



DANONE
ONE PLANET. ONE HEALTH

Q1 2021 SALES

Investor call

April 20th, 2021

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- This presentation contains certain forward-looking statements concerning Danone. In some cases, you can identify these forward-looking statements by forward-looking words, such as “estimate”, “expect”, “anticipate”, “project”, “plan”, “intend”, “objective”, “believe”, “forecast”, “guidance”, “outlook”, “foresee”, “likely”, “may”, “should”, “goal”, “target”, “might”, “will”, “could”, “predict”, “continue”, “convinced” and “confident,” the negative or plural of these words and other comparable terminology. Forward looking statements in this document include, but are not limited to, predictions of future activities, operations, direction, performance and results of Danone.
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- All references in this presentation to Like-for-like (LFL) changes, recurring operating income, recurring operating margin, recurring net income, recurring income tax, recurring EPS and free cash flow correspond to financial indicators not defined in IFRS. Please refer to the financial press releases issued by the Company for further details on IAS29 (Financial reporting in hyperinflationary economies), the definitions and reconciliation with financial statements of financial indicators not defined in IFRS. Finally, the calculation of ROIC and Net Debt /Ebitda is detailed in the annual registration document.
- Due to rounding, the sum of values presented in this presentation may differ from totals as reported. Such differences are not material.

Q1 2021

Key highlights – Business delivery

Q1 2021 AT -3.3% LIKE-FOR-LIKE VS LY – LAST QUARTER OF DECLINE

- Lapping of exceptional Q1 2020 panic buying and pantry loading in Europe, North America and China
- Last quarter of full negative effects related to Covid on Danone baseline

CONFIRMED AREAS OF STRENGTH ACROSS THE PORTFOLIO

- Sustained performance momentum in developed markets for EDP, especially on the Plant-based, Probiotics and Protein platforms, but also in Indulgence
- Accelerated growth in Adult and Medical Nutrition portfolio while Infant Nutrition still impacted by China cross-border
- Sequential and gradual improvement in Waters driven by Europe

Q1 2021

Key highlights – Local First implementation progressing

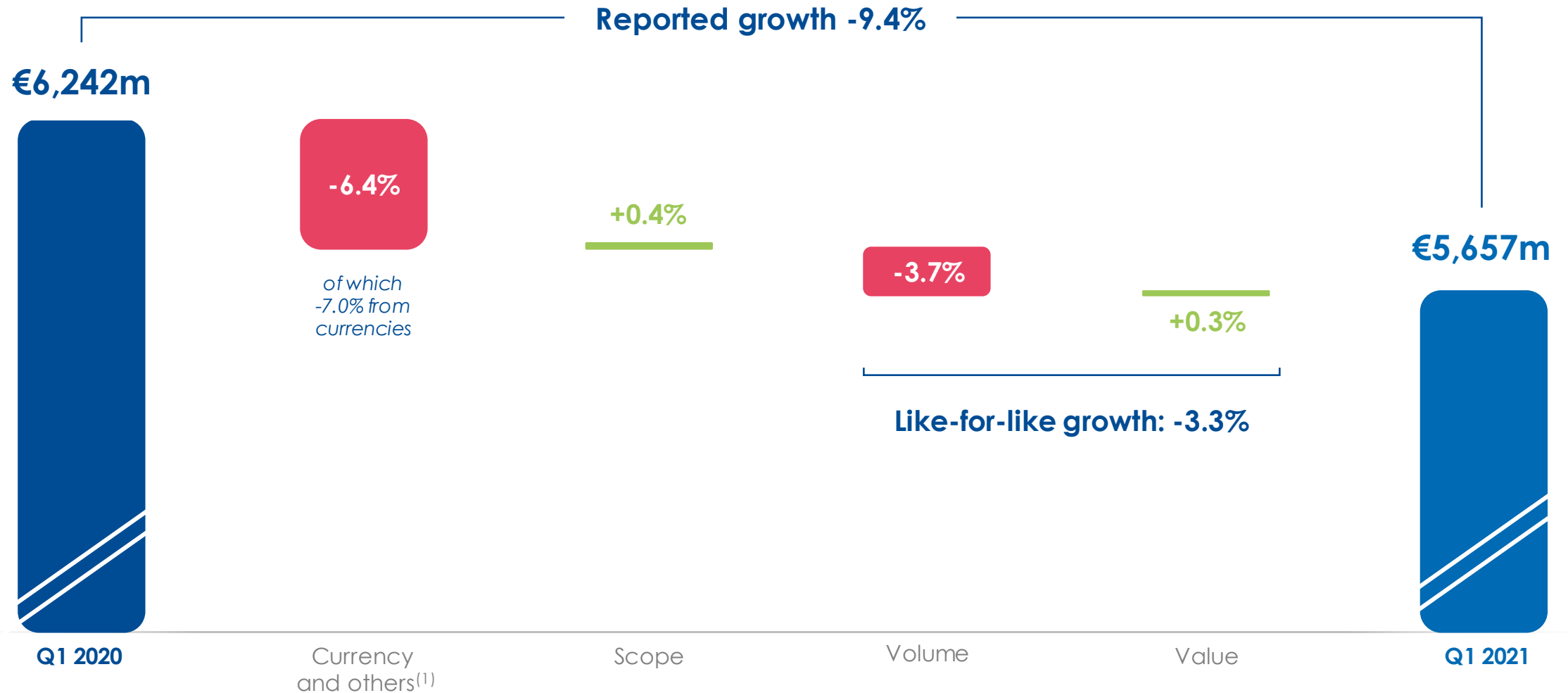
**Successful execution
in North America:
*Transform to Win***

