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# DANONE AT A GLANCE

INVESTOR RELATIONS – NOVEMBER 2024

# AGENDA

**1. DANONE, A GLOBAL LEADER  
WITH A UNIQUE PORTFOLIO**

**2. DANONE OPENS THE NEXT CHAPTER  
OF ITS RENEW STRATEGY**

**3. LATEST RESULTS: CONSISTENTLY  
DELIVERING QUALITY GROWTH**



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# OUR STARTING POINT: OUR MISSION

BRINGING HEALTH THROUGH FOOD TO AS MANY PEOPLE AS POSSIBLE

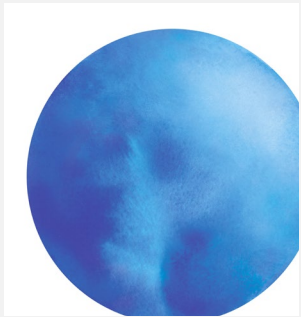


2006: MAKING HEALTH OUR MISSION



# A GLOBAL LEADER WITH A UNIQUE PORTFOLIO IN FOOD & BEVERAGES

THREE HEALTH-FOCUSED CATEGORIES WITH A BALANCED GEOGRAPHICAL FOOTPRINT



**27.7bn**

2023 net sales



**52%**



**31%**



**17%**

**EUROPE**

**34%**

**NORTH AMERICA**

**25%**

**CHINA, NORTH ASIA & OCEANIA**

**13%**

**LATIN AMERICA**

**10%**

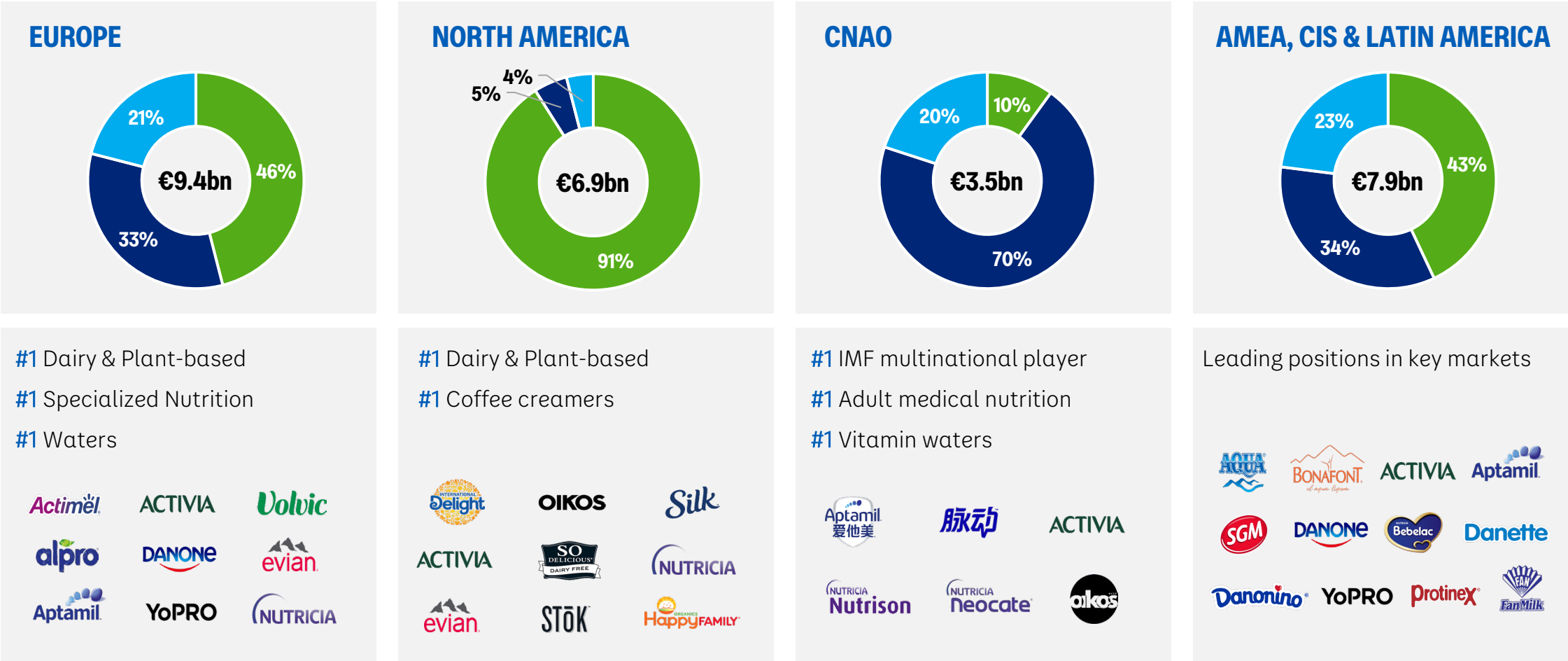
**REST OF THE WORLD**

**18%**

# A UNIQUE BASE OF ASSETS

## BRANDS, GEOGRAPHICAL MIX AND MARKET POSITIONS

EDP Specialized Nutrition Waters



