
DANONE
ONE PLANET. ONE HEALTH
CME
evian
Antoine de Saint-Affrique
Chief Executive Officer

OBJECTIVES

OF THE DAY

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

01

REFLECTING ON THE RADICAL TRANSFORMATION OF THE LAST 2 YEARS

OUR STARTING POINT TWO YEARS AGO

GOOD ASSETS, STRUCTURAL UNDERPERFORMANCE, TRIPLE RESET NEEDED

MY STARTING POINT

FACING THE REALITY

	BUT...
WE OPERATE IN HEALTHY, ON-TREND AND GROWING CATEGORIES	WE HAVE UNDERPERFORMED OUR CATEGORIES AND PEERS
WE HAVE A STRONG PORTFOLIO OF BRANDS AND ASSETS	WE LACKED CONSISTENCY IN GUIDANCE AND DELIVERY
WE HAVE A UNIQUE HERITAGE	OUR ORGANIZATION AND DISCLOSURE HAVE BEEN UNSTABLE

IN SUMMARY

WE HAVE WHAT IT TAKES, WE NEED TO FOCUS ON IT

- Our categories are on trend and offer growth and added value potential
- We have solid assets to build on, we can do a better job at leveraging them
- We can significantly step up our innovation and quality of execution
- We need to reinvest, in brand support and capabilities

A RESET IS NEEDED

Cultural | Executional | Financial

TWO YEARS OF RADICAL TRANSFORMATION

STARTING WITH OUR GOVERNANCE

A renewed Board of Directors

11
Directors

89%
independence rate[1]

44%
percentage of women[1]

56%
with a non-French nationality[1]

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

i 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

PARTNER 4GROWTH
FERMENTS DU FUTUR
CHR HANSEN
INRAE la science pour la vie, l'humain, la terre
WAGENINGEN UNIVERSITY & RESEARCH
MICHELIN

