



DANONE
ONE PLANET. ONE HEALTH

HALF-YEAR 2022 RESULTS

July 27, 2022

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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, carbon-adjusted 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.

CEO INTRODUCTION

Antoine de Saint-Affrique
Chief Executive Officer



RESILIENT FIRST HALF OF THE YEAR DESPITE CHALLENGING CONDITIONS

H1 LFL SALES GROWTH

+7.4%

vol/mix +1.3%
price +6.1%

RECURRING OPERATING MARGIN

12.1%

-101 bps vs LY

REVENUE COVERED BY B CORP CERTIFICATION

70%

vs. 62% end of 2021



DRIVING THE CORE, BOOSTING THE WINNERS, LIVING UP TO OUR MISSION



Growth and market share gains globally



LFL sales growth +7.2% vs LY in H1



Strong momentum in Waters across geographies

Mission in action



Danone actively contributing to help address baby formula shortages in the US

PROGRESSIVE REINVESTMENTS OF LOCAL FIRST SAVINGS

STILL, WE HAVE WORK TO DO

DRIVE BETTER PERFORMANCE FROM THE CORE

- Dairy & Plant-based category leadership
- Revenue Growth Management

SHARPEN INNOVATION AND RENOVATION

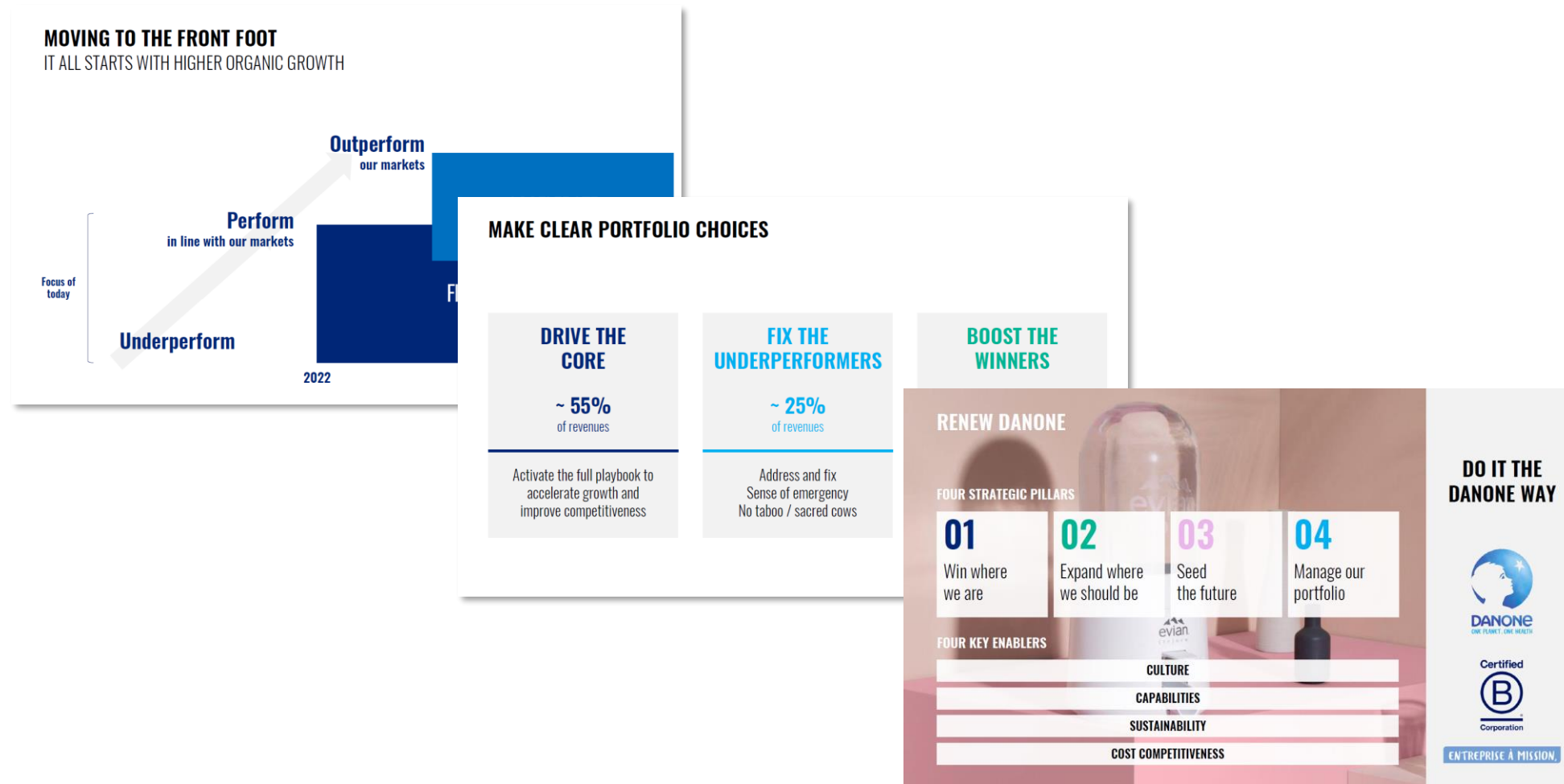
- Renovation for superiority, scaled innovation
- SKU and range rationalization