Note: data as of FY2023; EDP Russia excluded from Danone’s sales from July 2023



# WE PLAY AT THE HEART OF THE HEALTHY FOODS MOVEMENT

DANONE IS UNIQUELY GEARED TO KEY CONSUMER TRENDS

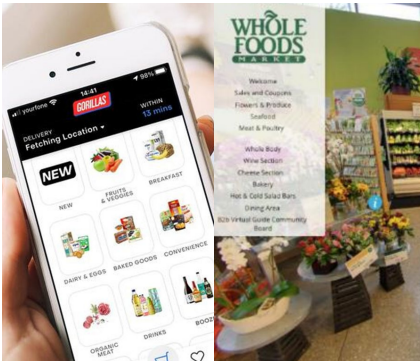
## STRUCTURAL CONSUMER MEGA-TRENDS



HEALTH



SUSTAINABILITY



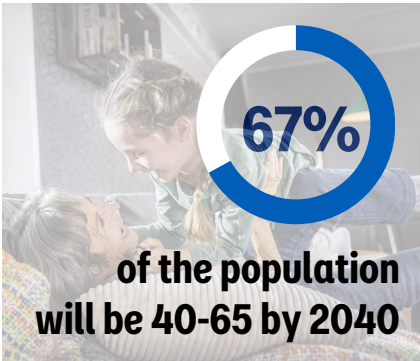
DIGITAL



LOCALIZATION



URBANIZATION



AGEING POPULATION

## TRENDS AMPLIFIED & ACCELERATED BY COVID



HEALTH, IMMUNITY  
AND INDULGENCE



RENEWED FOCUS  
ON SUSTAINABILITY



ECOM &  
DIGITALIZATION



FLEXIBLE LIVES,  
AT HOME AND AT WORK

# DAIRY PLAYS A UNIQUE ROLE IN PEOPLE’S LIFE

## KEY CONSUMER TRENDS



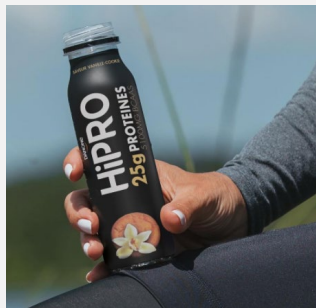
IMMUNITY



GUT HEALTH



INDULGENCE



PROTEIN FOR  
PLEASURE, HEALTH &  
PERFORMANCE

> 60% OF DAIRY REVENUES  
ADDRESS HIGH GROWTH SEGMENTS

Actimel®

OIKOS®

ACTIVIA®

TWO GOOD™

YoPRO



Danette

## OUR PRIORITIES

Lead the renewed momentum of Dairy in Immunity, Gut Health and Indulgence

Make the most of our Essential and Traditional portfolios in Developed and Emerging markets



