



DANONE Q3 2025 SALES CONFERENCE CALL TRANSCRIPT

October 28, 2025 – 08:00 AM CET

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SLIDE 1 – COVER SLIDE

Mathilde Rodié, *Head of IR*

Good morning, everyone. Mathilde Rodié speaking. Thank you for being with us this morning for Danone's 2025 Q3 sales call. I'm here with 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 21 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 Juergen.

CFO PRESENTATION

SLIDE 2 – CONSISTENTLY DELIVERING QUALITY GROWTH

Juergen Esser, *Chief Financial Officer*

Thank you, Mathilde, and good morning. Thank you all for joining our Q3 sales call. A great occasion to share with you our latest sales performance and to discuss the progress on our midterm ambition. So let's begin by looking at our headline results for the quarter, starting with slide number 2.

As highlighted in our press release this morning, we are announcing a strong set of numbers with like-for-like sales growth of as much as +4.8%, a growth that is driven mainly by volume/mix of +3.2%. Building on the momentum from the first six months of this year, this represents another quarter of consistent quality growth. In what remains a volatile and uncertain environment, our portfolio continues to deliver with resilience. We are increasingly leveraging two important elements. First, a unique portfolio focused on health and wellbeing rooted in categories that grow faster than the average of the food and beverage industry. And secondly, a quality of execution that is progressively increasing even if we have still areas of improvements. Let's break down this performance by region on the next slide, slide number 3.

SLIDE 3– CONTINUED STRONG MOMENTUM IN Q3

The strong momentum we see in Q3 reflects broad-based growth across the regions. Europe continued its consistent path of step-by-step improvement with a solid delivery across all categories. In fact, Europe has now delivered eight consecutive quarters of positive volume/mix, a testament to the effectiveness of the ongoing transformation. In North America, we saw this quarter a mixed performance with, on one hand, high protein yogurts, continuing to outperform in a very dynamic growth space and despite major capacity constraints. While Coffee Creamers are progressively rebuilding its distribution, we have more work to do to bring plant-based back to sustainable growth. The standout also in this Q3 is the China, North Asia and Oceania zone. The team around Bruno delivered again exceptional growth in this part of the world, with all sub-regions contributing strongly from China to Japan to Oceania. And in the emerging markets of Latin America as well as Asia, Middle East and Africa, we saw a strong growth overall with our Dairy and Specialized Nutrition portfolio being the key drivers. Having discussed the regional picture, let's now turn to our performance by category on slide number 4.

SLIDE 4 – QUALITY GROWTH ACROSS ALL CATEGORIES IN Q3

Our like-for-like sales performance reflects quality growth with a solid contribution from volume/mix and positive price in each of our categories, demonstrating the underlying demand for our science-based and value-added portfolio. In EDP, we delivered like-for-like sales growth of +3.5%, with volume/mix up +1.7% and price of +1.8%. Our global high protein platform with brands like Oikos and YoPro continues to grow strong double digits with no sign of any slowdown. We are constantly fuelling this growth by rolling out what has proven to work, but also by launching next-generation innovations into this dynamic space. In parallel, we see increasingly strong demand for other functional dairy innovations, for example, Kefir or Skyr. In plant-based, Alpro continues to thrive, whilst we know that we have more to do in the US with our Silk brand. In Specialized Nutrition, we posted like-for-like sales growth of +8.3% with volume/mix up +6.5% and price of +1.8%. This comes on the back of a strong Q2 and reflects not only the exceptional demand in China, but also in other geographies. Our premium Aptamil platform grew at global level again double digit, winning broad-based market shares. Demand for our Medical Nutrition segment remained also very high across all geographies with brands such as Fortimel and Neocate achieving again double-digit growth. In Waters, sales were up +2.3%, with volume/mix up +1.3% and price of +0.9%. We saw solid execution and delivery across Europe, with strong demand for our recently launched vitamin water under the Volvic brand and continued solid performance of our evian brand, including in the US. At the same moment, we are continuing to post very solid performance for our Mizone brand in China, completing another successful summer season. To put those like-for-like numbers into context, I suggest we review now our sales bridge for the quarter on slide number 5.

SLIDE 5 – Q3 SALES BRIDGE

In addition to the +4.8% like-for-like growth previously discussed, we experienced an adverse currency impact of -5.1%, resulting from the appreciation of the euro against most currencies over the past six months. Importantly, though, for the first time since long, we reported a positive scope effect which contributed with +0.7% in Q3. This is reflecting primarily the recent acquisition of Kate Farms, the first contribution to our compounding ambition. This ambition means to grow our company not only in like-for-like, but also in euro terms after an initial period of portfolio pruning and divestments. For Q3, it results into a reported growth of our net sales of +0.7% with sales in absolute reaching EUR6.9 billion. Now let's take a closer look at each of our regions and their contribution to the like-for-like performance, starting with Europe on slide number 6.