**Key milestones
achieved in
Europe**

**Continued
focus on
business
delivery**

Q1 2021 sales bridge

LFL sales decline -3.3%; reported sales significantly impacted by adverse FX

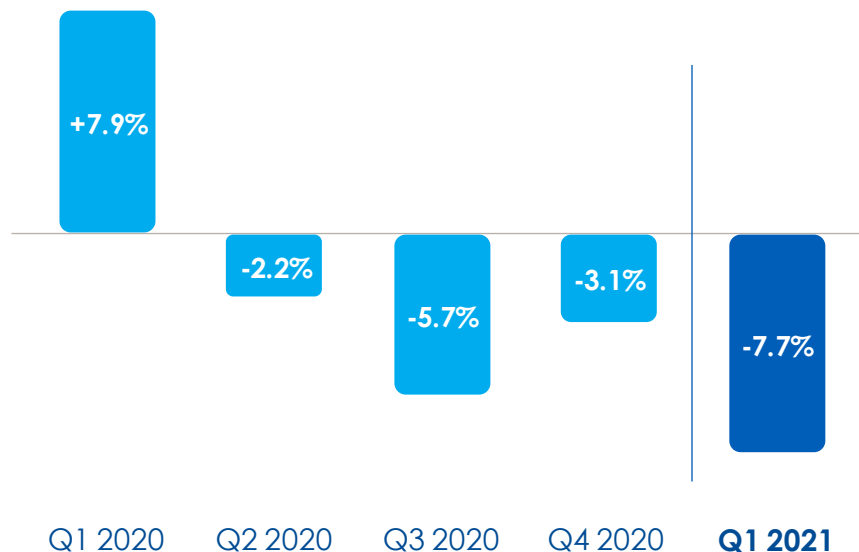




Specialized Nutrition

Strength in Adult; Infant Nutrition still impacted on China cross-border channels

Quarterly LFL sales growth



Q1 developments

Adult Nutrition

- Continued growth led by China
- Acceleration on Healthy ageing: *Fortifit* & *Protinex* geographic expansion

Infant Nutrition

- China: steep double-digit decline driven by a -45% decline of cross-border channels while Domestic channels confirmed growth momentum
- Europe: resilient market share performance amid continued soft category dynamics
- Rest of the World: continued solid performance and share gains led by South-East Asia and Middle East



Specialized Nutrition

Leveraging portfolio breadth and innovation to win on infant milks

Valorization

Organic



A2



New food forms



Journey extension

Family and Kids Milks



Journey extension

Cereals





Specialized Nutrition

Two new *Nutrilon* innovations launching soon, with exclusive route-to-markets

NUTRIBLISS

AUSTRALIAN GRASS-FED MILK TO
NURTURE CHINESE BABIES' VITALITY -
Made in Qingdao



Local Mum & Baby Stores
Low Tier Cities Exclusive



PLANT BASED

NATIVE PLANT BASED PROTEIN
FOR EASY DIGESTION

First Ultra-premium
Plant-based offer in
key national channels





Essential Dairy & Plant-based

Sustained performance momentum driven by Europe and North America

Quarterly LFL sales growth



Q1 developments

Solid growth in Europe and North America

- Driven by Plant-based, Probiotics and Protein, but also Indulgence
- Largest sales quarter ever in North America despite high base of comparison; broad multi-category growth
- Broad-based market share gains in Europe led by *Alpro*, *Actimel*, *YoPro* and *Danette*