# WE LEAD THE DAIRY ALTERNATIVE PROTEIN MOVEMENT

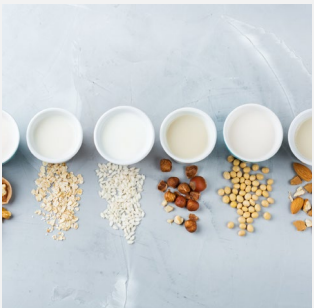
## KEY CONSUMER TRENDS



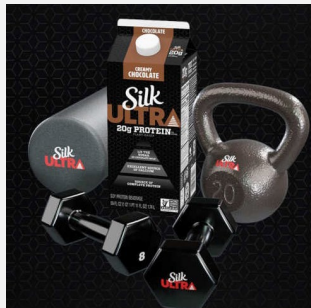
**PLANT-BASED  
BEVERAGES**



**ALTERNATIVES  
TO DAIRY**



**INGREDIENT-LED  
VERTICALS**



**BENEFIT-LED RECIPES**

## #1 PLAYER GLOBALLY

~60% of revenues in Beverages

~40% of revenues in Yogurt, Ice Cream,  
Cheese



## OUR PRIORITIES

Profitably grow  
the category,  
leveraging our  
scale

Take advantage of  
our versatile  
portfolio and our  
multi-category /  
multi-ingredient  
expertise to lead  
the category

# WE MAKE A MATERIAL DIFFERENCE TO PEOPLES' HEALTH

## KEY CONSUMER TRENDS



**CONDITIONS  
PREVALENCE**



**ADULT  
NUTRITION**



**NATURALITY**



**DIGITALIZATION AND  
CONVENIENCE**

**~40% OF SN REVENUES IN SPECIAL  
PEDIATRICS & ADULT NUTRITION**

**UNIQUE ASSETS IN CORE  
INFANT NUTRITION**

Science leadership & trusted brands

Market access and journey management



**Fortimel**  
**neocate®**

**Nutrison**  
**Fortini**

## OUR PRIORITIES

Drive added value  
mixes

In China, play a  
leading role in  
current market  
consolidation

Offer the best  
medicalized  
solutions during  
life cycle, from  
Infant to Adult