SLIDE 6 – EUROPE

Europe delivered solid like-for-like sales growth of +2.6% in this quarter, driven by a +2.1% contribution from volume/mix and a positive contribution from price.

As you can see from the chart on the bottom left, this means a further step-up in the performance that Pablo and the European team delivered since the journey started some three years ago. In EDP, we are seeing double-digit growth in YoPro, our high protein platform, but also in our newly launched innovations such as

Activia Kefir and Danone Skyr. This is an encouraging sign for our future growth ambitions, knowing that we have still many regional white spaces for rolling those successful innovations out. Our Alpro plant-based products, particularly yogurts, continue to win share in the market, the brand is now consistently posting quality growth in an overall category that is back on track. In Specialized Nutrition, let me highlight particularly our Medical Nutrition platform, that delivered again a strong performance with Fortimel growing double digit, expanding progressively its reach to patients across Europe. And in Waters, we posted solid growth, notably driven by the Evian, Volvic and Badoit brands. So overall, another strong quarter in Europe, supported by all categories. Let me suggest that we move on to North America on slide number 7.

SLIDE 7 – NORTH AMERICA

In North America, we saw like-for-like growth of +1.5% with a +0.3% volume/mix and a +1.2% price contribution. In EDP, we saw continued strong demand for our high protein range with the Oikos brand going from strength to strength. Innovation in this space continues. And in Q3, we launched Oikos Fusion, a high-protein product enriched with probiotic fibres very suitable for those consumers looking to manage their weight or taking GLP-1 like medication. As you know, we are, like all the industry, managing a saturated production capacity for the yogurt category. And Q3 has been particularly tense. We will benefit over the coming quarters from more capacity coming online, which will release some of the current supply constraints. In some other areas of the EDP portfolio, the performance is not where we want it to be. We have been progressively recovering distribution in Coffee Creamers, and this is obviously a journey which takes time as the space we left on the shelf has been taken over by competitors. Beyond the distribution rebuild, we will leverage the moment to further innovate in this category, addressing the emerging trend of naturalness and clean label. The US team is actively working on solutions to bring this business back to where it belongs. And lastly, on EDP, we are progressing with our ambient protein shake exploration. We are encouraged by the early results and as we speak, selectively expanding its distribution, hence, continuing with this soft launch approach and are awaiting robust data on repeat purchase in order to decide on the level of acceleration and investment allocation for year 2026. Next to EDP, we saw satisfactory performance in Specialized Nutrition driven by our Medical Nutrition platform. Worth here to mention that outside of the like-for-like performance, we see a strong double-digit growth momentum of the Kate Farms company, which we are currently combining with our existing US medical platform. Let's now move on to the China, North Asia and Oceania zone on slide number 8.

SLIDE 8 – CHINA, NORTH ASIA & OCEANIA

Q3 is another outstanding quarter in the China, North Asia and Oceania region with like-for-like sales growth of +13.8%, driven entirely by +15% volume and mix. This reflects both strong underlying demand for all categories where we operate, together with a further step-up in competitiveness. In EDP, in Japan, both Activia and Oikos are continuing their stellar performance, illustrating our strategy in action, bringing added value propositions into one of the largest dairy markets in the world that allows us to premiumize and win market share through functional differentiation. In Specialized Nutrition, the Chinese business was again

firing on all cylinders. Demand for our infant milk formula and medical portfolio remains very strong. In IMF, the category is in a solid dynamic, growing particularly in the online and social media channels. We are continuing to win market share, thanks to our superior digital business model, as well as thanks to our Aptamil Essensis innovation launched some two years ago with further expansion opportunities in front of us. Beyond China and Japan, let me highlight the strong performance of our Specialized Nutrition portfolio in Oceania. We are reporting an increasingly meaningful contribution to the zone performance with growth across the segments. Worth mentioning here, especially the great momentum of the Souvenaid brand, addressing symptoms of mild memory and cognitive impairments. And finally, in Waters, Mizone has successfully delivered also the 2025 summer season, expanding its reach with the fastest-growing segment of the category, namely the healthy hydration segments. Moving on to Latin America on slide number 9.

SLIDE 9 – LATIN AMERICA

In Latin America, we delivered like-for-like sales growth of +4.3% in Q3 with volume/mix of -2.3% and price of +6.6%. We have a solid momentum in EDP, where we are winning with Oikos, YoPro and the Danone brands as the market moves increasingly towards value-added dairy products. In Specialized Nutrition, we continue to win share with Aptamil, which is growing double digits. We're expanding in parallel our medical nutrition reach across our paediatric and adult ranges. And in Waters, the beverage market remains challenging due to weather and adverse economic conditions, especially in Mexico, and here especially in the away from home segment. And finally, looking at the Africa, Middle East and Asia zone on slide number 10.

