



DANONE FY 2025 RESULTS CONFERENCE CALL TRANSCRIPT

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PRESENTATION

Mathilde Rodié, Head of IR

Good morning, everyone. Mathilde Rodie speaking, Head of Investor Relations. Thank you for being with us this morning for Danone's full year 2025 results call. I'm here with our CEO, Antoine de Saint-Affrique; and our CFO, Juergen Esser, who will go through some prepared remarks before taking your questions.

And before we start, I draw your attention to the disclaimer on slide 44 of the presentation related to forward-looking statements and the definition of financial indicators that we'll refer to during the presentation. And with that, let me hand it over to Antoine.

SLIDE 2 – CEO INTRODUCTION

Antoine de Saint-Affrique, Chief Executive Officer

Thank you, Mathilde. Good morning, everyone, and a warm welcome to you all. Thanks for joining you joining me today for our full year results '25. Moving to slide 3.

SLIDE 3 – INFANT MILK FORMULA UPDATE

Before we focus on what is a very good set of results, I thought it was important to talk about the recent developments regarding Infant Milk Formula. It is obviously top of mind for everyone and to start with and most importantly, for all the families that rely on us daily.

I know how much the current events are disturbing and worrying for them. This is the last thing you want to live through when you are feeding the most precious person in your life. We obviously take this extremely seriously. And there, let me be clear, food safety and quality are, have been and will always remain our top priority at Danone.

We are confident in the safety and quality of our products, which are supported by extensive scientific evidence and rigorous testing. In the light of recent events, we went back to review the level of consumer complaints over the period in question, and we didn't find any cause for concern. However, in the context of the ongoing evolution of authorities' requirements, we're working closely with those national food safety authorities and are taking action to comply with their new requirements. We have been recalling from relevant markets, essentially in Europe and now in the Middle East, batches of infant formula products.

While doing this, our focus is on supporting parents and healthcare professionals, providing clear information and helping to restore trust as their trust makes all the difference. Let me now get into the results on slide 4.

SLIDE 4 – ANOTHER YEAR OF QUALITY DELIVERY

We are pleased to share with you another set of strong and good quality results. The numbers you see on these charts are more than figures on a page.

They reflect the hard work, the commitment, the passion of the Danoners. And I really want to thank each and every one of them for that. '25 marked the first year of Chapter 2 of our renew strategy, and we delivered a strong +4.5% like-for-like sales growth. Importantly, this performance was consistently underpinned by positive volume/mix throughout the year, contributing +2.7% in 2025.

This quality growth combined with disciplined execution and continued productivity gains resulted in a +44 basis point improvement in our recurring operating margin, reaching 13.4%, all while continuing to invest beyond our capabilities, our brands, our science and our innovation. Our solid operational performance and strong financial discipline also translated into recurring earnings per share growing +4.6% in 2025, reaching EUR3.80, close to all-time high and a robust financial position with EUR2.8 billion in free cash flow generation. Last but certainly not least, and fully aligned with ambition to create sustainable value, we further improved our ROIC in 2025. It is now firmly anchored into double-digit territory with a 62 bps increase versus last year. And what is important as well, we achieved all of this while driving sustainability in a way that is focused and impactful because we firmly believe it is essential to the long-term resilience of our business. This year, we were again recognized on the CDP Triple A List, reflecting our leadership in transparency and performance on climate, water stewardship and forest preservation. We also achieved worldwide B Corp certification.

This milestone marks the culmination of a decade-long journey and highlights our long-standing commitment to combining strong business performance with positive social and environmental impacts. Taken together, the 2025 performance you can see on this chart reflects the strengths and the resilience of our unique health-focused portfolio. And this performance is deeply connected to the structural trends that are reshaping the foods industry. Moving to slide 5.

SLIDE 5 – HEALTH TRENDS COMING OUR WAY

As I've shared with you before, I believe that the food industry is at the tipping point. Around the world, people are increasingly aware that what they eat and their health are more intertwined than ever. With every new insight into the power of nutrition, consumers are raising their expectations, and they are seeking better choices for themselves and for their families. Health through food has never been more relevant.

This is exactly where Danone is uniquely positioned to lead. Our health-focused approach, supported by science and a strong focus on delivering high quality offerings, position us uniquely to provide nutritional solutions that support people at every stage of life. It is not just what we do. It is what consistently guides our strategy and execution, and we see the results. Our categories continue to outperform the broader food and beverage industry, fueled by powerful and converging trends, all pointing in the same direction. Consumer everywhere are choosing with health in mind. Protein, for instance, are essential for good health at every stage

of life, and demand continues to rise particularly among people using GLP-1 who are actively seeking ways to preserve strength. But consumers today are looking for more than just higher protein, they increasingly seek nutrient-dense, high-quality protein supported by the right dietary complements. This is where fibers play a critical role. Most population worldwide consume 20% to 30% less fiber than the recommended, despite very strong evidence linking low fiber intake to a high risk of major noncommunicable disease. Fibers are also fundamental to gut, immune and metabolic health. And they help body to absorb and use protein more effectively. Protein and fibers represent a major long-term growth opportunity. And we are strengthening our leadership accordingly, building our capabilities in the field of biotics. Finally, Medical Nutrition continues to demonstrate its positive impact on the life of patients.

As we highlighted at our CME in June 24, the right Medical Nutrition help patients stay on their treatment over time, recover more effectively, especially after surgery and return home sooner. Faster recovery not only improves patients' lives. It also delivers clear health economic benefits for the health care system. Taken together, these trends point to a clear reality: people everywhere expect their food to actively support their health, and this is where Danone is uniquely positioned to lead.

With close to 90% of our portfolio scoring 3.5 stars or more under the health star rating system, we deliver everyday nutrition that is high in protein, rich in fiber and grounded in biotics alongside Medical Nutrition that makes a meaningful difference in people's lives, and it's nutrition that tastes good. These long-lasting trends are underpinning our performance as we can see on slide 6.

