



# FULL YEAR RESULTS 2019

STRONG PROGRESS ON PROFITABLE GROWTH IN 2019

2020: INVESTMENT TO ACCELERATE CLIMATE ACTION OF OUR BRANDS AND STRENGTHEN OUR GROWTH MODEL

## SALES

**+2.6%** €25.3 bn

## RECURRING OPERATING MARGIN

**+76 bps<sup>(1)</sup>** 15.2%

## FREE CASH-FLOW

**9.9%** of net sales €2.5 bn

## 2019 PERFORMANCE ALIGNED TO OUR BUSINESS, BRAND AND TRUST MODEL

Committed to responsible value creation

2030  
GOALS

### OUR BRAND MODEL

### OUR BUSINESS MODEL

### OUR BRAND MODEL

### OUR TRUST MODEL

Earnings  
delivery

**+8.3%**

recurring EPS growth  
in 2019

Recognized superior  
environmental  
performance

**AAA**

CDP ranking  
among top-6 worldwide

Unlocking  
people power

**>86%<sup>(2)</sup>**

strong sustainable  
employee engagement

## 2019 KEY HIGHLIGHTS

### 2019, a year of progress

- ✓ Strong recurring EPS growth: +8.3% at €3.85
- ✓ 2019 sales: acceleration throughout the year (+4.1 % in Q4 like-for-like) with all businesses growing
- ✓ Strong recurring operating margin improvement with continued record productivity and savings

### Leading the battle against climate change

- ✓ Peak of full scope carbon emissions reached in 2019, five years ahead of initial plans and commitments
- ✓ First step to provide visibility into the cost of carbon emissions to earnings with a "carbon-adjusted" EPS
- ✓ Investment to accelerate climate action of our brands and strengthen our growth model: €2bn over 2020-2022 on brands, agriculture, packaging and digitalization



## CHAIRMAN AND CEO COMMENT

2019 has been a year of strong progress for Danone both on the delivery and the transformation of our company.

We have seen over the past 12 months a shifting point in attitudes and expectations towards climate and nature issues. We are convinced that there is an urgent and significant opportunity to put climate actions even more at the core of our business model.

To this effect, we are thrilled to announce a €2bn climate acceleration plan today which in the next 3 years will transform further our agriculture, energy and operations, packaging, and digital capabilities so that we will leverage fully our climate action to generate resilient growth models for our brands.

Emmanuel Faber

## 2020 GUIDANCE AND MID-TERM OBJECTIVES

Recurring EPS growth	LFL sales growth	Recurring operating margin	Recurring EPS growth	LFL sales growth	Net debt/EBITDA
Mid single digit	2% - 4%	> 15%	Mid-to-high single digit	3% - 5%	2.5x - 3.0x range
2020			MID-TERM		

<sup>1</sup> On a reported basis | <sup>2</sup> % of Danone people saying "I will work beyond what is required in my job to help Danone succeed."

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	WATERS	SPECIALIZED NUTRITION	ESSENTIAL DARIY & PLANT-BASED
NET SALES	€4.6 bn	€7.6 bn	€13.2 bn
CHANGE <sup>(3)</sup>	+1.5%	+5.8%	+1.1%
RECURRING OPERATING MARGIN	13%	25.3%	10.2%
CHANGE <sup>(4)</sup>	+219 bps	+49 bps	+13 bps

## WE INVEST TO ACT NOW:

Accelerating climate action of our brands and strengthening our growth model

2020-2022

around

€2bn

accelerated investment  
of which ~€900m  
on Packaging



DIETS AND  
AGRICULTURE



PACKAGING  
CIRCULARITY



DIGITAL  
END TO END

## PACKAGING CIRCULARITY



100% rPET in Europe by 2025,  
starting with France, UK and  
Germany in 2020<sup>(5)</sup>



Innovating beyond plastic  
and beyond single-use: glass,  
metal and carton, home and  
new on-the-go models



Zero polystyrene worldwide  
by 2025, in Europe by 2024: PET  
and rPET, PLA and paper and in  
Alpro by 2021: paper-cup, cartons  
and rPET bottles

<sup>3</sup> Like-for-like

<sup>4</sup> On a reported basis

<sup>5</sup> evian and Volvic will act to offer, starting from April 2020, 100% rPET bottles:

Volvic full range in Germany, all evian and Volvic small and XXL formats in France, and all evian on the go formats in the UK

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