# WE LEAD HEALTHY HYDRATION WITH A UNIQUE MIX OF PREMIUM BRANDS AND DEEP REACH IN EMERGING MARKETS

## KEY CONSUMER TRENDS



ACCESS TO HEALTHY HYDRATION EVERYWHERE



HEALTHY/HEALTHIER REFRESHMENT

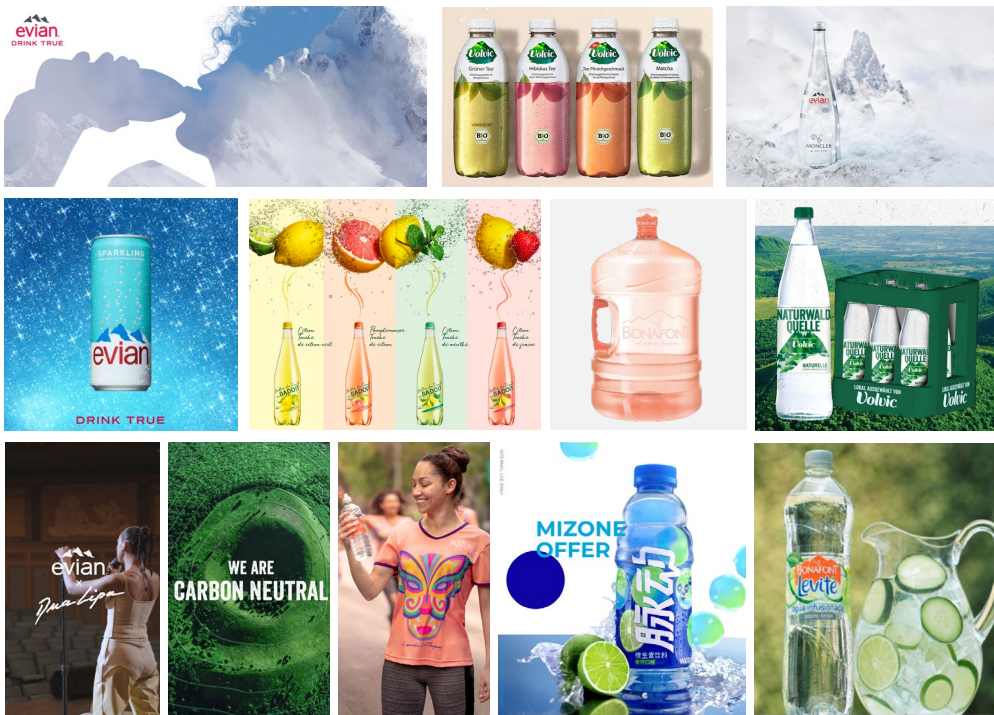


FUNCTIONALITY



SUSTAINABILITY

UNIQUE PREMIUM BRANDS IN DMs<sup>1</sup>  
PROFITABLE & LEADING REACH IN EMs<sup>2</sup>  
96% OF REUSABLE, RECYCLABLE PACKAGING



## OUR PRIORITIES

Provide access to safe drinking water, everywhere and for each occasion

In Developed markets and China, expand our Premium brands across segments, occasions and channels

In Emerging markets, leverage our unique access to consumers

1. Developed Markets; 2. Emerging Markets



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OF ITS **RENEW STRATEGY**

3. LATEST RESULTS: CONSISTENTLY  
DELIVERING QUALITY GROWTH

CHAMPIONS À TOUS  
LES ÂGES DE LA VIE





# MARCH 2022: RENEW DANONE NEW STRATEGIC PLAN

## FOUR STRATEGIC PILLARS

**01**

**Win where  
we are**

**02**

**Expand where  
we should be**

**03**

**Seed  
the future**

**04**

**Manage our  
portfolio**

## FOUR KEY ENABLERS

**CULTURE**

**CAPABILITIES**

**SUSTAINABILITY**

**COST COMPETITIVENESS**

**DO IT THE  
DANONE  
WAY**



**Certified**



**Corporation**

**ENTREPRISE À MISSION,**

# **JUNE 2024: DANONE OPENS THE NEXT CHAPTER OF ITS RENEW STRATEGY**

**01**

**REFLECT ON  
DANONE'S RADICAL  
TRANSFORMATION  
OF THE LAST 2 YEARS**

**02**

**TAKE STOCK THAT  
WE ARE NOW A  
TRULY DIFFERENT  
COMPANY**

**03**

**PROJECT OURSELVES  
INTO THE NEXT  
3-4 YEARS**

A background image of a mountain range with several sharp, snow-covered peaks. The sky is a soft, hazy pinkish-purple, suggesting a sunrise or sunset. The foreground shows a snowy slope.