Category thought leadership

Marketing & Sales execution

Data, Digital and Artificial Intelligence

GenAI
enabled segmentation

salesforce
GenAI
enabled customer care

Factory
digitalization

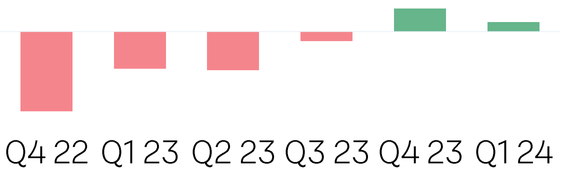
WHILE DRIVING A CONSUMER-CENTRIC, CUSTOMER-FOCUSED, RESULTS-ORIENTED CULTURE

TWO YEARS OF MATERIAL PROGRESS

DRIVING OUR CORE, FIXING OUR UNDERPERFORMERS AND BOOSTING OUR WINNERS

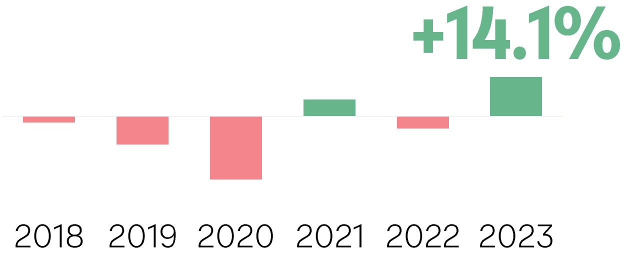
Driving our Core

EDP vol/mix quarterly evolution



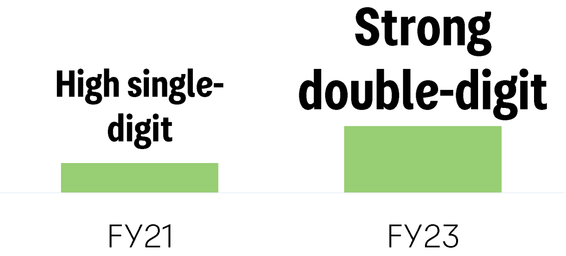
Fixing our Underperformers

Mizone like-for-like sales growth



Boosting our Winners

Winners' av. like-for-like sales growth



WHILE REMAINING CONSTRUCTIVELY DISSATISFIED

STILL MORE PROGRESS TO BE MADE

Not all businesses are where they should be

Plant-Based Beverages
Dairy in Emerging Markets

Our capability journey is far from over

Marketing and Sales execution
Operations | Process, Data & IT

We need to keep working on our culture

Faster, better, simpler

WE PROVED OUR MODEL UNDER PRESSURE

DELIVERING ON OUR TARGET BUSINESS MODEL TO RECONNECT WITH TRUE PERFORMANCE

Improving competitiveness

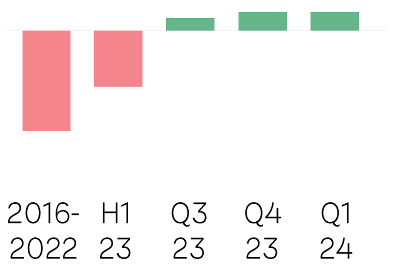
\+

Rebalancing our growth model

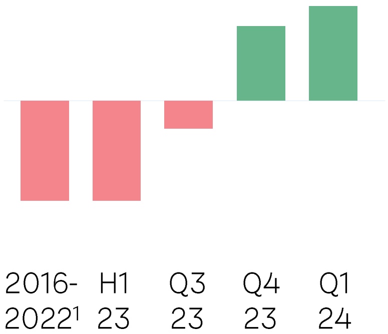
\+

Connecting with a self-financing growth model

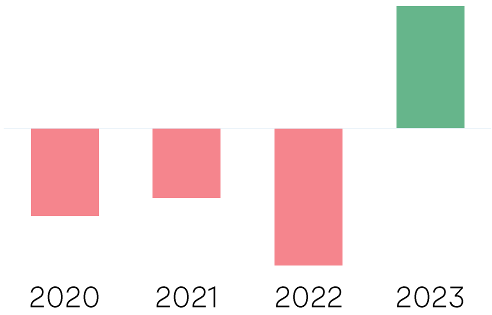
Danone value market share



Danone vol/mix evolution



Danone gross margin [2]



Reconnecting with performance

+7.1%

av. 2022-2023 LFL growth

€2.6bn

FY23 Free cash flow

1. Volumes only; 2. Margin from Operations

WE PROVED OUR MODEL UNDER PRESSURE

WHILE DEEPLY TRANSFORMING THE COMPANY

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

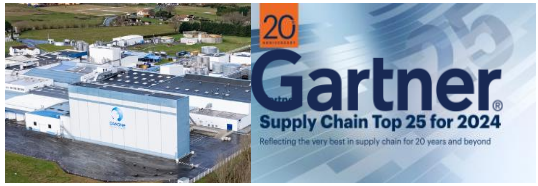
Disposal and deconsolidation of non- strategic assets

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

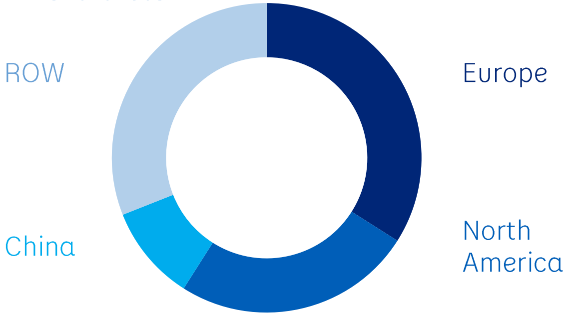
WE ARE A STRONGER COMPANY TODAY, READY FOR MORE

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[1]
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

MARKETS PLAY TO WHAT MAKES US

UNIQUE

OUR FOCUS ON HEALTH

OUR UNIQUE SCIENCE

OUR CATEGORIES AND BRANDS

WE HAVE THE HEALTHIEST PORTFOLIO OF THE SECTOR

89%

percentage of volumes sold from products scoring 3.5 stars or more in HSR[1]

1. Percentage calculated for EDP and Waters Categories. HSR algorithm considers negative components of the products that could potentially increase some health risks such as energy, saturated fat, sodium and total sugars. According to this system, any product that scores 3.5 stars or above can be confidently promoted as a healthy choice.