SLIDE 10 – AMEA

The AMEA zone saw a clear acceleration in Q3 with sales growth of +6.8% with a solid contribution from volume/mix at +2.6% and price at +4.2%. In EDP, we continued to report strong growth, particularly in Africa with both the Danone and Activia brands. In Specialized Nutrition, the region continues to deliver strong competitive growth underpinned by our focus on science-led innovation and market execution. In particular, we continue to see a strong growth momentum of the Aptamil brand in expansion markets such as Vietnam, India and the Middle East. Beyond Aptamil, we are pleased with the successful rollout of our patented iron biotics engine in regional early life nutrition brand platforms. And finally, in Waters, we are reporting a solid performance, including in Indonesia, in a very competitive market environment. Let me here conclude the regional review, a review which proves the breadth and resilience of our portfolio in delivering on our ambition. Let's move on to slide number 11, recapping our key takeaways and priorities as we look ahead.

SLIDE 11 – 2025 GUIDANCE CONFIRMED

We have delivered over those first nine months of the year a strong performance, with consistent quality growth led by volume/mix. This reflects continued demand for our products across a well-balanced geographical footprint. We have several platforms delivering exceptional growth across the different

categories. And at the same time, there are some areas that require further progress, which we will translate into future growth opportunities. As you did certainly expect, we reconfirm today with confidence our guidance of +3% to +5% like-for-like sales growth and recurring operating income growing faster than sales. That's probably a good moment to stop and halt. Thank you once again for listening. Looking forward to your questions. And with that, Mathilde, back to you.

QUESTIONS & ANSWERS SESSION

Mathilde Rodié, *Head of IR*

Guillaume Delmas, UBS.

QUESTION 1: SPECIALIZED NUTRITION IN CNAO; EPD IN NORTH AMERICA

Guillaume Delmas, *analyst at UBS*

Thank you very much, and good morning, Juergen and Mathilde. Two questions for me, please. So the first one on Specialized Nutrition in the CNAO region because that is the third consecutive quarter of double-digit like-for-like sales growth and accelerating every single quarter. So Juergen, can you maybe help us unpack this performance in the quarter as in what kind of category growth are you seeing at the moment? What's your market share development? And any sell-in, sell-out discrepancy we should be aware of? And I guess, looking ahead, how long do you think you can maintain this kind of double-digit run rate? So when would you expect a marked deceleration or maybe it's just going to be about a very soft landing because you've got this upcoming Nuturis rollout, which could be a key driver of growth going forward for SN CNAO. And then my second question is on North America EDP. I think the 1.5% like-for-like you reported in Q3 is the weakest quarterly print since the end of 2019, so that's nearly six years ago. Comps are not getting easier in the fourth quarter. So just wondering here if these trends are a negative surprise to you? I mean, even worrying to you, particularly from a market share point of view. And are you still confident you can stabilize within this, your Coffee Creamer business? And I think the ambition at the start of the year was to, by the end of 2025, grow Coffee Creamers in line with category growth. Do you still think you are on track to achieve this? Thank you very much.

Juergen Esser, *Chief Financial Officer*

Good morning, Guillaume, thank you for your questions.

Obviously, the CNAO zone is delivering exceptional growth. And particularly, China is again firing on all cylinders, as you say. So let me double click on it. Early Life Nutrition, the category is actually progressing as we expected. And as we have been discussing over the last few quarters, we see a very moderate segment growth started in stage 1, thanks to the birth rates of year 2024, moving progressively in stage 2. So no surprise on that front. It translates to overall very moderate growth of the category. In that growth of the category, what we are seeing is that there is a shift from offline channels to more online channels to social media channels, which is not a surprise when you look at the overall shopping trends of the Chinese

consumer. In this category, we continue to outperform and win market share clearly. The shift to online channels actually allows us to leverage what the team has built over the last 10 years, which is a unique digital business model, which is truly a competitive edge. And secondly, and there's obviously no change in this message is that the Essensis platform is winning market share across China. Innovation we launched now some two years ago, has become a quite sizable platform, and we see further growth opportunities on this front. And in parallel, as you say, we are preparing Nuturis, has been soft launched in Hong Kong, and we will bring it to Mainland China at the right moment when we see that we have positioned Essensis in the right way and that we have a solid print there. When it comes to China Medical Nutrition, obviously, different dynamics because there is an underlying strong demand from a category perspective, and this stands actually across all segments. And it starts from special paediatrics posting a stellar performance and here especially our allergy formula under the Neocate brand. As we discussed a good one year ago, it has a lot to do with the fact that there is more and more babies rightly diagnosed, and therefore, they are getting the right medical nutrition, and we're seeing that reflected. But we are seeing also very strong demand on our Adult medical nutrition business, benefiting with no surprise, from strong demographics.

So here, we are pushing distribution of our tube feeding solutions as we have been discussing. We invested into medical sales force quite significantly and that starts to pay back. And at the same moment, we are building the future of this category with the oral Nutrition segment. So looking forward, yes, China has been firing on all cylinders. Let's be careful not to extrapolate that for all the coming quarters. However, we have good reasons to believe that China will deliver significantly also to our growth in the coming quarters.