SLIDE 6 – MULTI-ENGINE GROWTH MODEL POWERING FY25 PERFORMANCE

Our +4.5% like-for-like sales growth in 2025 has been powered by our fast-growing platforms, notably high protein, gut health, infant formula and medical nutrition. Starting with high protein. Our rapidly expanding range built on the strong product superiority and differentiated functional benefit continues to drive penetration across geographies, supported by the ongoing rollout of innovations. In the US, Oikos Pro exceeded EUR1 billion revenue in 2025, a clear demonstration of the scale and relevance of this platform.

The broader shift towards value-added dairy is also supporting the growth of our Danone brand. With a strengthened portfolio, including Skyr and Greek, the brand also surpassed the EUR1 billion revenue mark in 2025, delivering high single-digit growth for the year.

Gut health and fiber are also strong growth drivers, particularly for Activia where we have started to reclaim our leadership territory in gut health. With innovations in kefir and fiber-enriched products, Activia returned to growth in Europe in 2025.

Also in Europe, Alpro is another key growth engine. As the leading plant-based brand and EUR1 billion platform, we are driving category momentum through innovation. We continue to

evolve Alpro beyond an ingredient-led dairy alternative into a benefit-led plant-powered nutritional complements to dairy, something that you can see in our latest packaging. And we are expanding our product range, especially in yogurts to meet this growing demand for flexitarian diets.

In Infant Milk Formula, our premiumization strategy on Aptamil continued to deliver strong results in 2025. Aptamil achieved double-digit growth, enabled by the renovation of our core range and the rollout of superior innovations, addressing specific nutritional needs supporting the healthy growth and development of children. We also continue to expand our reach across markets, building our strong momentum in China and delivering remarkable performance in India and across Southeast Asia, where for instance, the Aptamil business doubled in Vietnam in just one year.

In Medical Nutrition, we are seeing strong growth across both Adult Oral Nutrition and Tube Feeding. Our flagship brands, Fortimel and Nutrison together now represent a rapidly growing billion-euro platform. We continue to expand our portfolio, including hybrid protein solution designed to improve tolerance and adherence, helping more patients access the nutrition support they need. So as you see, our growth engines are firing, and the momentum is clear. But delivering today is only part of the story. Moving to slide 7.

SLIDE 7 – DEPLOYING RENEW CHAPTER 2 AT PACE

At our last CME, we set out the ambition for Renew Chapter 2: doubling down on the fundamentals while further transforming the business. This is what we started doing in 2025, launching science-based innovation, staying true to our health-focused approach while pivoting the way we look at our categories to unlock significant new opportunities.

As I mentioned earlier, fiber play crucial role in health. And at the end of last year, we launched Oikos Fusion, a high-protein product enriched with prebiotic fibers to support digestive health. It is particularly well suited to consumers looking to manage their weight, including those using GLP-1 medication. In the same spirit, Alpro recently launched its new “Meal To Go” drinks, nutritionally balanced, plant-based meal replacement, designed for busy lifestyle offering 20 grams of protein and 26 essential vitamin and minerals. We are making the healthy choice, the easy choice.

We’re also reclaiming our leadership where it matters most, beginning with gut health. We are reestablishing Activia as the global reference in gut health. In markets such as Japan and Australia, where we’re winning, we leverage the fact that our Activia products contain probiotics up to 100x stronger than regular yogurt, supported by scientific evidence and studies, and this is only the beginning.

Finally, we committed to further broaden our channel footprint to further reinforce the resilience of our model, and this is happening. In 2025, channels outside mass retail grew significantly faster than mass retail. Our specialized channels, be it pharmacies, hospitals, home care, delivered double-digit growth. We are reaching more people in more places at all stages of their lives. Let's move to slide 8.

SLIDE 8 – FOCUSING ON EXECUTION AND COMPETITIVENESS

We keep focusing on execution and competitiveness, strengthening some of our key capabilities. In operations, we have made significant progress over the past years. We are operating with greater agility and speed, and we are proud now to rank 10th in the Gartner Top 25 Supply Chains, the highest ranking for an FMCG company. In 2025, we continue to deliver strong productivity gains supported by the growing digitalization of our operations from the shop floor to the shelf.

We are accelerating our transformation. Through our Industry 5.0 approach, we are equipping our teams and factories with advanced digital and AI-enabled capabilities from automated quality systems to predictive maintenance and real-time performance visualization. Our Industry 5.0 Academy is upskilling 20,000 employees globally while a network of 10 pioneering factories is piloting our digital factory of the future. Beyond manufacturing, we're also strengthening digital execution across our end-to-end value chain.

AI-enabled planning hubs, increasingly automated shared service centers and new in-store visualization tools are improving accuracy, speed and efficiency with which we serve our customers and our shoppers. While we are making progress on a number of fronts, not everything is working as it should, and there is still much more work to do to address underperforming areas. It is clear that in the US, our performance in 2025 didn't meet our expectations. We are not where we should be, and we know we need to step up our game.

Winning in this market means going further than protein or specialized nutrition. It means elevating the rest of our portfolio from creamers to non-protein yogurt to plant-based and showing up there with the same strength and relevance that we do today in high-protein or SN. As you certainly have noted, we appointed a new Americas Zone President, Henri Bruxelles and made broader organizational changes to rebuild a culture of winning, one anchored in execution excellence and the right operational intensity. We've made significant leadership change, and we are starting deploying at space innovations proven in other geographies and aligned with consumer shifts.

Alongside addressing underperformance, we are also broadening our reach by investing to capture new growth pools. We are expanding capacity where it matters most in high protein, skyr, kefir, Alpro and Medical Nutrition across Europe, China, the US and Japan. These

investments will progressively allow us to capture growth opportunities to their full extent, support very strong demand in High Protein and enable us to better serve emerging trends across the rest of the categories. Moving to slide 9.

SLIDE 9 – BUILDING DISTINCTIVE CAPABILITIES WHERE IT MATTERS

Through sustained long-term performance and build durable competitive advantage, we are strengthening the capabilities that truly differentiate Danone. We believe the future of dairy lies in empowering farmers to build more resilient and sustainable supply chains. That is why we launched the Danone Milk Academy, a first of its kind, multi-year, global platform, bringing together academia, technical partners and Danone's expertise, to provide farmers with practical knowledge, science and digital tools. With an approach tailored to different regions and to farm size, the Milk Academy will strengthen the dairy supply chain and accelerate the long-term transformation of dairy farming.