WHILE HEALTH AND NUTRITION ARE MORE INTERTWINED THAN EVER

CHANGES IN THE WAY WE EAT, AGE AND LIVE ARE STRUCTURAL TAILWINDS FOR DANONE

The world is growing older, but not getting any healthier

+550m 65+yo by 2040

c. 20m cancer patients p.a.

Nutrition can support health, but can also lead to NCDs [1]

c. 40% - prevalence of raised cholesterol

c. 30% - prevalence of overweight

Gut is the new brain impacting physical & mental health

70% of the immune system is based in the gut.

40% of adults suffer from Gut health issues of varying severity

1. Non-communicable diseases

AND WE HAVE A COMPETITIVE ADVANTAGE ON KEY EXTERNALITIES

VERSATILE PORTFOLIO, DISTINCTIVE CAPABILITIES AND FIRST MOVER ADVANTAGE

Towards a multipolar world

60%

of consumers desire to know more about the source of origin of the products they buy

Global and local brands reaching consumers and patients **at every price point, and at every relevant occasion**

Sustainable and resilient

1 in 2

of the world population with be facing water scarcity by 2025

Differentiating capabilities in Methane reduction, Regenerative Agriculture, Water management and Packaging

Flexitarian as the new norm

25%

consumers globally call themselves flexitarian

Unique expertise across plants combined with differentiating fermentation, biotech and nutrition capabilities

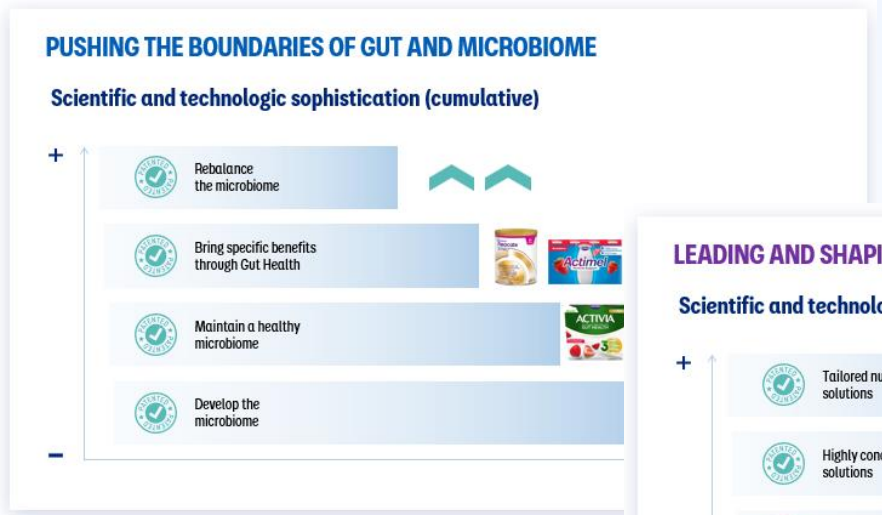
OUR CUTTING-EDGE SCIENCE IS A UNIQUE ASSET