When it comes to North America, let me step back for a minute. It's an important question. It's not a question of comps, let me be very clear on this one. When we look at the performance of the last two quarters, we cannot be satisfied as we missed some important growth opportunities. But there are a few reasons, probably three plus one reasons why we are confident that North America will progressively go back to where it belongs. First, high protein yogurts, they continue to fly. The demand is extremely high. We are quite seriously kept by production capacity. Finally, we have new capacity coming online starting from Q4 and that will go into 2026, which will release some of the pressure we had, and Q3 was particularly tense on this part. That will allow us not only to continue pushing high protein yogurts, but also to finally again activate the rest of the yogurt portfolio where we have been particularly shy because there was no capacity available. And you will see Danimals coming with a relaunch in Q4, which is important for us because it's a big brand, and the kid segment is very strategic to us. On Coffee Creamers, let's be very clear here. Yes, we have been progressively recovering distribution. But yes, this is also a journey which takes time as the space on the shelf has been occupied by competitors. And as you can imagine, we are doubling down on our efforts to get our space back. But what we are also doing and that's important is that we are leveraging that moment to bring our product portfolio closer to the emerging trend of clean label and naturalness, which will help us to bring our International Delight brand back to where it has been. The third element I would like to mention here, and I mentioned actually also in the prepared remarks, is Medical Nutrition. Now with Kate Farms, first time we have a sizable platform in the US, that will help us to accelerate on this very important

category moving forward. We want it to become really a powerhouse of growth for North America. And lastly, there's a leadership factor, as you can imagine. Henri Bruxelles, who is the newly appointed President of Americas as of January 1 is already bringing a fresh perspective to the different categories, he's bringing back both, I would say, obsession about superior consumer experience, but also a renewed sense of urgency. So many reasons why we believe that North America will again play a very important role for our growth momentum in the future, and I have not even talked about the protein shakes.

Mathilde Rodié, *Head of IR*

Warren Ackerman, Barclays

QUESTION 2: EDP IN EUROPE; 2025 GUIDANCE

Warren Ackerman, *analyst at Barclays*

Yeah, good morning, Juergen, Mathilde. It's Warren here from Barclays. Two from me as well. First one is on Europe, Juergen. Very pleasing performance in Europe. Could you maybe double-click a little bit on European EDP, where are you on the rollout of some of the more valorized ranges on Skyr, Kefir, high-protein? What kind of weight are they now in Europe? Are we at a tipping point where it's offsetting the kind of more general ranges? And then can you maybe sort of outline what kind of growth you're seeing in the out-of-home channels in Europe that we don't see in the scanner data? So if you can double-click on European EDP and what you're seeing in terms of market shares and the trends? That's the first one. And then secondly, just on the guidance. You're running, I think, at 4.4% organic at the nine-month stage. Your guidance is 3% to 5%, so you're clearly tracking at the top end of that guidance range. You haven't today changed the guidance to the top end, but you're tracking at that level. Is there anything we should think about for the final quarter of the year, is there any kind of sort of conservatism built into the guide? Any moving parts that you want to call out for the final quarter of the year, that would be helpful. Thank you.

Juergen Esser, *Chief Financial Officer*

Good morning, Warren. Yeah, as you say, Europe progressing pretty well in this transformation, is getting better quarter by quarter. I think it's now six consecutive quarters where we see the growth accelerating and this is including in EDP. And as you say, this is thanks to the fact that our more differentiated portfolio becomes more important in terms of weight, percentage of the portfolio, quarter-by-quarter. All the innovations are working extremely well. High protein, we have been discussing for quite some time. Activia, back to growth in Activia, especially on fibers and what we are doing with the Kefir, progressing very well. Skyr also doing very well. But all of those elements, we have been launching only two years ago. So we are still early in that journey. But this is exactly where the opportunity is. Because when you take products like Kefir or Skyr, we have not yet even rolled them out all across Europe. And this is where we see the opportunity, and you will see us going for that in a very speedy manner. To your point, we continue to outperform outside of large retail. This is also part of our strategy. This is where we have been under-represented for decades. But this is also where we have been intentionally innovating for. The majority of

our innovations is drinkable format, suitable for away-from-home points of sale and on-the-go consumption. And that means that we continue to grow 2 to 3 times faster in away from home than in large retail. That is what the strategy and priority moving forward, which will stay on top of the table.

When it comes to the guidance, obviously, we are very happy with the first nine months of the year. You can imagine that we are not giving quarterly guidance, neither by category, neither by region, as you know. There is no particular message actually for Q4 to pass here. Overall, what is important for us is that we want to demonstrate that our portfolio focused on health is a superior portfolio and that this is also translating into a faster growth vis-a-vis the industry. We feel good with our 3% to 5% guidance for year 2025, but also beyond. And we are now consistently delivering in this corridor. And you know, in a way, while our ambition is to grow sustainably as fast as possible, there's always something in business which doesn't go well, and we had two softer quarters in North America. This is why we feel good about this guidance.