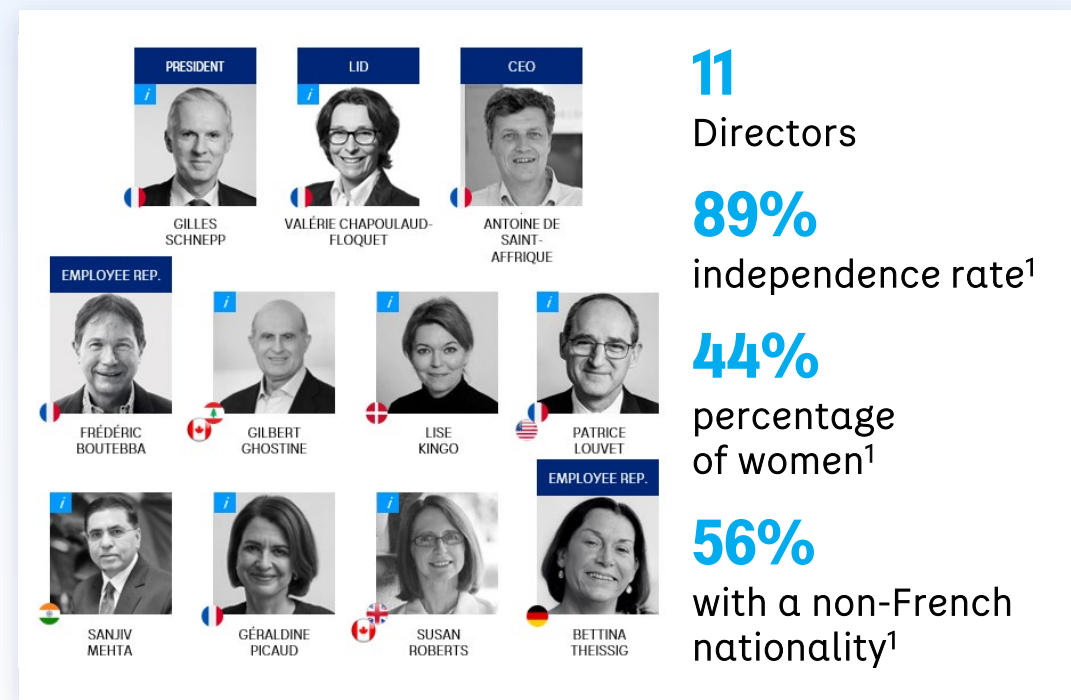
**01**

# **REFLECTING ON THE RADICAL TRANSFORMATION OF THE LAST 2 YEARS**

# TWO YEARS OF RADICAL TRANSFORMATION

## STARTING WITH OUR GOVERNANCE

### A renewed Board of Directors



### Active across dimensions

Shareholder engagement

Strategy, risk mgt, sustainability

Performance and delivery, portfolio

Incentives, talent and governance

### Bringing decisive support

Portfolio management and rotation

Incentive schemes evolution

Volatility and crisis management



Independent Directors

1. Directors representing employees are not included in this calculation



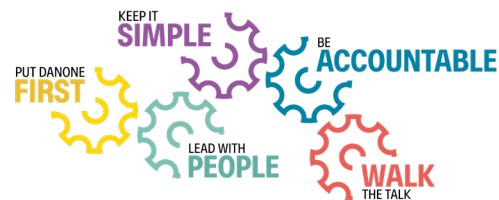
# TWO YEARS OF RADICAL TRANSFORMATION

DRIVING A MAJOR CULTURAL SHIFT, SHAPING A PERFORMANCE-ORIENTED,  
PROBLEM-SOLVING ORGANIZATION

## Stronger leadership team



## Performance culture and constructive dissatisfaction mindset



## Greater operational intensity



# TWO YEARS OF RADICAL TRANSFORMATION

DRIVING A MAJOR CULTURAL SHIFT, RECONNECTING PURPOSE WITH PERFORMANCE

## Focused



## Strategy driven

Focused on Impact  
Embedded in business

## Transformational

Methane & Agriculture  
Water & Energy  
People

# TWO YEARS OF RADICAL TRANSFORMATION

REBUILDING DISTINCTIVE CAPABILITIES

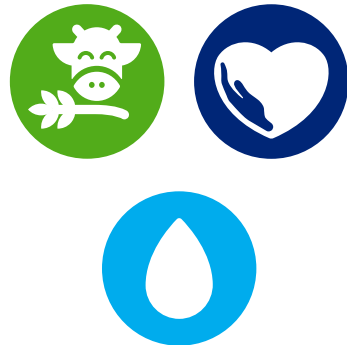
## Operations and R&I

Differentiating capabilities

Leveraging the ecosystem






## Category thought leadership



## Marketing & Sales execution



## Data, Digital and Artificial Intelligence

-  GenAI enabled segmentation
-  GenAI enabled customer care
-  Factory digitalization