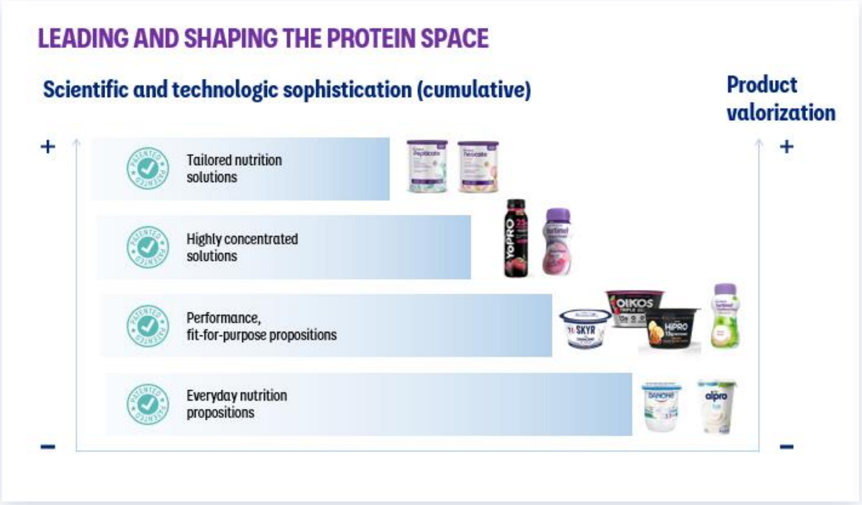
BRIDGING HEALTH AND CONSUMER GOODS ON KEY BENEFIT PLATFORMS

- Everyday nutrition & hydration
- Children's Growth
- Immunity & Allergy
- Gut Health
- Physical Performance & Recovery
- Metabolic Health
- Mental Well-being & Brain Health

AND WE ARE INCREASINGLY LEVERAGING IT ACROSS CATEGORIES

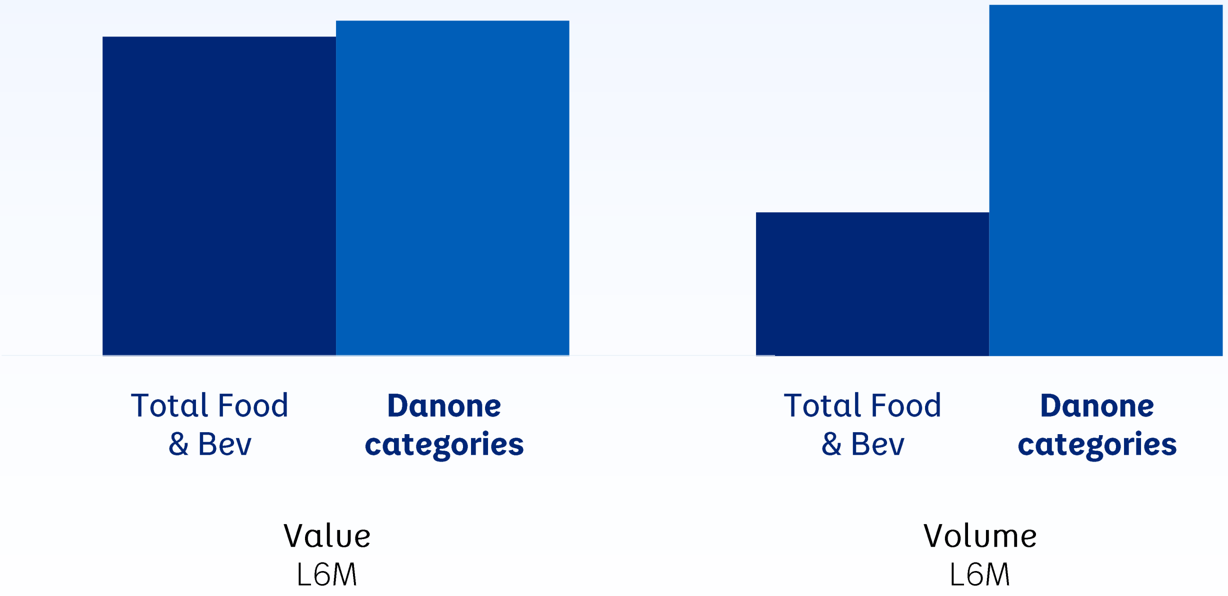
THE EXAMPLES OF GUT & MICROBIOME AND PROTEIN