UPGRADE EXECUTION

- Service levels, Media, Shelf



WE ARE AT THE BEGINNING OF OUR RENEW JOURNEY



FINANCIAL REVIEW

Juergen Esser
Chief Financial Officer



WINNING TASTES GOOD



Q2 2022 LFL SALES GROWTH REACHING +7.7%

ALL GEOGRAPHIES AND CATEGORIES CONTRIBUTING TO GROWTH

Europe	+5.1%
North America	+8.9%
China, North Asia & Oceania	+3.3%
Rest of the World	+12.3%



+5.6%



+11.4%



+7.9%

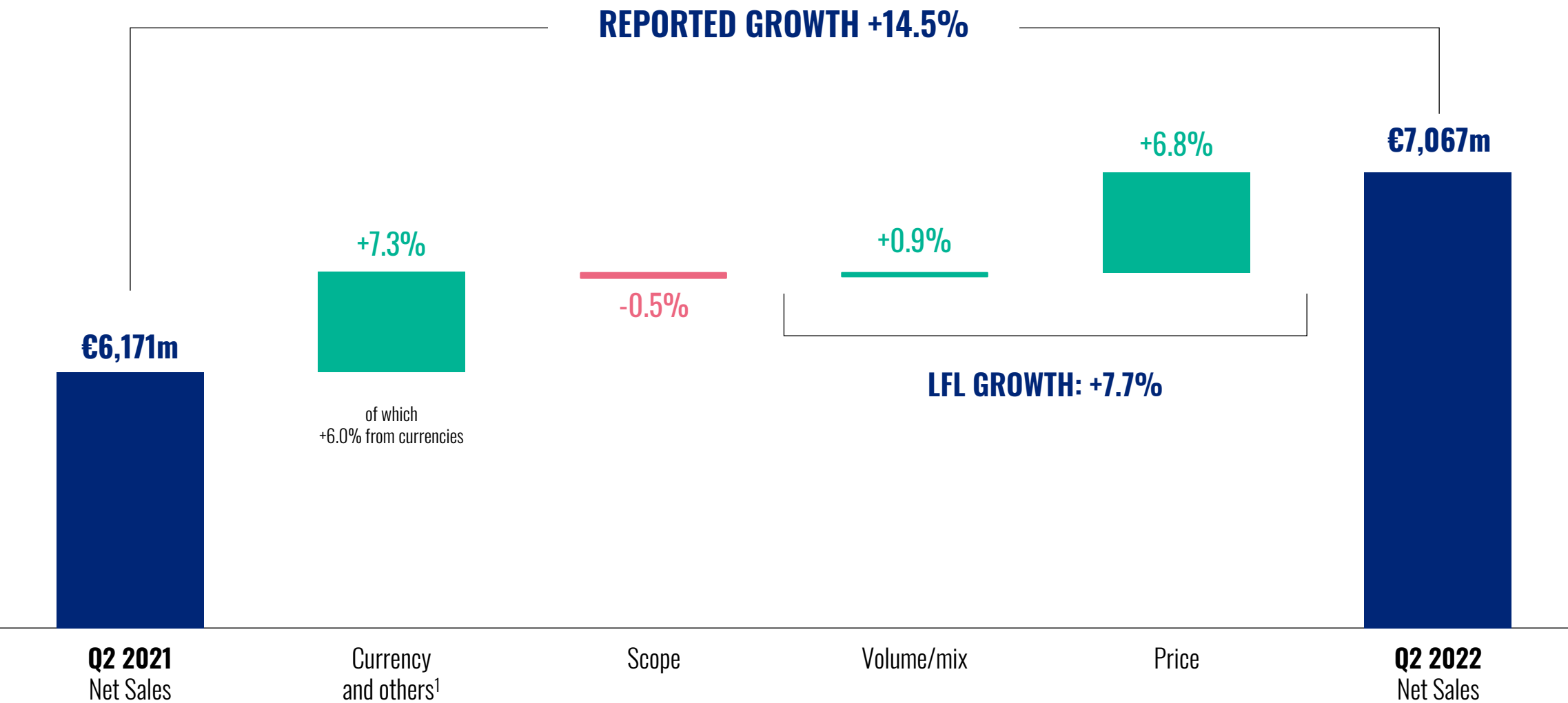
Note: all data in like-for-like

SHHH...THIS IS NOT MILK



Q2 SALES BRIDGE

LFL SALES GROWTH REACHING +7.7% IN Q2, LED BY PRICE



¹ Includes IAS 29 and contribution to growth from hyperinflation geographies

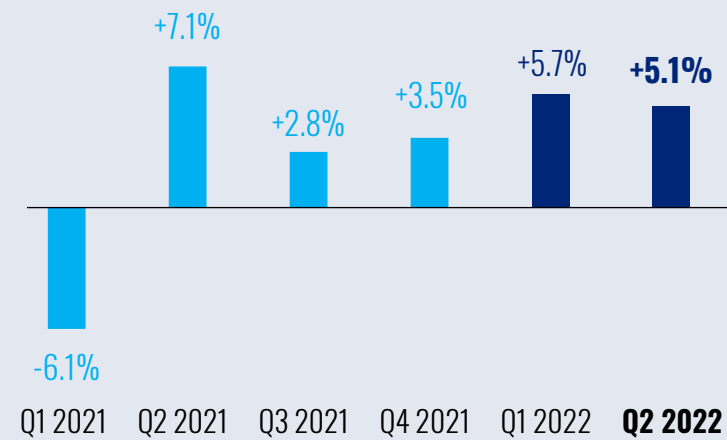
EUROPE

GROWTH LED BY SPECIALIZED NUTRITION AND WATERS

H1 2022 KEY FIGURES

H1 22 NET SALES	€4.4bn
LIKE-FOR-LIKE SALES GROWTH	+5.4%
Volume-Mix / Price	+1.6% / +3.8%
H1 22 RECURRING OPERATING MARGIN	13.1%
Reported change	-199 bps

LFL SALES GROWTH BY QUARTER