The same spirit underpins our partner for growth initiative. More than a program, it is a catalyst for share value, moving us from a transactional relationship to deep partnership with our suppliers. Since its launch over two years ago, it has allowed us to boost efficiency, unlock capacity and advance our sustainability goals. We are deliberately building a resilient, multi sourced supplier ecosystem, combining the right diversity and the right quality and partnering with suppliers who share a long-term collaborative mindset.

Importantly, this approach also strengthened our innovation capabilities and enhance the robustness of our supply chain. Speaking of innovation, we keep investing in cutting-edge research to build lasting differentiation. We recently inaugurated our OneBiome Laboratory in Saclay, accelerating research in the gut microbiome by leveraging proprietary scientific data, clinical studies and deep consumer understanding. We also acquired, as you know, The Akkermansia Company, bringing a clinical-proven biotic strain with the potential to reinforce the gut barrier, a capability that will increasingly drive further differentiation across our products.

Finally, we continue to invest in skills and leadership. Through initiatives such as DanSkills, we are equipping our teams with the critical capabilities of tomorrow, driving for continuous functional and leadership upgrade. We also pursued a cultural transformation initiated four years ago, one made of focus on execution, passion for consumer and one where performing and transforming go together. Let's move to slide 10.

SLIDE 10 – SHAPING OUR PORTFOLIO FOR THE FUTURE

As part of Renew Chapter 2, we also made it clear we will move to the front foot on acquisition. In 2025, we started executing on that ambition with a strong focus on strategic fit and disciplined governance. Following the acquisition of Kate Farms, we now have a \$500 million Medical Nutrition platform in the US, making it the first time we have achieved meaningful scale and reach into the health care system and hospital infrastructure in the country. Importantly, this platform is built on a product portfolio that is truly differentiated, addressing patient needs for more complete and healthier nutrition. The integration with our existing Medical Nutrition business is progressing extremely well with Kate Farms delivering strong growth. Our ambition is clear: to build a powerful growth engine in North America. In doing so, further rebalance our category mix in the US.

We're also pleased to have acquired last week an additional 1% stake in our Australian dairy joint venture with Saputo, following the exercise of our call option. Concretely, this brings our ownership to 51%, resulting in the financial consolidation of the business. We operate in dairy across Australia and three strong brands; YoPRO, Activia and Ultimate, which together generate over EUR100 million in revenue in '25. We hold leading position in both High Protein and gut health. And interestingly, this is where our High Protein journey began as early as in 2016 with the initial launch of YoPRO.

So taken together, these moves illustrate how we are actively shaping our portfolio to support sustainable long-term growth. And with this, let me hand it over to Juergen. Juergen, over to you.

SLIDE 12 – STRONG END TO THE YEAR 2025 WITH +4.7% LFL SALES GROWTH IN Q4

Juergen Esser, Chief Financial Officer

Thank you, Antoine, and good morning to all of you. Let me start our financial review with our sales performance on slide 12. As you have seen from the press release, we closed year 2025 on a strong note with like-for-like sales growth of +4.7% in Q4, closing a year of consistent delivery. Importantly, growth was again driven by volume/mix at +2.5% while price added +2.1% in Q4.

As we deploy Chapter 2 of our Renew Danone strategy, we leverage our very diversified portfolio, delivering quarter-after-quarter sustainable growth across regions and categories. This becomes even clearer when turning to slide number 13.

SLIDE 13 – BROAD-BASED QUALITY GROWTH IN 2025

For the full year, like-for-like sales grew +4.5% with all regions and all categories contributing. We will dive into regional details shortly but let me mention here the standouts.

First Europe, which has delivered a very solid year with now nine consecutive quarters of positive volume/mix and continued progress in the dynamics of its EDP portfolio. And the undeniable highlight of the year 2025, CNAO, which delivered exceptional performance across all subregions from China to Japan to Oceania. This should not distract from the performance in North America, which did not live up to our expectations, as Antoine mentioned, especially in the second half of last year, a key priority for improvement in year 2026. And finally, our more emerging markets in Latin America and Africa, Middle East. We do not talk much about them, however, worth stating that they delivered a very sound year 2025 and finished on a high note in the last quarter.

Those regional dynamics are also reflected in the growth reported by category.

In our EDP business that delivered a very solid year with +3.5%, benefiting from a very dynamic market environment all over the world.

In our Specialized Nutrition business, that posted like-for-like sales of +7.4%, reflecting strong demand for both our Infant Milk Formula as well as our Medical Nutrition products.

And lastly, in our Waters business that grew +1.9% in 2025, the solid results considering the very uneven weather patterns across the region. Before turning to the regional review, let me comment on our sales bridge for the year on slide 14.

SLIDE 14 – FY SALES BRIDGE

Our +4.5% like-for-like sales growth was driven by a +2.7% contribution from volume/mix and a +1.8% contribution from price. Outside of like-for-like, we saw a -4.4% currency impact due to the appreciation of the euro against most currencies.

Scope was slightly negative at -0.4%, reflecting the deconsolidation of Horizon Organic in early 2024, partly offset by the acquisition of Kate Farms from the third quarter onwards. Altogether, reported sales ended broadly stable at EUR27.3 billion. Let's now take a closer look at the performance of each region, starting with Europe on slide number 15.

SLIDE 15 – EUROPE

Europe conserved its positive momentum in Q4 with +2.5% like-for-like sales growth and continued positive volume/mix at +1.0% while price contributed +1.5%.

As you can see from the chart below, performance was steady throughout the year as the team continued to progress in the transformation of the EDP portfolio. Also, in this last quarter of year, high protein, Kefir and Skyr all grew at double-digit rates. Our work on Activia-

refocusing on gut health and fibers- is in parallel starting to pay off as the brand delivered positive growth in Q4 across the region, including in key countries such as France, UK or Spain. Too early to declare victory, but the trajectory is promising.

Next to Dairy, the plant-based portfolio continued to perform strongly with Alpro again posting very solid competitive growth. The growth in Specialized Nutrition was driven by especially solid momentum in Adult Medical Nutrition, with strong performance from brands like Fortimel and Nutrison. And our waters category delivered a very strong finish to the year, notably driven by Volvic with its innovations in flavored and functional water as well as by the evian brand. For the full year, Europe grew +2.3% like-for-like, with a +1.9% contribution from volume/mix and recurring operating margin increased to 12.0%.