LET'S DISPEL A MYTH:
OUR CATEGORIES ARE ATTRACTIVE

GROWING, RESILIENT AND RECOVERING AT OR ABOVE AVERAGE FOOD & BEV

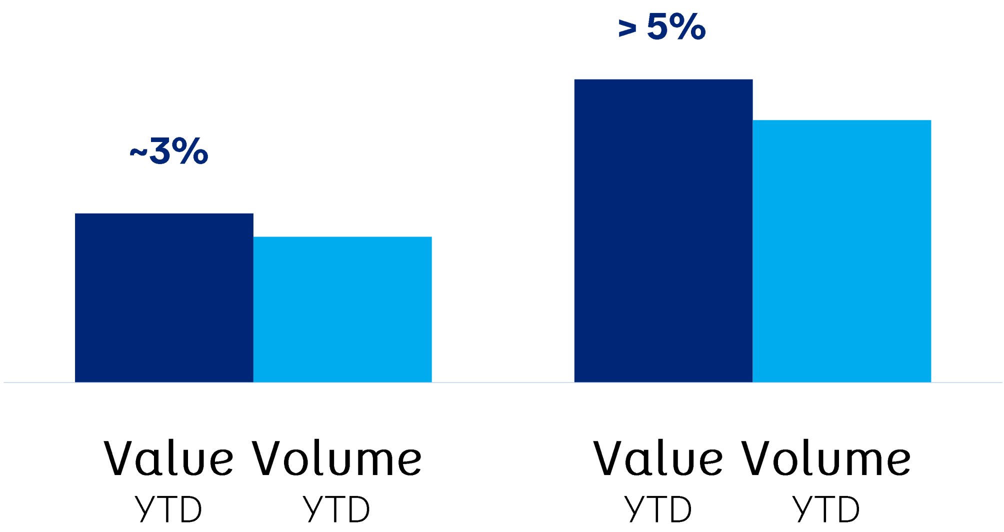


YOGURT IS PROVING TO BE A GROWTH CATEGORY

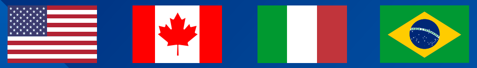
IN VOLUME AND VALUE, AS WE RETAKE OWNERSHIP

Europe
Yogurt and Desserts

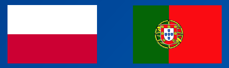
United States
Yogurt



QUARTERLY PENETRATION



FREQUENCY AND BASKET SIZE/VALUE



WHILE MEDICAL NUTRITION OFFERS SIGNIFICANT GROWTH POTENTIAL

IN CATEGORIES WHERE DANONE HOLDS #1 OR #2 POSITIONS

Medical nutrition **today**

c. 1.5bn	c. 20%	c. 20bn€
addressable patients worldwide	penetration of Medical Nutrition	addressable market

WHILE MEDICAL NUTRITION OFFERS SIGNIFICANT GROWTH POTENTIAL

IN CATEGORIES WHERE DANONE HOLDS #1 OR #2 POSITIONS

Medical nutrition today

c. 20bn€

addressable market

Ageing demographics
Diagnosis
Prevalence
Penetration

Medical nutrition tomorrow

c. 30bn

addressable market

LEVERAGING POTENTIAL OF OUR CATEGORIES WITH DIFFERENTIATED ASSETS

€28bn

Net Sales
in FY 2023

c.70%

Value added in Dairy portfolio[1]

+10pts vs 2021

#1
Flexitarian company
Dairy AND Plant-based

c.85%

Highly Differentiated

AFH, Impulse, Direct-to-Consumer

Undisputable leadership in Premium ranges

#1

in Fast-growth Medical Nutrition in Europe & China

Breakthrough patents
Even closer to breast milk

Note: (1) Includes Functionals (Gut, Immunity, Protein, etc.), Indulgence, Kids and Coffee Creations

