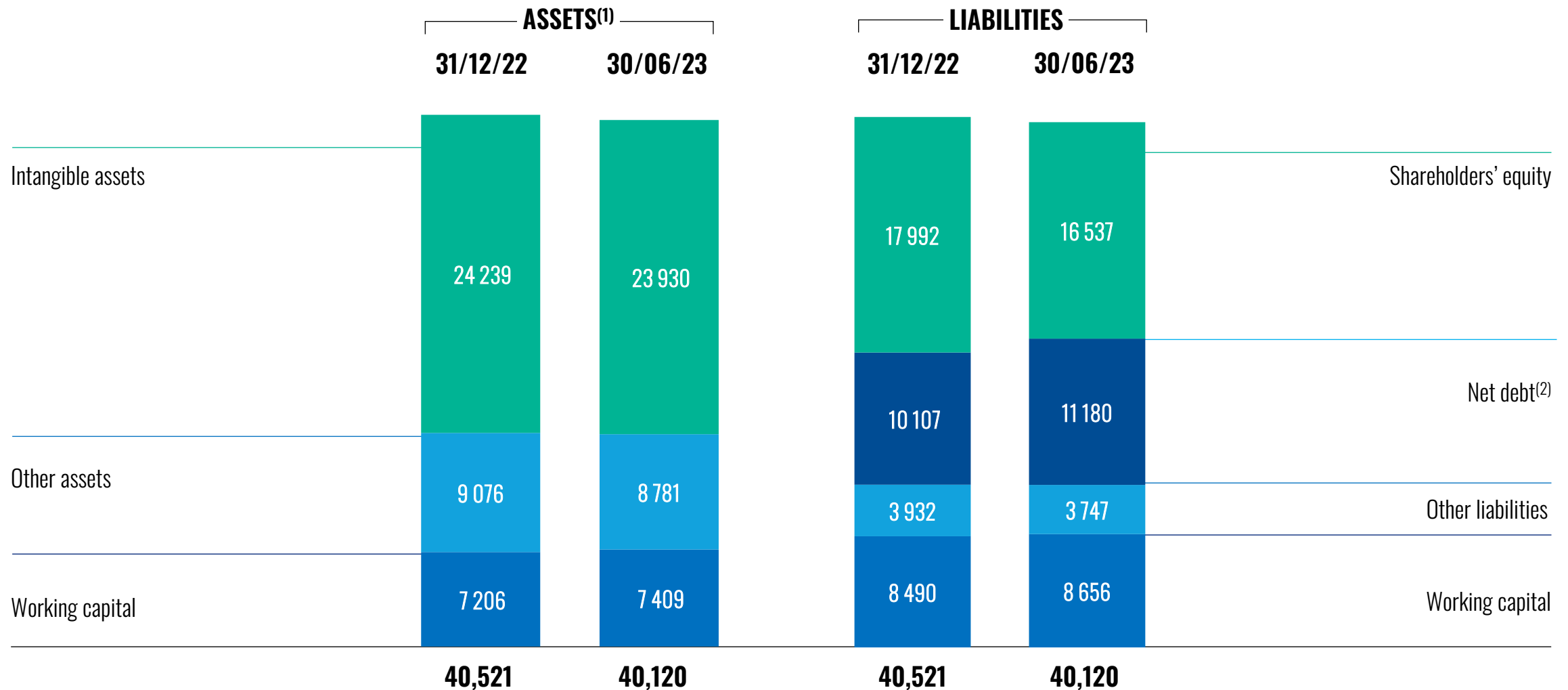
€ million

	H1 2022	H1 2023	Change 2023 vs 2022
<b>Recurring net income</b>	<b>1,051</b>	<b>1,133</b>	<b>+82</b>
<b>NON-RECURRING ITEMS</b>			
<b>Non-recurring net income</b>	<b>(314)</b>	<b>(40)</b>	<b>273</b>
Operating income	(233)	(53)	180
Total Financial expenses	6	(15)	(21)
Income tax	28	6	(22)
Net income from associates	(114)	19	133
Non-controlling interests	0	(3)	(3)
<b>Reported net income</b>	<b>737</b>	<b>1,093</b>	<b>356</b>

Note: Net income group share

# BALANCE SHEET

€ million



<sup>(1)</sup> Excluding assets included in net debt | <sup>(2)</sup> Net of cash, cash equivalents, marketable securities, other short-term investments and financial instrument asset

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