This reflects the combination of solid gross margin improvement, thanks to operating leverage and significant reinvestments behind innovation and product superiority to fuel the growth momentum for the years to come. Let's now move to North America on slide number 16.

SLIDE 16 – NORTH AMERICA

The last quarter of the year, North America was soft with +0.7% like-for-like sales growth, driven by +1.3% price. We continue to see strong demand for our High Protein platform that keeps growing at double-digit levels supported by consumer shifts towards healthier choices.

The Oikos brand is going from strength to strength, further expanding its market share in the category. The growth of Oikos is, unfortunately, to a large extent, offset by the unsatisfactory performance of our plant-based and Coffee Creamers business. In Coffee Creamers, we have seen our market shares increasing progressively. We are, however, clear that we need to double down on our efforts to bring International Delight back to where it belongs.

To address the fast-emerging clean label segment, we launched under the "Two Good" brand, a new coffee creamers range offering low sugar levels with no artificial sweeteners. Year 2026 shall mark for our Coffee Creamers business a year of recovery and return to growth, specifically from the second quarter onwards when base of comps will ease. Next to EDP, our Medical Nutrition business had a strong quarter. The legacy Nutricia business is growing well, led by the Neocate brand while Kate Farms, as Antoine mentioned, continues to scale rapidly as we progress on the integration.

This will be more visible from the third quarter of 2026 onwards, when we will reflect Kate Farms in like-for-like.

For the full year, North America grew +2.0%, with +0.6% contribution from volume/mix and +1.4% from price. Recovering operating margin stood at 11.0%, down by 39 bps, reflecting the need

for investments to rebuild topline momentum. Let's now go to China, North Asia & Oceania on slide number 17 now.

SLIDE 17 – CHINA, NORTH ASIA & OCEANIA

The CNAO zone delivered an exceptional year closing Q4 with like-for-like sales growth of +10.4%, driven entirely by volume/mix. We continue to win in Specialized Nutrition, where we achieved double-digit growth with a similar performance in Infant Milk Formula and Medical Nutrition. In IMF, Essensis continue to drive market share gains. In a normalizing category context, after the dragon year boost, we remain focused on our competitive performance.

Thanks to the great job of the team around Bruno, we are very confident in our ability to keep growing through premiumization, further consolidating a still fragmented market. Next to IMF, we saw the demand for our Medical Nutrition brands, notably Fortimel and Neocate remaining very strong also in the last quarter of the year. In EDP, Japan delivered again a remarkable performance in Q4, thanks to its two functional brands, Oikos and Activia. As Antoine mentioned, we are pleased to consolidate in the future the dairy joint venture we have in Australia.

Australia is, like Japan, a very functional market where high protein and gut health platforms are thriving, which bodes well for the future performance of our EDP category in this part of the world. Finally, in Waters, Mizone completed a strong year with stable performance in Q4 in what is traditionally a very small quarter for the category. We have intentionally managed stocks down to minimum levels as we are, as we speak, launching with the Chinese New Year several renovations gearing up for the 2026 season. For the full year, CNAO sales grew +11.7%, entirely driven by volume/mix of +12.4%.

Recurring operating margin was slightly lower at 29.2%, reflecting increased investments to support further market share gains notably in Specialized Nutrition and in Waters. Let's now look at Latin America on slide 18.

SLIDE 18 – LATIN AMERICA

The region delivered a strong Q4 with like-for like sales growth of +8.3%, predominantly price-led. EDP delivered competitive growth across the region. And let me here highlight particularly the Danone brand as well as High Protein platforms with the Oikos and YoPRO brands. Specialized Nutrition continued its strong momentum, driven by Aptamil and Medical Nutrition across both pediatrics and Adult ranges and finally Waters that returned to growth in Q4 after a difficult season. For the year, Latin America grew + 6.0% like-for-like. We are making good progress in addressing the margins in the region and recurring operating margin increased

significantly to 6.4%, nearly 3 points higher than a year ago. This was driven by underlying margin improvement as well as IAS 29 effects turning positive. Finally, let's have a look at our EMEA region on slide number 19.

SLIDE 19 – AMEA

The region closed year 2025 strongly with like-for-like sales growth of + 8.3% in Q4, driven by +5.5% from volume/mix. In EDP, Dairy Africa continued to post strong volume/mix-led growth.

Specialized Nutrition grew at double-digit levels with strong performance across all subregions. The Aptamil brand kept gaining market shares, and we believe we have plenty of headroom to further expand in the region. For the full year, AMEA delivered +5.6% like-for-like with volume/mix of +2.1% and price of +3.5%. Recurring operating margin was steady at 10.4%.

I suggest we concluded the performance review of our regions. And so let's move on to the margin bridge for the full year 2025 on slide number 20.

SLIDE 20 – RECURRING OPERATING MARGIN UP +44 BPS IN FY 2025

Our recurring operating margin increased by +44 bps in 2025, reaching a level of 13.4%. The main driver was once again the expansion of our margin for operations at +77 bps.

This is reflecting our focus on volume-led growth as well as continued productivity gains across our cost of goods sold. Staying true to our business model, we continue to reinvest behind our brands and products to fuel future growth avenues and drive category leadership. These reinvestments have, as predicted, moderated in year 2025 compared to previous years. Lastly, the contribution from other effects that mainly represents the positive impact from the application of IAS 29.

The solid margin increase of year 2025, combined with our strong like-for like sales growth, has been the key driver of our recurring EPS performance. Let's move to the next slide, slide 21, to get into the details.

SLIDE 21 – RECURRING EPS UP +4.6% IN FY 2025

Our recurring EPS grew at +4.6% in hard currency last year, reaching EUR3.80. Strong operational performance, which we just went through was the key driver at +5.9%.

Higher refinancing costs and the final impact of 2024 disposals weighed slightly on EPS, but these were partially offset by tax associates and minorities. The negative currency impact was largely offset by IAS 29. We are delighted to report that we are delivering on our value creation

commitment across all key financial parameters. And so I suggest we move to the next slide, slide 22, to provide you with some more details.