WE NOW RUN A TRULY GLOCAL MODEL

LEVERAGING OUR GLOBAL ASSETS, DRIVING LOCAL RELEVANCE

Global brands
leading global platforms

Aptamil evian ACTIVIA

Global platforms
rolled-out with discipline

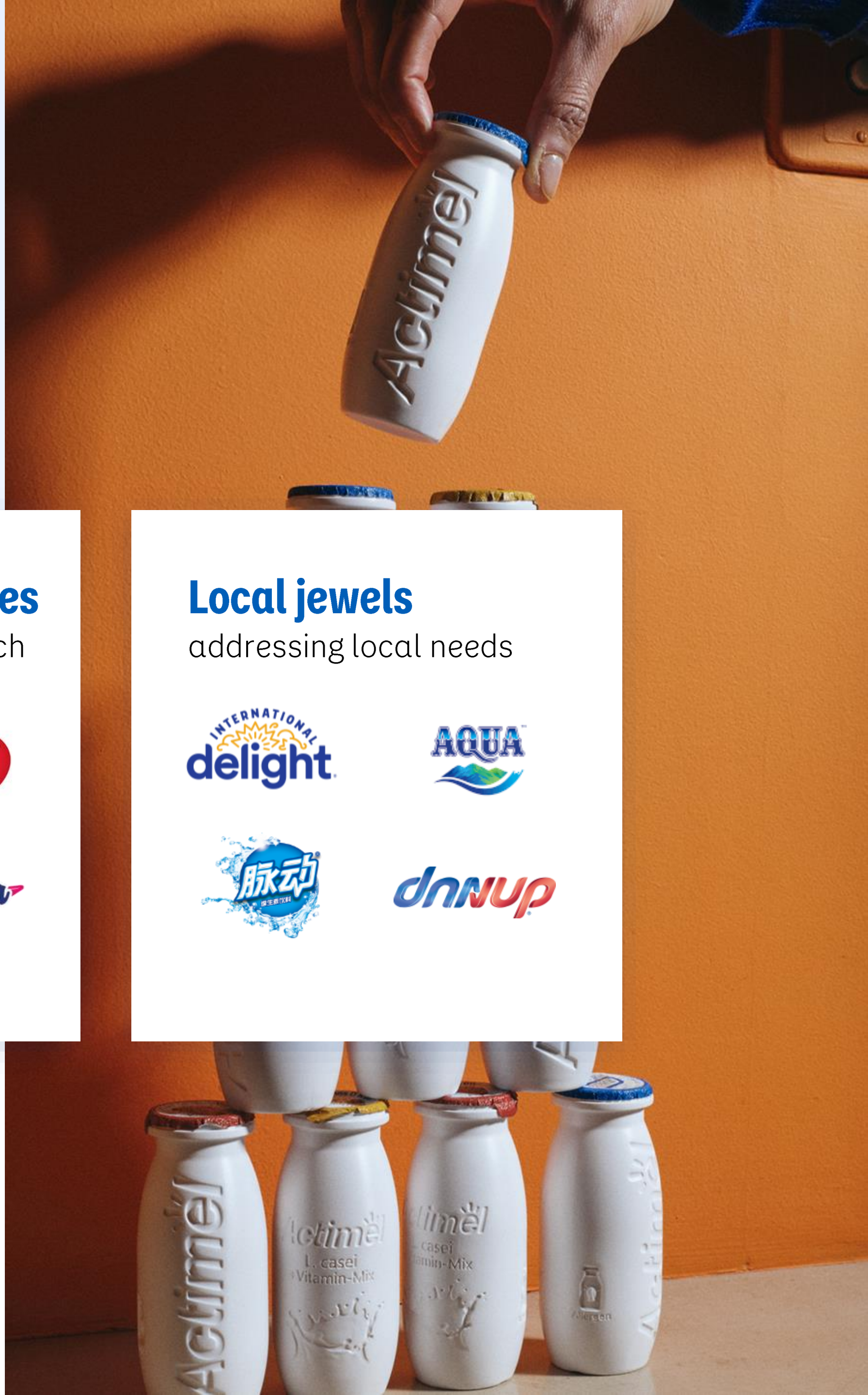
YoPRO OIKOS Silk alpro

Dual brand strategies
optimizing consumer reach

Bebelac SGM DANONE Jamila

Local jewels
addressing local needs

International delight AQUA 脉动 danup



03

OPENING THE NEXT CHAPTER OF OUR VALUE CREATION JOURNEY

01
02
03

IT STARTS BY DOUBLING DOWN
ON RENEW DANONE FUNDAMENTALS!