Mathilde Rodié, *Head of IR*

Jeremy Fialko, HSBC.

QUESTION 3: LATIN AMERICA; HIGH PROTEIN ROLLOUT

Jeremy Fialko, *analyst at HSBC*

Hi morning. Thanks for taking the questions. So just a couple of things from me. So, the first one is if you could talk a bit about Latin America, we've had some quite mixed things from other companies in the region. So you could talk about how you're seeing the conditions in the various markets you compete? And the second one is, could you talk a little bit more about the rollout of the high protein? So why are you so confident the category is going to carry on at these very high rates? Where you think the next sort of big rollout opportunities are? And perhaps a bit more detail on the kind of the scale of the capacity expansions you've got coming on in the coming quarters? Thanks.

Juergen Esser, *Chief Financial Officer*

Yeah, good morning, Jeremy. Latin America, we see what everybody is seeing, especially in Mexico, where consumer sentiment is pretty muted. That's one of the drivers why our Waters performance in this year has not been satisfactory, beyond the weather conditions, which have been quite awful during all the season. Actually, we don't take that as an excuse. We focus on those elements where we have value-added propositions and where we can grow. And you saw that quite nicely in Q3, which is particularly about Specialized Nutrition, which is now growing consistently at a very good speed, particularly in Brazil, but it spans all across the region to Argentina, actually, and this is on both Early Life Nutrition and Medical Nutrition on those categories. But also on Dairy, which is doing well, and Dairy is doing well across the region, thanks to Oikos and the Greek yogurt and high protein yogurt, which are showing the same dynamic as everywhere else in the world. Thanks to our other core brands, including the Danone brand, which is doing very well. So overall, I would say, a satisfactory performance. Let me use that moment to say that

when you look at our Specialized Nutrition business across emerging markets, and I put here together, Latin America plus our AMEA zone, you see that this is a EUR700 million platform, as large as China, growing at high single digits. So this is becoming more and more for us a key growth engine moving forward, especially with Aptamil growing very, very strongly across but also Medical Nutrition, which we are building.

The second element to your second question on high protein yogurts, we still see a massive trend from a consumer perspective on health and well-being. Yogurt actually is a very powerful, efficient and convenient source of proteins and other goodies. And this is better and better understood. The consumption of yogurt is different region by region, but when you take the US, per capita consumption is one-third of the consumption of Europe, which gives you an idea of the size of the opportunity in front of us. And the protein trend continues. Clearly, there has been a recent study published in the US saying that 71% of American consumers want to add more quality proteins to their diets. So there's many reasons to believe that this growth continues. On our side, we are actually innovating in that space so that we go from quantity of protein to quality of protein and other ingredients. We launched what we call Oikos Fusion, which is a patented blend of whey protein, amino acids and prebiotic fibers which help to build or maintain muscles during a weight management journey. So it becomes more and more functional, more and more science-based. And I think that will help to keep the momentum of the category moving forward. And then this capacity coming online for us, especially in the US, will also release some of the pressures we have seen particularly in Q3.

Mathilde Rodié, Head of IR

Céline Pannuti, JP Morgan.

QUESTION 4: NORTH AMERICA EXPECTATIONS; 2025 MARGIN GUIDANCE

Céline Pannuti, analyst at JP Morgan

Good morning, Jurgen and Mathilde. So I would like to come back first on the US, if you could a bit help to understand some of the moving parts. So Juergen, you said that comp is not an issue, and you have a tougher comp I think in the fourth quarter. But at the same time, you're talking about this capacity coming online. Are we, therefore, expecting to see a sequential improvement in volume/mix in North America? And if you could as well try to go a bit deeper in understanding the sequence of actions and potential improvement in Coffee Creamers as we look into the next quarters and as well give us a bit more details on plant-based because it seems that it has been several times you've tried to prop up that performance and has not yet happened? And maybe lastly on that, you briefly mentioned the Oikos high protein. I know you were launching it in Costco. Can you give us a bit more details on that launch and its potential contribution going forward? My second question will be so shorter, it's on the overall guidance. You mentioned the top line, but if I think about the profit growth and the fact that Specialized Nutrition is growing much faster this year and obviously your more profitable category from a gross margin and EBIT margin standpoint. How do you think about potential uplift to gross margin between putting that to the bottom line and reinvestment?

And if so, if there are more reinvestment, where about are you putting this in the second half of the year?
Thank you.