SLIDE 22 – DISCIPLINED AND RETURN-ORIENTED CAPITAL ALLOCATION

We delivered last year EUR2.8 billion of free cash flow, reflecting strong operational performance and strict financial discipline. Importantly, we achieved a strong cash flow while stepping up our investments into the business, never compromising on what will always be our number 1 capital allocation priority. In 2025, we increased as predicted our CapEx spending with a focus on capacity creation for Medical Nutrition and functional dairy. Our strong cash generation enabled us to pursue targeted M&A, including for the acquisition of the Kate Farms company while at the same moment slightly reducing our leverage.

We're also very pleased that we have further increased our return on invested capital to 10.7%. As you know, expanding the ROIC and keeping it structurally at double-digit levels is key in our value creation journey. And finally, let me mention that you will propose a dividend of EUR2.25 per share, up around 5% versus last year, in line with the EPS growth. These solid results make us confident in our ability to deliver on our future value creation ambition, which leads me very naturally to my last slide, slide number 23, our financial guidance.

SLIDE 23 – 2026 GUIDANCE

In line with our midterm guidance, our ambition for year 2026 is to achieve net sales growth of +3% to +5% like-for-like with recurring operating income to grow faster than sales. And with that, let me hand it back to Antoine for the conclusion.

SLIDE 24 – CEO CONCLUSION

Antoine de Saint-Affrique, Chief Executive Officer

Thank you Juergen. And as we close this call and before opening the floor to questions, I would like to leave you with a few final thoughts, and I suggest we jump straight to slide 25.

SLIDE 25 – CONCLUSION

Our priority remains to perform consistently while continuing to transform the company. We pursue this through innovation and disciplined acquisition, positioning the business for the future and selectively capturing opportunities in what is a fast-changing environment.

Our focus remains on the high-growth value-added segments, where science and health-related benefits are a clear differentiator. We are committed to delivering quality results through disciplined execution, fixing what needs to be fixed, scaling what works well and maintaining a mindset of constructive dissatisfaction in an increasingly complex environment.

As you know, our ambition is to act as a true value compounder, building long-term sustainable value while remaining resilient amid ongoing volatility.

As we look ahead to 2026 and while the external environment remains uncertain, our approach remains unchanged.

We stay disciplined, we stay focused on execution and aligned with the midterm ambition we have set out. And with that, let me hand back to Mathilde half to start the Q&A session.

QUESTIONS & ANSWERS SESSION

Mathilde Rodié, Head of IR

Thank you very much. So we're ready now to open the Q&A. Guillaume Delmas, UBS.

QUESTION 1: EDP MARGINS; IMF RECALL

Guillaume Delmas, analyst at UBS

I've got two questions. The first one is on your operating margin in EDP. Because if I remember well, since the reset of 2022 when you first introduced Renew Danone, margins have not materially improved and they remain quite below the 10% mark. So my question here is compared to your initial expectations back in 2022, is EDP profitability running a little bit behind schedule? And why are you not seeing the strong volume/mix development and the productivity savings boosting the division's margins a bit more? And I guess looking ahead, what do you think is the medium-term margin profile for this business? Is it around 10%? Could it go even higher? So any color on that would be very helpful.

And then my second question is probably one surprise you on the IMF recall. I mean, I appreciate this morning, it's too early to quantify the impact, but maybe can you talk about what empirically you've seen so far. So any shortages or issues with on-shelf availability? Any consumer hesitancy towards your brand. And zooming in on Mainland China, where I don't think you had any product recalls, did you actually benefit from competitors' recalls in the first weeks of 2026? Thank you very much.

Antoine de Saint-Affrique, Chief Executive Officer

Thank you. So listen, we will do as usual a duet with Juergen and let me start with your last question. The first thing is those kind of events is not overall good news for the category in general. When it comes to China, none of the products we sell in official direct channels in China have been impacted.

And we obviously work in full transparency with the Chinese authorities. When it comes to Europe, we expect to see and we see supply disruption. We see obviously lots and lots of

activity on our Consumer Care Lines. We see also a sentiment that is balanced, actually. Obviously, lots of emotions with the first recall. As I said, by the way, before the recall, we looked at all our consumer complaints, and we didn't notice anything. So the entire focus of the organization is fundamentally about two things, making sure that the products are back on shelf and making sure that we do reassure the consumers and the health care professionals. We're extremely active both on the Internet and in our Care Line.

As to the lasting impact in terms of consumer sentiments, in Europe, it's too early to say, but we didn't notice things that are just -- I mean extraordinary. You may have seen there was a publication yesterday of EFSA, which I would refer you to on actually the -- I mean, them assessing the impact of exposure as low to moderate for infants. So this will also help reassure the consumers.

Juergen Esser, Chief Financial Officer

Yes. Juergen speaking. When it comes to the financial impact, two or three important elements. First, given the fact that most batches which are currently being recalled were sold already in the course of year 2025, we have today not experienced a significant return of stock. Therefore, while the recalls are underway, the current financial impact on year 2025 do not see material to us. Having said that, and to your point, the recall of several industry players at the same time has created, especially in European retailers, some disruption on the shelf because some retailers were first taking off all the product before sorting and replenishing the shelf. And we expect that supply disruption to have a one-off impact on our Q1 performance. We estimate this one-off impact to be between 0.5% to 1% of net sales in the first quarter.

Moving forward, as Antoine said, our ambition is to win back trust and credibility because it is extremely important in that category. And it's obviously very early days. You need to monitor the situation very closely, but the few data points that we have on market shares are rather reassuring. On EDP margins, you are absolutely right that the key focus on us.

And you may remember that when we were together launching the Chapter 2 of Renew Danone, we were very clear on what we are expecting from EDP in terms of contribution on growth and I think we are delivering on a very nice way on it, with a + 3.5% in year 2025, as much as on margins because we declared very clearly that EDP margin target is to go into double-digit territory. You do not see that yet reflected in the EBIT numbers of the category because we are heavily investing for that growth. Gross margins are going up, and you see gross margins of the company increasing supported big time by EDP gross margin increases. But at the same time, we are fueling the growth.

We are fueling the growth in Europe. As Antoine mentioned, with all the elements we are doing on Activia, on High Protein, on Skyr and Kefir as much as refueling the growth in North America, very importantly, on the full EDP portfolio.