TO CREATE FURTHER VALUE WITH OUR PORTFOLIO AND ASSETS

Driving our portfolio

Core
Underperformers
Winners

Assuming category leadership

Leveraging our science

Driving returns discipline

Building future-fit capabilities

Fostering a winning culture

CONSISTENT, COMPETITIVE, AMBITIOUS VALUE CREATION

01
02
03

AND BY DRIVING CONTINUOUS IMPROVEMENT ON CAPABILITIES, CULTURE AND TALENT

STRUCTURALLY TURNING THEM INTO COMPETITIVE ADVANTAGES

Sharpening our capabilities

Continuous improvement

People upskilling with the capabilities of the future

Leapfrogging into the future

Sweating existing assets and deploying AI across our value chain

Further driving returns discipline

From advanced MMM to sustainability ROI

ReFuel

Becoming a talent magnet

Winning culture, purpose and capabilities

01

02

03

WE START TO TRANSFORM WHILE WE DRIVE PERFORMANCE

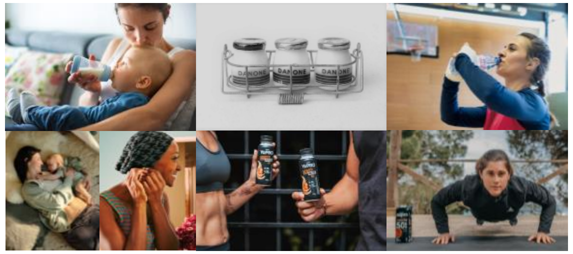
UNLEASHING TOMORROW'S GROWTH SPACES

01

02

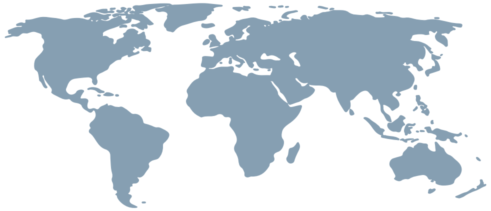
03

Pivoting



Broadening

Expanding



PIVOTING THE WAY WE LOOK AT OUR CATEGORIES

UNLOCKING SIGNIFICANT NEW GROWTH SPACES

From largely IMF[1] to Early Life and Medical Nutrition

Driving penetration to lead the c. €20bn Medical Nutrition market

From Yogurt to Gut Health and Protein expert

Leading and shaping the €120bn Gut Health and the €60bn Protein[2] markets

1. Infant Milk Formula; 2. Protein-rich Dairy

BROADENING OUR REACH AND BUSINESS MODELS

BECOMING A TRULY MULTICHANNEL COMPANY

Extending patient journey in Medical Nutrition by expanding in Homecare

Starting point

€500m

net sales in FY23

BROADENING OUR REACH AND BUSINESS MODELS

BECOMING A TRULY MULTICHANNEL COMPANY

Accelerating
Away from Home
leveraging the versatility of our ranges

Starting point	€1.5bn net sales in FY23

EXPANDING OUR GEOGRAPHIC FOOTPRINT

WHILE BUILDING ON EXISTING STRENGTHS

KEEP WINNING
where we are big & strong

PLAYING AT SCALE
where we are

BUILDING SCALE
where it matters

MOVING TO THE FRONT FOOT ON PORTFOLIO MANAGEMENT

MOVING TOWARDS A MORE ACQUISITIVE - YET DISCIPLINED - PORTFOLIO STRATEGY

From focusing mostly on pruning...