WHILE DRIVING A CONSUMER-CENTRIC, CUSTOMER-FOCUSED, RESULTS-ORIENTED CULTURE

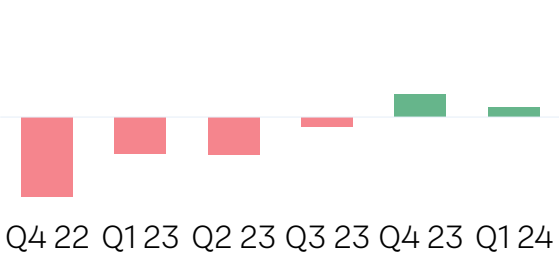
# TWO YEARS OF MATERIAL PROGRESS

DRIVING OUR CORE, FIXING OUR UNDERPERFORMERS AND BOOSTING OUR WINNERS

## Driving our Core



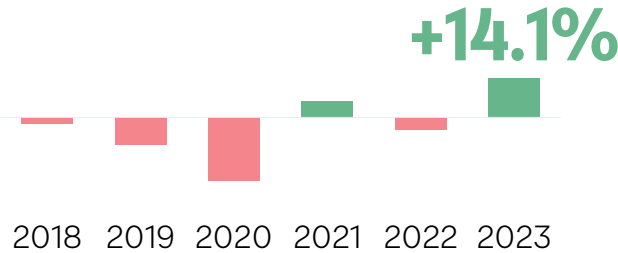
EDP vol/mix quarterly evolution



## Fixing our Underperformers



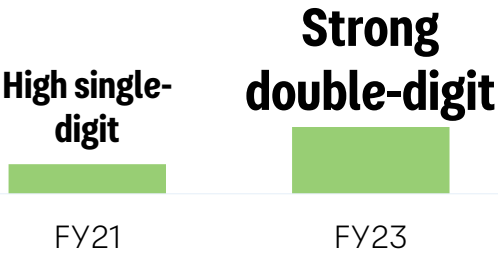
Mizone like-for-like sales growth



## Boosting our Winners



Winners' av. like-for-like sales growth





# WE PROVED OUR MODEL UNDER PRESSURE

DELIVERING ON OUR TARGET BUSINESS MODEL TO RECONNECT WITH TRUE PERFORMANCE

**Improving  
competitiveness**

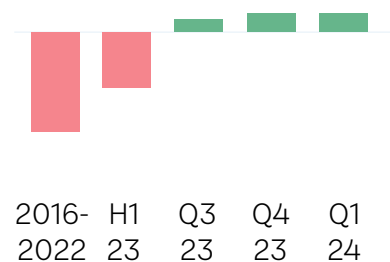
+

**Rebalancing  
our growth model**

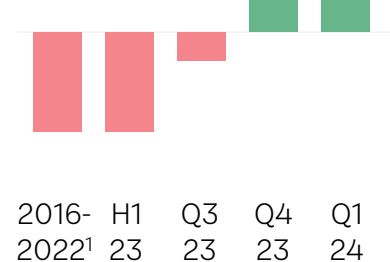
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**Connecting with a self-  
financing growth model**