Antoine de Saint-Affrique, Chief Executive Officer

I think that and we said that all along, we will keep reinvesting to drive our category growth. And in the cases where we have lost competitiveness to reinstate strength and competitiveness of our brands. I mean what you see on Activia, I mentioned Activia is progressively getting back to growth.

With good innovation with -- I mean, bringing back the gut challenge, so we see the things moving in the right direction. We will keep investing behind that to make sure that we reclaim and we regain our leadership in that field because we are convinced it's the field of the future.

Guillaume Delmas, analyst at UBS

Thank you very much.

Mathilde Rodié, Head of IR

Celine Pannuti, JPMorgan.

QUESTION 2: IMF RECALL; NORTH AMERICA

Celine Pannuti, analyst at JPMorgan

So my first question, I would like to come back to what you said on the Infant Milk Formula to clarify the commentary, you mentioned the 50 to 100 basis point impact on Q1. Is this at the group level or for Europe? And then in terms of your market share performance, what have you seen? I know it's early days, but in Europe or in China, how things are trending for you? And then maybe, I think, Antoine, you mentioned it's not great news for the category. From a midterm perspective, how do you think this may play out from higher regulation or maybe more consolidation. Would be interested to hear your perspective there.

Then my second question is on North America, where volume turned negative in the fourth quarter. You mentioned that capacity is under way and as well Creamers getting more positively more competitive. How do we think about volume reacceleration throughout 2026, please? Thank you.

Antoine de Saint-Affrique, Chief Executive Officer

We'll do a duet again, let me start with IMF where we'll do a duet, and then we'll come back to the US. I mean shares we didn't see. It's too early to say.

We didn't see any significant share movement one way or the other. I mean what I was saying it's not good for the categories. You don't win on events. You win on science. You win on your competitiveness. You win on being the best at execution.

So short-term shares gain or loss on an event is not -- I mean it's not good news. It's not something that is structural. We don't see anything major, but it's very, very early. IMF is very, very regulated category. I mean I think in our factories, we have over 300 checkpoints when it comes to quality. There are rules in every countries that are extremely, extremely strict. So do we expect a further strengthening of the regulation? Not in any major and significant way.

I mean there has been a change in the rules and regulation when it comes to, I mean, Cereulide, and that has been an ongoing move for the last couple of weeks. But by and large, we don't expect the rules of the categories to change. Where we are very confident, to be honest, is we are confident in the quality of our product. We are very, very close to both the consumers and the health care professionals and we have innovation that is really differentiating.

So too early to say. We don't see any significant impact. We will have to work because indeed, noise around the category is never good news, but I don't see it as something structural.

Juergen Esser, Chief Financial Officer

Good morning, Celine. Yes. Juergen speaking, when it comes to the financial impact, I confirm the 50 bps to 100 bps on Q1 at group level. But as you say, in the end, it's coming through the region of Europe and Middle East because this is where the recalls are happening. We expect the situation to normalize in the month of during in the course of the month of March.

Antoine de Saint-Affrique, Chief Executive Officer

So on the US, I was very clear I'm not happy with the performance. There are things we are super happy with. Protein keeps doing very well. Everything on Medical Nutrition is just flying. Kate Farms is going from strength to strength. Our Nutricia business is going from strength to strength. So it's very -- I mean, that I found very exciting. We have a couple of good things that are coming on stream.

We see some early green shoots in creamers. We've launched Two Good in Natural, but to be honest, I think we'll only see progress as of, I mean, later in the year, so quarter two onwards. We are relaunching Danimals. But there is still more work to do.

I'm not happy for a while now with Silk. I think I mean we've made because we didn't have enough capacity choices in the rest of yogurt, capacity is coming on stream, so we should get better, but we could have done better. There has been a really deep change in leadership in the US, obviously with Henri who comes with deep knowledge, a huge track record, but beyond Henri. We went very deep in leadership change in the US.

The lady that has been running the turnaround of Alpro in Europe is now in charge of the category and of the creamers in the US. I expect the end of not invented here and rapid movements in the US.

Juergen Esser, Chief Financial Officer

Maybe just one element to add which is that we have one more quarter to go where we are running against a high base of comps for coffee creamers. From Q2 onwards, this will ease and will help also the recovery of that region.

Celine Pannuti, analyst at JPMorgan

Thank you.

Mathilde Rodié, Head of IR

Jon Cox, Kepler.

QUESTION 3: IMF RECALL; EDP MARGIN

Jon Cox, analyst at Kepler Chevreux

Yes, good morning guys. Just to come back to this 50 basis points to 100 basis points. You'll see on a group basis, so this is not just specialized nutrition on a group-wide basis, 50 basis points to 100 basis points in Q1, which at 100 basis points level would be 25 basis points on the year.

That seems relatively material. I know maybe by the time you get down to EPS level or not, but it seems quite material. And that's just on the recalls themselves rather than any, say, brand damage done in Europe as a result of the recalls. Just to add to that, elsewhere, you're talking about the Middle East recalls. Are there any signs that any of the governments elsewhere in the world are going to introduce the European standards and what would the impact be in terms of potential recalls in Asia and elsewhere? Second question, just on the gross margin gain, I see it's 90 basis points. It sort of leads into the question earlier about EDP margin, just not moving. And I think most of us thought that would be the driver for overall group margin improvement. Is that gross margin gain really coming through EDP, you just actually reinvesting all of those savings into driving top line growth. And I'm just wondering about the sort of the return profile of that, if you're just investing so much into the EDP business to drive growth. But on the other hand, the profitability isn't moving. And the risk is once you stop investing, actually, that volume will go back to where it has been historically in dairy in Europe and elsewhere.

Juergen Esser, Chief Financial Officer

Yes. Good morning, Jon. First, on the first point. Look, we have this morning been issuing our guidance for the year with a lot of confidence.

And we have been issuing the guidance for the year with a lot of confidence because we have now been consistently over the past four years, delivering on our commitment. We left year 2025 with very strong dynamics. And yes, the IMF situation will create a one-off, as I described it for Q1. Having said that, we over the last year stepped up the resilience of our

portfolio, leveraging a larger range of growth engines and not only IMF, and are, therefore, expressing the confidence.