... to being on the front foot on acquisitions and partnerships

With clear criteria

Strategic fit and portfolio synergy

In-line with value-compounding ambition

Accretive to Growth and Margins

While continuing to optimize portfolio

"Business as usual" approach

Most value creative solution

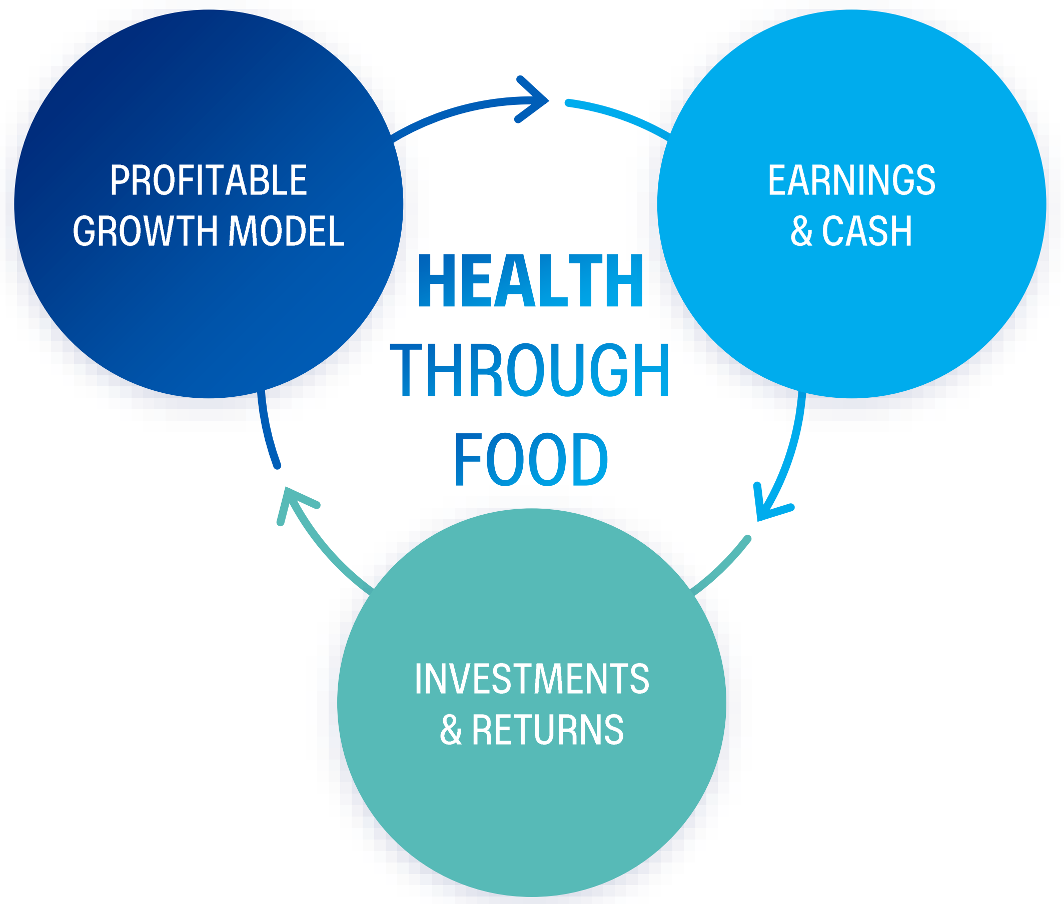
Profitable growth

ROIC

Leverage discipline

BECOMING A VALUE COMPOUNDER

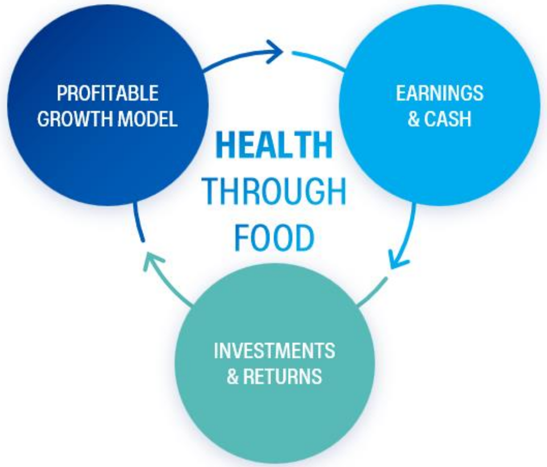
BY CONSISTENTLY DELIVERING ON A LONG-TERM BUSINESS MODEL



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

TO CONCLUDE

WE ARE AT
AN INDUSTRY
TIPPING POINT

WE ARE A
DIFFERENT
COMPANY
VS 22

FUTURE
LOOKING,
SCIENCE DRIVEN,
CONSUMER
CENTRIC

A VALUE
COMPOUNDER
PIVOTING
BROADENING
EXPANDING

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CAPITAL MARKET EVENT

DANONE
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