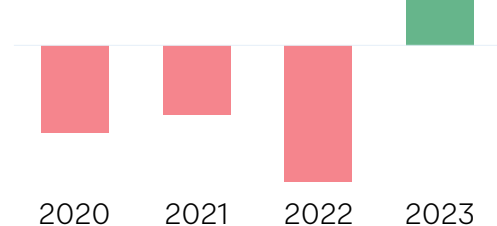
Danone value market share



Danone vol/mix evolution



Danone gross margin <sup>2</sup>



**Reconnecting  
with performance**

**+7.1%**

av. 2022-2023 LFL growth

**€2.6bn**

FY23 Free cash flow

# WE PROVED OUR MODEL UNDER PRESSURE

WHILE DEEPLY TRANSFORMING THE COMPANY

## Strengthening our portfolio, starting with a deep pruning of our assets

Disposal and deconsolidation of non- strategic assets



Selected bolt-on value adding acquisitions in-line with strategy



## Taking no shortcuts to address long-term structural issues

Breaking Research and Innovation silos



Bridging Operations and Supply Chain gaps





02

# **A RADICALLY RENEWED COMPANY**

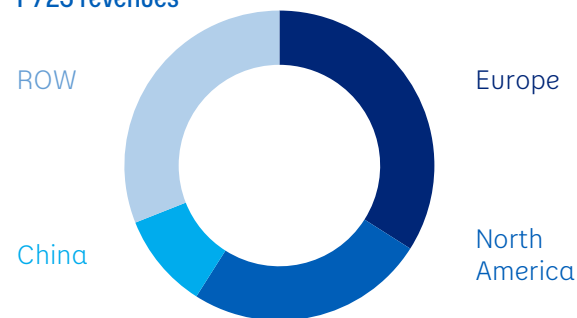
# WE ARE A STRONGER COMPANY TODAY, READY FOR MORE