We issued the guidance today with confidence. That confidence is supported by many things, including the belief that the IMF situation will be progressively normalized. But it is to be supported by what I said before, sequential acceleration, for example, of the US and here specifically from the Q2 onwards when we run an easier set of comps for coffee creamers. On gross margin and EDP, I confirm what I said before, we see very promising dynamics in EDP.

Let's not forget that we only started to transform the portfolio from two or three years ago. So we were very clear that this is not a quick turnaround, but it takes some time to make it happen, and we are very happy with what we have seen in the year 2025. We are transforming in a very significant base the portfolio in Europe. All the innovations we have been putting in the shelves are working, and we have learned something very important from the past, putting innovation and only supporting it for one, two or three quarters, you're going to lose the innovation.

You're going to lose the renovation. This is why we are so much committed to support the innovation and the core to make sure we get sustainable success, and this will also be reflected in the profit margin at some point.

Mathilde Rodié, Head of IR

Warren Ackerman, Barclays.

QUESTION 4: MEDICAL NUTRITION IN Q4; EDP IN JAPAN

Warren Ackerman, analyst at Barclays

Yes, good morning. Warren here. First question is on Medical Nutrition. Could you quantify the Medical Nutrition growth globally in Q4, maybe if you're able to break out China, Europe and North America? I'm interested in your outlook, specifically on Kate Farms, how big is Kate Farms? What was the growth in the year or the quarter? And just trying to understand how big could Kate Farms get as you kind of expand? I know you've got some ambitious plans for the brand.

And then secondly, can you talk about some of the other growth engines like EDP Japan, you're saying it's a standout performance. Can you maybe put some numbers on that? And I guess the other sort of topic as well, just to try and understand a little bit is the out-of-home growth, particularly EDP Europe? If you're able to put some numbers on that as well would be great. Thank you.

Antoine de Saint-Affrique, Chief Executive Officer

So we'll do a bit of a duet on that. Maybe starting with EDP and EDP in Japan. What is really interesting in Japan, is we have been constantly over the course of the, I think, the last couple of years going between high single and low double digits in Japan. Japan is an EDP business essentially, on the base of a strong differentiation, on the base of science, on the base of strong claims. And this is really an inspiration -- I mean, this is really an inspiration for Activia. I mean delivering claims that are through the uniqueness of Activia versus other yogurts differentiating ourselves and justifying a premium. So that is the model. By the way, we have the same it's a smaller business, and it was under Saputo, but we have the same with Activia in Australia.

It's a good model on what we want to do around EDP. On out-of-home and EDP. Out-of-home and EDP takes two different forms. It is what you can do in all the hotels, restaurants, I mean, around, I mean, Fresh Dairy, obviously.

But I think the biggest and most important access of developments there is into drinkables. And it's true for dairy. And you see that with what we do on Oikos, which you start finding in gyms, which you start finding in many different places. All you see that with what we just launched, I think it's in Germany with Alpro Meal-to-Go.

And if you haven't tried it, we send some to you, which is made basically to capture those people that are working, at lunchtime, at the exit of the office, in proximity stores. The -- I mean our out-of-home channels are growing much faster than mass retail. Juergen?

Juergen Esser, Chief Financial Officer

Yes. On Medical Nutrition, the dynamics are actually pretty good and especially as we leave year 2025, growing double digit in North America, growing double digit in China and North Asia, Oceania, growing double digit in many emerging markets. Actually, quite balanced between what we see in Medical Nutrition for infants and Milk Nutrition for adults. But on both, what we see is very, very strong traction. It's getting now to a scale, which starts to impact also company results. You talk about Kate farms. And Antoine mentioned it in the prepared remarks, it's now a \$500 million business, with Nutricia. exactly, which I think is something which you will see reflected in the like-for-like performance of North America from Q3 onwards when we have both Kate Farms, Nutricia, the whole Medical Nutrition platform impacting the results. Kate Farms is actually growing strong double digits as we speak. And so we see coming to life the expected synergies of our existing and legacy platform we had in the US and the, let's say, network access, we are getting to hospitals and the health infrastructure in that part of the region.

Antoine de Saint-Affrique, Chief Executive Officer

Maybe to complete on the combination Kate Farms Nutricia. So I'll say it in the prepared remarks. The combination of the two is \$0.5 billion. As you know, we folded in some ways, Nutricia into our Kate Farms business. The complementarity of the product line, the

complementarity of the customer access, the complementarity of the scale is just fantastic. So the business has real momentum. And I think it will have -- I mean, be a game changer in the US.

Juergen Esser, Chief Financial Officer

And on Japan, as you mentioned, Japan, EUR400 million business as we leave year 2025, growing at strong double digit, and we have more capacity coming online very soon in order to support this fantastic dynamic on a portfolio, which is extremely focused on high protein and gut health. So that's very exciting. It's one of the largest dairy markets of the world. This is why we are very focused on success there.

Warren Ackerman, analyst at Barclays

Thank you.

Mathilde Rodié, Head of IR

David Roux, Morgan Stanley.

QUESTION 5: NORTH AMERICA CAPACITY; WORKING CAPITAL; FX

David Roux, analyst at Morgan Stanley

Good morning. My first question is just on the North America yogurt capacity, which you mentioned. Could you just give us an update as to where you are now with this rollout. How much headroom to overall capacity in the US will this help with once completed. And how we should think about the CapEx evolution for the group from this going forward?

Then my second question is on working capital. You've called out working capital at record low levels relative to sales in the release. I think you mentioned some destocking of Mizone, but perhaps can you give us a bit of color around what has been driving this and how we should think about that working cap to sales ratio going forward.

And then my last question briefly on FX. I understand you don't usually give color on this, but given that FX was a meaningful factor this past year, can you give us some expectation for the FX impact on revenue and EPS at current levels for the forthcoming year. Thank you.

Antoine de Saint-Affrique, Chief Executive Officer

So I think - I mean the bulk of the question will go to Juergen. On Noram, the capacity is coming on stream step by step by step. We are adding line after line to basically respond to a demand that keeps being absolutely buoyant and to be able to reenlarge our offering. Obviously, what we invest into CapEx is not only behind EDP or behind yogurt, but we invest into CapEx in medical nutrition, as you've heard last year with what we are doing in France in Steenvoorde, behind infant nutrition. So we invest where we see value-adding growth for the company.