Juergen Esser, *Chief Financial Officer*

Yes, good morning. And good morning, Celine. Look, on North America, I think I probably said it I said almost all two softer quarters, but there is nothing structural here. We are pretty confident in the ability of the North American business to again deliver very solid contribution to the growth of our company. And this is because we are not dependent on one single growth engine. High protein yogurt, we will get a release on the constraints, which were really tense in Q3, as capacity comes online in the course of Q4. That will definitely help in a category which continues to fly. And this is releasing, as I said, not only the constraint on high protein yogurts, but also on the rest of the yogurts. Coffee Creamers, we are fighting back our products on the shelf. That's a journey, as I said, and actually it gives us the opportunity to also innovate at the same moment, to make our products more on trend of naturalness and clean label. And I think that's an important one actually, to get International Delight back to where it belongs. We have been winning share, and let's not forget that, for two consecutive years on Coffee Creamers. 2025 is now a more challenged year because of, let's say, the supply chain issues we had at the beginning of the year. But structurally, we believe that this brand is a very powerful brand in a continuously growing category. Plant-based, I think with Henry Bruxelles actually coming now to North America, he will bring a lot of the good, best practices we have been executing on Alpro in Europe with him; that will help. And you will see that in the not so far future translating into the way we are relaunching Silk in the US. So we continue to be optimistic that this will play a role in our growth trajectory in North America on both sides on milk, but also on plant-based yogurts, something we have not been talking about so much over the last one year. And you know that plant-based yogurts play already a very sizable role in Europe, not yet in the US. There is a white space for us. And finally on protein shakes, actually protein shakes, we continue to receive very positive feedback from consumers. We are still not having a robust repurchase data, that takes some time as usual, but we are not standing still and just waiting. We have decided to selectively expand to retailers in the US to build more awareness. And then once we have sufficient data, we are going to decide on the level of acceleration for 2026. And finally, Kate Farms is not to be underestimated, I believe; an amazing business. The traction we are getting on the ground is amazing. And finally, we have a \$500 million platform of Medical Nutrition in US, something we never had before, which we believe can also get us a sizable contribution there. So overall, I would say, many reasons to be confident in the growth prospects of this region.

When it comes to the guidance, look, I think top line is very clear. Bottom line, we are sticking with what we always said. For us, what is important that quality growth translates into operating leverage so that we can do both expanding our margins progressively and reinvesting into our business. And I think this year, 2025, demonstrates again that the portfolio rooted into science is a superior portfolio, growing faster than the industry. So you will see us doubling down on science, on brand investments. You saw probably that two weeks ago, we opened a research center in Saclay, particularly on gut health, particularly on One Biome, in

order to make sure that we stay pioneer in science for gut health for the years to come. And so we will progressively increase our margins at the right speed. And any upside, and we have been saying that, I think, consistently, any upside, which goes beyond we will invest back into the business, in order to solidify our growth momentum for the years to come.

Céline Pannuti, analyst at JP Morgan

Juergen, if I may just follow up on the US answer you gave? I mean how much visibility you have on the short term? I mean, clearly, you made the point about the potential in the coming quarters. Just because I know that Q4 is a tougher comp. Is this something that we should think about as we think the final quarter in that region or all the positive you mentioned, including the capacity means that your volume will remain positive?

Juergen Esser, Chief Financial Officer

Yeah, Celine, I think two elements to say. Again, no particular message to pass on comps, neither for Q4. And on the other side, we are not guiding by quarter by region. So probably we'll park it there.

Mathilde Rodié, Head of IR

Jon Cox, Kepler Cheuvreux.

QUESTION 5: PLANT-BASED IN NORTH AMERICA; EDP IN EUROPE; Q4 2025

Jon Cox, analyst at Kepler Cheuvreux

Yeah, good morning guys. It's Jon from Kepler here. A couple of questions for you. Just really following up a little bit on that North America. You call out that plant-based has been responsible for this slowdown. But plant-based is a relatively small part of the overall pie. Just wondering if you could say, well, this overall slowdown half is maybe the plant-based and half is caused by the creamers still coming back, less capacity in protein. Just to give us a bit of an idea because otherwise, you'd think, well, the plant-based has just fallen off a cliff because it's a relatively smaller part of the business compared to the creamers and the protein and all of those type of things.

Secondly, just on Europe, and obviously, that's a different story as things get better. Can you just give us a bit of a rough idea on the split in the European yogurt market, particularly with regards to your own portfolio. So I think in North America, protein is over half of yogurt, but in Europe, it's probably a lot smaller. Just to give us a bit of an idea of when can we see or expect this ongoing acceleration. It seems to be more driven by mix. Where are you as part of that journey and towards the sort of value added? And maybe just a follow-up question from Warren's actually on the guidance for the year. You seem to be saying North America, you've got the capacity coming on in protein. You're confident in some of that plant-based improving. Ambient protein doing better in North America, in Europe, things moving ahead and obviously, a lot of momentum in China. Why should we assume there will be a slowdown from Q3 in Q4? Thank you.

Juergen Esser, *Chief Financial Officer*

Yeah, good morning. Good morning, Jon. First question, you are absolutely right, plant-based in a way when you look at the size within the North American portfolio, is not sizable enough in order to explain meaningful acceleration or meaningful deceleration. And this is not the message we have passed. There are two elements which are important for North America. And the first one is really that capacity constraints have been heavy in Q3 on yogurt, which forced us to make important choices. That will be getting better over the coming quarters, starting in the course of Q4 and that will definitely help for the quarters to come in North America. And on the other side, we are fighting back on Coffee Creamers, as we said, to get back the product on the shelf. And this is really the two, I would say, key priorities for North America for the quarters to come.