WITH CLEAR ROLES ASSIGNED TO EACH CELL, MORE DIVERSIFIED AND DIFFERENTIATED

## Geographic footprint

Balanced, with clear roles assigned to each zone

FY23 revenues



## Channel footprint

Diversified and intentionally driven towards more valorized channels

Strategic channels<sup>1</sup>  
**more than 50%**  
of FY23 sales



1. Include away from home, Impulse and on the go, Pharmacies, Hospitals and Homecare channels

## Portfolio differentiation

Actively strengthened by portfolio choices and intentional resource allocation

**c. €1bn in High Protein**  
vs 400m in FY21

**> €1bn exited from  
Fresh Milk**



01

02

03



MARKETS PLAY TO WHAT MAKES US

# UNIQUE

**OUR  
FOCUS ON  
HEALTH**

**OUR  
UNIQUE  
SCIENCE**

**OUR  
CATEGORIES  
AND BRANDS**






# OUR TURN TO PLAY!

DANONE, OFFICIAL PARTNER  
OF PARIS 2024

03

**OPENING THE NEXT CHAPTER OF OUR  
VALUE CREATION JOURNEY**





# RENEW DANONE

## NEXT CHAPTER



01

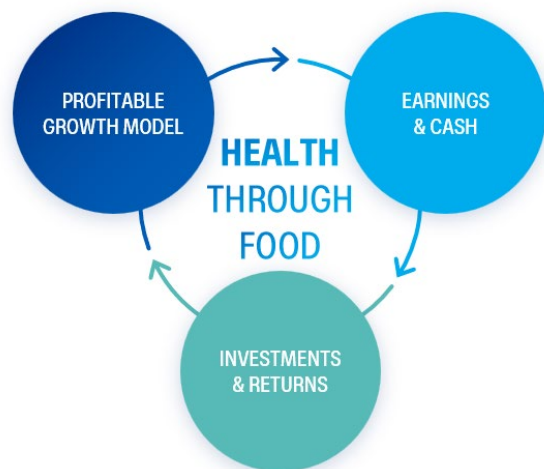
02

03

# BECOMING A VALUE COMPOUNDER

BY CONSISTENTLY DELIVERING ON A LONG-TERM BUSINESS MODEL

## Committed to a long-term business model



## Our 2025-2028 Guidance

LFL Sales growth

**+3% to +5%**

Recurring operating income

**Growing faster than topline**

## Our Ambition

Drive towards

**€3bn  
free cash flow**

Structurally double-digit

**ROIC**



01

02

03



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# A STRONG H1 2024

DELIVERING QUALITY GROWTH AND RESULTS

**+4.0%**  
**LFL SALES  
GROWTH**

Broad-based growth

**+2.1%**  
**VOLUME/MIX**

Rebalancing  
our growth model

**+257 BPS**  
**MARGIN FROM  
OPERATIONS**

**+45 BPS**  
**RECURRING  
OPERATING  
MARGIN**

**+2.6%**  
**RECURRING  
EPS**

**€1.2 BN FREE  
CASH FLOW**



# CONTINUED STRONG MOMENTUM IN Q3 2024

BROAD-BASED GROWTH ACROSS GEOGRAPHIES



**+4.2%**

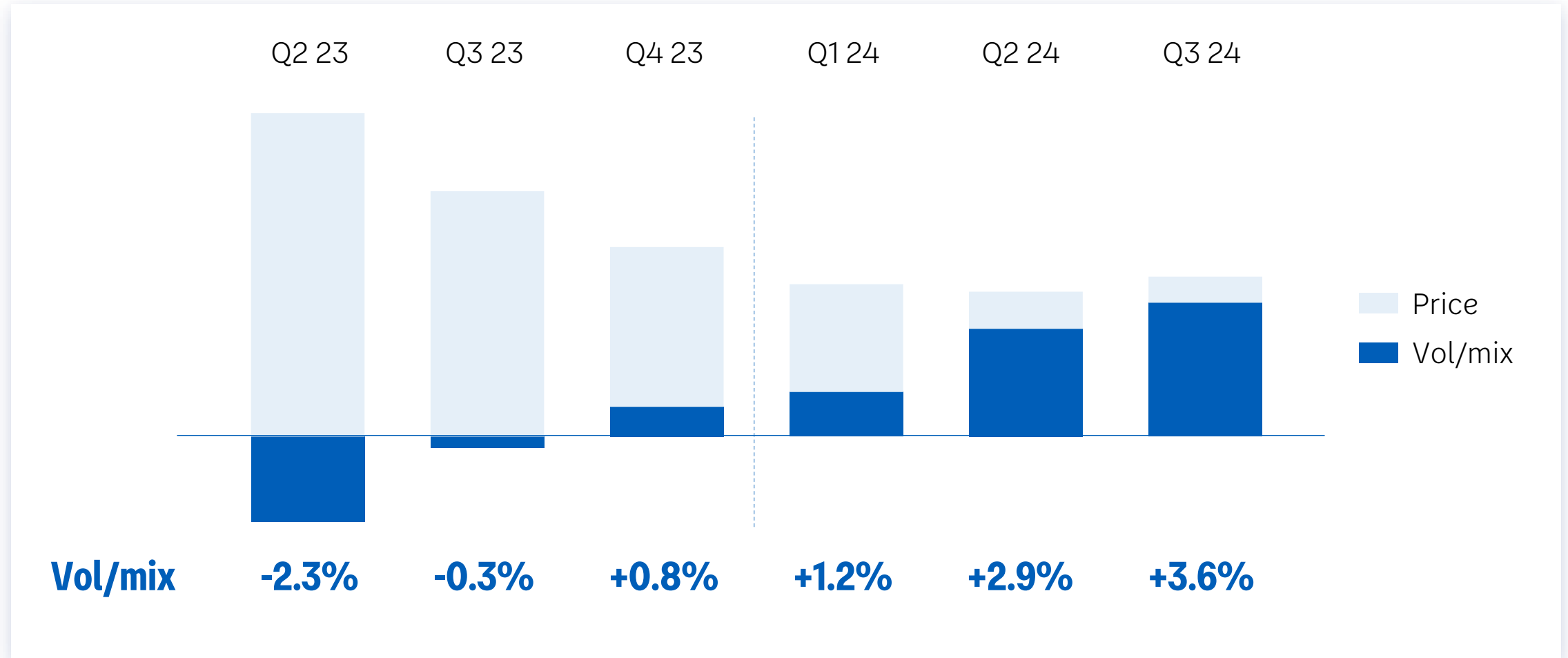
LFL sales growth

NORTH AMERICA	+5.8%
EUROPE	+1.4%
CHINA, NORTH ASIA & OCEANIA	+8.0%
LATIN AMERICA	+2.7%
REST OF THE WORLD	+6.0%

Note: all data in like-for-like

# 5<sup>TH</sup> QUARTER OF SEQUENTIAL QUALITY IMPROVEMENT

INCREASING CONTRIBUTION FROM VOLUME/MIX, WHILE PRICE REMAINS RESILIENT





## 2024 GUIDANCE CONFIRMED



LFL sales growth  
**+3% to +5%**

Recurring operating margin  
**Moderate improvement**