Juergen Esser, Chief Financial Officer

Yes. And maybe when you look at overall CapEx, and this is what we shared at the CME for Chapter 2 of Renew Danone, CapEx for the company is going to slightly increase. We were the last year traveling just shy of 4%. We said it may go up to 4.5% in order to support capacity investments into high protein, which is true for areas like North America, which is true for areas like Europe and which is true for areas like Japan, which I just mentioned, but also for Medical Nutrition, where we are obviously progressively investing for the future growth.

For working capital, very happy with how we finished the year 2025 at minus 10%. I think we are now getting into best-in-class when it comes to working capital management. Actually, the benefit of working capital in year 2025, not so much coming from stocks. It's more about a much more efficient way we manage the balance between receivables and payables, and we are benefiting here from something Antoine said in the prepared remarks, which is the digitalization of our process flows in our global business services.

This is really giving us a fantastic platform to -- for the ambition to say sustainably at a good level of working capital as we have it today. For the currency, look, I would wish I could predict how currencies will move in year 2026. You saw the impact we had on sales at -4% in the full year, it was -6% in Q4. Really here, I don't want to give a number because any number I will give will be a wrong number.

David Roux, analyst at Morgan Stanley

Okay, that's helpful. Thank you.

Mathilde Rodié, Head of IR

David Hayes, Jefferies.

QUESTION 6: GUIDANCE; RAMADAN IMPACT

David Hayes, analyst at Jefferies

Hi, good morning. Thanks, Mathilde. Good morning, everyone. So I don't want to be the annoying person and lever the guidance context, but I'm going to be that annoying person. So just to come back to that quickly, just trying to gage your kind of confidence where you used. I mean, you saw one of your peers yesterday impacted by this recall talking about with their best guess on the brand equity impact through the year that they might be at the lower end of the range. Was that something that you considered including or to your confidence point, you don't feel there's need to caveat that based on the current trends and brand impacts that you're seeing at least early on in this process.

And then the second question, just on the Rest of World. Was there some benefit from Ramadan? Again, we heard a competitor yesterday talk about that was sort of a help in the

period of Indonesia. Obviously, a big market in that region. So was there Ramadan timing that we should take account of? And that gives back a little bit in the first quarter this year.

Antoine de Saint-Affrique, Chief Executive Officer

David, we'll do again a bit of a duet. I mean, we don't see at this stage any major brand or brand equity impact on IMF. There is obviously a disturbance on the shelves. There is obviously for a period of time, I mean, a sales force that is focused on talking to the customers replenishing the shelf. So as they do that, they don't do -- I mean they don't do other things. But from a pure brand and category standpoint, we haven't seen anything major at this stage. Too early to say. We obviously look at it very, very carefully, but I wouldn't be definitive one way or the other. On Ramadan, I mean, to be honest, we don't comment on the move of Ramadan from one week to the other.

Juergen Esser, Chief Financial Officer

Nothing to add. I would say. On the guidance, 3% to 5%, we are, in a way, boringly consistent is what we are now saying since four years. We feel good about the 3% to 5% guidance we have launched that was in year 2022, at the end of 2022, and you saw us delivering in the corridor in a very consistent manner. And so there's nothing to add to what I said before in the guidance. So we feel good about it.

David Hayes, analyst at Jefferies

Thank you.

Mathilde Rodié, Head of IR

Tom Sykes, Deutsche Bank.

QUESTION 7: GROSS MARGIN; HIGH PROTEIN

Tom Sykes, analyst at Deutsche Bank

Morning everybody, thank you. Just firstly, on the gross margin. It looks like it was sequentially down a little in H2, which is the first time in a little while. Could you maybe say what the reasons for that are? Is that FX? Or could you say something about COGS productivity and just whether you'll be able to price under your COGS inflation like you have been doing, please?

And then just on the growth of high protein, either North America or globally. Could you give a view as to the run rate of growth now versus perhaps where you were in the first half of the year, please? Thank you.

Antoine de Saint-Affrique, Chief Executive Officer

So let me start maybe with the growth of high protein. We still see the growth in the protein world being very, very dynamic. You look at the overall category growth of the yogurt category, it's a dynamic. I mean on the global level, it's high single digits, and it's being driven by protein.

Protein by the way, takes different forms. I mean, it's high protein, like the likes of Oikos or YoPRO. It is also things like Skyr. And I mean, Skyr at Danone is doing extremely well.

You see it reflected also, and I mentioned it in the remarks in the numbers of the Danone brand so there is I mean there is a deep deep trend around protein in different forms. And we believe that trend is here to stay. It is becoming, as I said in my prepared remarks, also it is becoming more sophisticated. So it's not protein for the sake of protein, but proteins that are doing something or proteins that are complemented with something.

The protein that are doing something, you've seen what we've launched under Oikos, protein and digestive benefits, what we've launched in Europe under HiPro / YoPRO, which is muscle recovery, or what we've launched behind Skyr, which is a different positioning. but one that is also very relevant when it comes to protein that feed you in your daily activity as you need for something that is high in protein and low in the rest. So it's a trend we believe to be a long and lasting trend. We see progressively the market shifting to different kinds of protein, and we're obviously not only surfing the wave, but leading the wave in more waves than one.

Juergen Esser, Chief Financial Officer

Yes, morning, Tom, on the gross margin, you're absolutely right. H2 expand a little bit less than H1. It's not about productivity, which really was very strong across the year. It's more about the phasing of material inflation, especially coming through from dairy ingredients, things like whey or things like lactose, which were quite high, where prices were quite high in year 2026, where we were better protected through hedging in the first semester than in the second semester. That's why we had a bit more impact in the second semester coming from it. Good news is that those prices have started to come down. So nothing particular to say for year 2026.

Mathilde Rodié, Head of IR

So with that, we are ending the Q&A. Thank you, Tom, for the last question.

Antoine de Saint-Affrique, Chief Executive Officer

Thank you, guys, and we'll see you or most of you soon in the coming weeks. Good day, everyone, and good weekend.