Flat quarter in Rest of the world

- Soft CIS dynamics, first signs of improvement in Latam and Africa

Double-digit growth in Plant-based despite high base of comparison



Essential Dairy & Plant-based

Europe: accelerating on priority platforms – Probiotics, Protein and Indulgence

Probiotics and Immunity



*Naturally sweet, Plant-based,
no added sugar*



No added sugar

Protein



Indulgence





Essential Dairy & Plant-based Europe: accelerating on priority platforms – Plant-based

White Indulgence



Coffee creations



Performance





Essential Dairy & Plant-based

North America: strong progress on both winning and acceleration platforms

Re-inventing Yogurt portfolio

Restaging Greek
core & scaling
Two Good



Accelerating
wellness
leadership



Scaling
'dairy like'
Plant-based



Re-staging Plant-based competitiveness

Almond
differentiation
& brand building



Soy benefit
led reframe



Oat full
brand & product re-stage





Essential Dairy & Plant-based North America: strong progress on both winning and acceleration platforms

Accelerating on Coffee

Recruit & new occasions
core, zero, seasonals
expanding Plant-based



Accelerating
multi-serve

Single-serve launch
and scale



Profitable Premium Dairy leadership

Organic
differentiation
Horizon 2.0



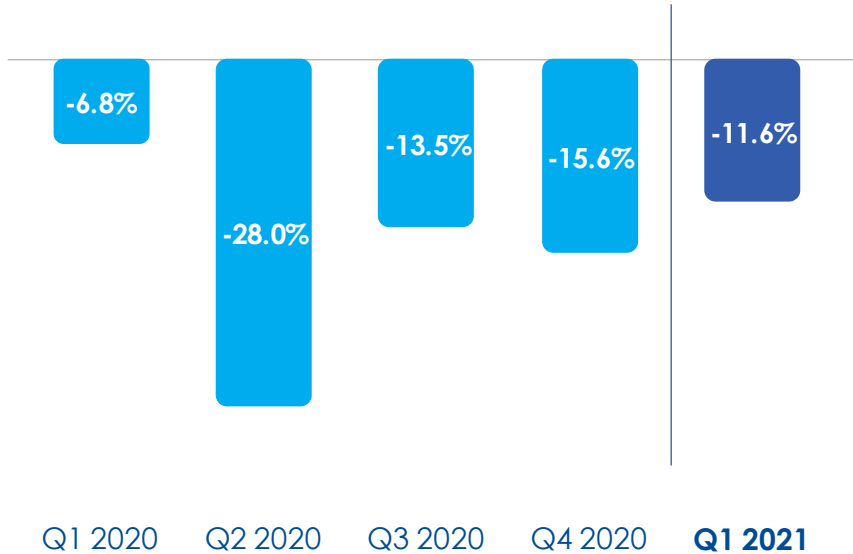
Profitable brand stretch
Revenue Growth
Management &
Portfolio occasion
expansion



Waters

Sequential and gradual improvement; mobility still below pre-covid levels

Quarterly LFL sales growth



Q1 developments

Sequential and gradual improvement; mobility still below pre-covid levels

- Mobility restrictions still impacting away from home consumption

Europe gradually improving to high single -digit decline

- Continued resilience of at home formats and market share strength in key markets (France, Germany, Poland)

China: Mizone back to growth, in line with Q4 20, still on a small quarter

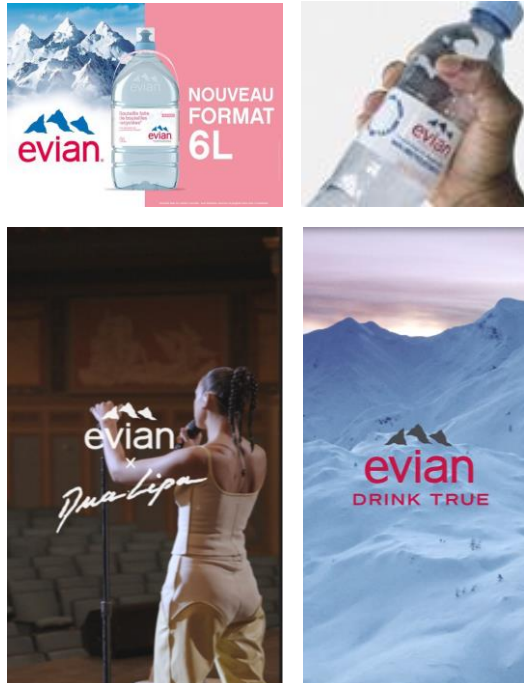
Indonesia and Latin America still declining steep double-digit