For Europe, we are actually, as you say, very happy with EDP. The portfolio setup is very different for dairy US versus Europe, you say it. In the US, half of the portfolio is Greek yogurt and most of that is high protein. It's still a minor part in Europe, but building very, very fast because it's growing at a very fast speed, high protein, Greek, Skyr, it's getting more space on the shelf. Retailers are willing to open more space. The year 2026 and the negotiations to come will be a great opportunity to also negotiate more space for these high-growth segments. And so it will get more and more weight. And so in that sense, you are right. It's quite, I would say, fairly balanced contribution from both volume on one side because we have more and more consumers discovering and rediscovering the yogurt category and mix, because we are going to more premium value-added propositions.

And then on Q4, there are some things in Q4, which will go better and some things in Q4, which may not go that well. I mean, China, now two quarters firing on all cylinders, which is really exceptional. And then some other elements, we have things where we can see acceleration. In business it's never a linear journey. And so this is why we don't give any kind of guidance for Q4, neither for other quarters.

Jon Cox, *analyst at Kepler*

I want just to follow up on the Creamers. When does the comp get easier because you've now had, what, three quarters of the incident, I think it was you removed from some shelves and maybe there was a capacity problem as well. I guess that will roll off in what Q1 or Q2 next year?

Juergen Esser, *Chief Financial Officer*

If I recall it well, I think it was at the back end of Q1 that we were having some supply issues. So that's probably the moment that we roll over.

Mathilde Rodié, *Head of IR*

Charlie Higgs, Redburn.

QUESTION 6: COFFEE CREAMERS; WATERS IN CNAO

Charlie Higgs, *analyst at Redburn*

Hey, Jurgen, Mathilde, hope you're both well. Sorry, it's another one on Coffee Creamers in the US, please. Are you able to quantify roughly how much shelf space you've lost and what the ambition is to get back to because I think you won quite a lot of shelf space because the main competitor had issues, so just whether you think you can actually get back to what it was previously? And then just a bigger picture on Creamers. Coffee prices in the US are soaring at the moment. It could pressure coffee in the away-from-home channel. Do you think Creamers could be a beneficiary of high coffee prices in the at-home channel? Or do you think they're more of a discretionary item that could see pressure along with the whole coffee category? And then my second question is on Water, please, where I was wondering if you could speak a bit more about Mizone, which slowed a little bit quarter-on-quarter, but it's still very solid. What are your plans there to keep the brand momentum going and could you also just touch a bit on Indonesia and Aqua and what you're seeing in that market, please? Thank you.

Juergen Esser, *Chief Financial Officer*

Yeah, good morning, Charlie. Let me start from your second question on what I would say a solid print for the Waters category in Q3. Europe doing well across many brands, including evian. In China, Mizone completing another successful season. When you look at the number in terms of net sales, we are growing, I think, +5.6% in that Q3. What it is hiding is that the underlying volume growth is high single digits, again. We are investing into distribution. We are investing into getting more space with distributors and on point of sale, in order to prepare already for 2026 season. In an overall beverage category which is growing at a low single-digit pace, we see that healthy beverages are outperforming, and this is exactly where Mizone is positioned. And this is where we see that we have the opportunity, and this is why we are pushing hard on distribution here. So I would say that's on track. Indonesia also with a better quarter. You know that Q2 was pretty muted. We're not happy with the weather there. Q3 definitely was a bit back to normal in that sense. It's a very competitive market, all across, I would say, food and beverages. We have a very strong brand with Aqua, leader in the market, a local brand, and we are investing into making sure that we are staying ahead of competition here, but it's a very competitive space.

When it comes to Coffee Creamers, in a way, what's happening there is that we had our supply chain issues in Q1. Shares and distribution was falling down quite significantly. You could see that from scanner data. Market shares have stabilized in Q2 and since then have been recovering, as the distribution has. That's the journey again, because it's store by store to get it back. Overall, you know, this is a space which in a way continues to grow because people prepare more and more coffee at home, because that's a more, from an economic standpoint, more affordable way to have your coffee experience and the category is benefiting from it. As people are looking for more healthy proposition, it's important that we will, with International Delight, offer the right product, and this is why I was saying you can expect us to innovate and renovate

towards naturalness and clean label in order to play a leading role in this category, which continues to show a solid growth momentum.

Mathilde Rodié, Head of IR

Tom Sykes, Deutsche Bank.