Waters

Focusing on core and adjacencies while exploring new models

Core acceleration



Adjacent innovation



New models



Entering the local returnable glass segment Germany



DANONE ONE PLANET. ONE HEALTH

Continued progress

On Danone's responsible value creation agenda

B Corp journey



Certification



Recertification

Planetary diets



Climate change



Life Cycle Assessment
done

Key step towards
being Carbon Positive
by 2025

Packaging circularity



From PS to PET

2021 Outlook

2 phase year, return to profitable growth as of H2

Macro outlook

Despite short-term uncertainties, gradual reopening of economies assumed starting from H2, driven by progressive roll-out of vaccination programs

Broad-based acceleration of inflation on milk, ingredients, packaging and logistics

Danone guidance

Back to like-for-like growth as of Q2

Back to profitable growth in H2

FY recurring operating margin expected broadly in line with 2020









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Q1 2021 SALES

Appendix

Q1 2021 sales by reporting entity – breakdown volume/value

	By reporting entity				By geographical area	
	 Company	 Essential Dairy & Plant-based	 Specialized Nutrition	 Waters	 Europe & Noram	 Rest of the World
Q1 net sales	€5,657m	€3,149m	€1,719m	€790m	€3,273m	€2,384m
Like-for-like growth	-3.3%	+1.6%	-7.7%	-11.6%	-2.8%	-4.2%
Volume	-3.7%	+0.5%	-7.0%	-11.2%	-2.7%	-4.2%
Value	+0.3%	+1.1%	-0.7%	-0.4%	-0.1%	-0.0%

Q1 2021 sales by reporting entity and by geographical area

	 Essential Dairy & Plant-based	 Specialized Nutrition	 Waters	 Company
 Europe and Noram Sales <i>LFL growth</i>	€2,217m +2.2%	€709m -12.1%	€347m -11.6%	€3,273m -2.8%
 Rest of the world Sales <i>LFL growth</i>	€932m +0.1%	€1,009m -4.3%	€442m -11.5%	€2,384m -4.2%
 Company Sales <i>LFL growth</i>	€3,149m +1.6%	€1,719m -7.7%	€790m -11.6%	€5,657m -3.3%














Q1 2021 impact of currencies & scope

Q1 2021	Essential Dairy & Plant-based	Specialized Nutrition	Waters	Total
Reported sales growth	-6.4%	-11.8%	-14.9%	-9.4%
Contribution to growth from hyperinflation geographies ⁽¹⁾	+0.3%	+0.3%	+0.6%	+0.4%
Currency and others ⁽²⁾	-8.4%	-4.6%	-6.4%	-6.8%
IAS 29 impact	+0.1%	+0.1%	+0.1%	+0.1%
Scope	-	+0.1%	+2.3%	+0.4%
Like-for-like sales growth	+1.6%	-7.7%	-11.6%	-3.3%

(1) Includes IAS 29 and contribution to growth from hyperinflation geographies

(2) Excluding IAS29 impact

Changes in exchange rates

	% total Q1 2021	Q1 21 vs Q1 20 (avg)
 United States Dollar	22.2%	-8.5%
 Chinese Renminbi	6.2%	-1.4%
 Indonesian Rupiah	6.1%	-8.1%
 Russian Ruble	5.7%	-17.4%
 British Pound	5.3%	-1.3%
 Mexican Peso	3.8%	-10.1%
 Polish Zloty	2.6%	-4.9%
 Brazilian Real	2.5%	-25.5%
 Turkish Lira	1.9%	-24.4%
 Argentine Peso	1.7%	-36.6%
 Australian Dollar	1.5%	+7.7%
 Japanese Yen	1.4%	-6.1%
 Hong Kong Dollar	1.2%	-8.3%