QUESTION 7: PRICING; HIGH PROTEIN IN NORTH AMERICA

Tom Sykes, analyst at Deutsche Bank

Yeah, morning. Thank you, Mathilde. Morning, Juergen. Just on your pricing, when you look at your country category average group pricing and then the pricing by category. Where would you say is the biggest difference for yourselves versus competition? I think you were kind of asked earlier where were you investing the efficiency gains the most? And would you be able to offer kind of on aggregate the degree to which you're below market pricing at all, please, obviously driven by your efficiency gains? And then just on the high protein in North America, could you maybe give a view on how much of the consumption is first-time consumption? And how much is repeat users? What occasions are growing most quickly? And when you're saying you're now focused on quality, that sounds a bit like you're trying to get existing users to trade up. That doesn't sound like volume. So just wondering, is that a pivot a bit in the strategy in US high protein at all, please?

Juergen Esser, Chief Financial Officer

Yeah. Good morning, Tom. Look, you saw that pricing has been playing a minor role in our growth dynamic already for many quarters. And that's our strategy actually. We are obsessed, I can say, about volume/mix growth. And for us, pricing is something we do when we need to do it for the differential between inflation and internal productivity. We have been discussing at a few occasions that we are delivering productivity on our cost of goods sold ahead of the industry, and the operations teams are doing a fantastic job here, which is limiting the necessity to take pricing. Now the way we take price or the way we invest into price is very strategic. On one side, it's consumer driven, so we price where there is high demand, on high protein yogurt for example, especially with the price of protein rising over the last 12 months. And on the other side, we are investing into price where it makes sense. I was discussing earlier about, for example, Mizone in China, but there is also other categories in other regions where we intentionally invest into price, not to lower the price on the shelf because that's not our game, but in order to win distribution points for our products. And this is probably what you will also see moving forward into year 2026.

North America and the demand on protein, there is more and more consumers consuming more often our high protein yogurt and this is, I would say, an encouraging sign and trend, which means there is plenty of opportunity in front of us. And as I was saying, the US consumption of yogurt is only one-third of the one of Europe. So there's a lot of headroom. Having said that, people understand better and better the difference between proteins, the source of the protein, but also how to absorb the protein in the best way. And that

means you need to have certain prebiotics and probiotics consumed at the same moment. So we are going from quantity of protein to real benefit. And this is why we have been launching Oikos Fusion, which is exactly enriched with these additional ingredients to make sure that you get the best benefit to your body and wellbeing. So it means that we are expecting further volume growth, but we see also mix opportunities by differentiating versus what competition is having in this space.

Mathilde Rodié, *Head of IR*

David Roux, analyst at Morgan Stanley, last question.

QUESTION 8: IMF IN CNAO

David Roux, *analyst at Morgan Stanley*

Morning team. I'd like to just go back to infant milk formula in CNAO for a moment. I've got a couple of questions there. My first one is, can you give us a sense of what like-for-like for China Infant formula was? Or how does that compare to the 17% for Specialized Nutrition in CNAO? And then just building on from this, you spoke about market growth across the stages earlier but perhaps you can quantify Danone's growth across the infant milk stages, once again perhaps relative to the 17% for SN in the region? Thank you.

Juergen Esser, *Chief Financial Officer*

Yeah, good morning, David. Look, very good performance, not only in Q3 on Early Life Nutrition in China. The team has really built over those last years and particularly those last two years, something where we have a true competitive edge. And I was talking about two areas where I think we are ahead of competition. One is our truly digital business model. And the other one is on the Essensis platform, which is standing out at shelf because here, again, it's not ingredient-led, but benefit-led. This is helping us to win share quarter-by-quarter over now many quarters, and we still see further headroom, to grow our market shares with the Nuturis, the innovation, which we only soft launched in Hong Kong; still to come to Mainland China. So I would say, very confident on our ability to win in that category in China. When it comes to the category itself, what we are seeing is that the category has been overall stabilizing at the back end of 2024, has been going into the growth momentum in stage 1 first, thanks to the birthrate. Stage 1 is from a weight perspective, a bit smaller than stage 2 and stage 3, which is normal because in stage 1, you have still mother's breast feeding and then moving progressively into mixed feeding. Now stage 2 is in growth, and then it will go to grown up milks later on. So it's a progressive evolution of the growth trends through the different stages. Overall, what we see today is a category which is in moderate growth. And obviously, not easy to predict what the years to come will bring. It will depend a lot on the birth rates moving forward. You know that the government is trying to give many incentives to increase back birth rates, and we will see how effective that will be. What we do is we focus on what we control, and this is our initiatives and growing our market share in this very attractive category.

David Roux, *analyst at Morgan Stanley*

Thank you very much. And just perhaps a quick follow-up there. Please, can you remind me of Danone's revenue exposure to the infant milk stages in China? Thank you.

Juergen Esser, *Chief Financial Officer*

Yeah, as I was saying, we are pretty much in sync with what the category is having. So stage 1 is the smaller part of this category, so stage 2 and what comes after has a bit more weight in the portfolio. So in that sense, it's beneficial that the growth moves now on to later stages.

David Roux, *analyst at Morgan Stanley*

Thanks.

Juergen Esser, *Chief Financial Officer*

Thank you. Thank you to all of you. Thank you for listening this morning. Great results for Q3, and we look forward to engage with you over the coming weeks. Have a great day.