Note: all data in like-for-like

Q2 DEVELOPMENTS

- Mix and price driving growth in all countries
- Low-single-digit growth in EDP, led by Actimel, Alpro and Yopro
- Strong momentum in Specialized Nutrition led by Aptamil and in Waters led by evian, Zywiec and Font Vella



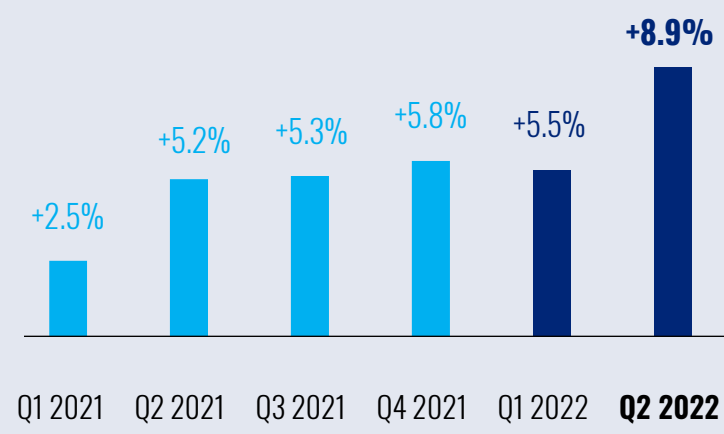
NORTH AMERICA

VERY STRONG QUARTER WITH POSITIVE VOLUMES, MIX AND PRICE

H1 2022 KEY FIGURES

H1 22 NET SALES	€3.1bn
LIKE-FOR-LIKE SALES GROWTH	+7.2%
Volume-Mix / Price	+1.7% / +5.5%
H1 22 RECURRING OPERATING MARGIN	8.1%
Reported change	-235 bps

LFL SALES GROWTH BY QUARTER



Note: all data in like-for-like

Q2 DEVELOPMENTS

- Continued strong momentum across categories; growth led by International Delight, Silk, Oikos, Activia and Danimals
- Progressive sequential recovery in supply chain and service levels
- Mission in action: Danone contributing to Operation Fly Formula



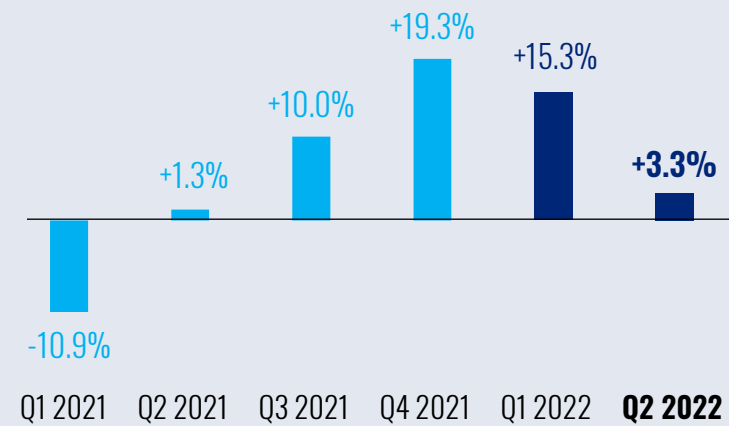
CHINA, NORTH ASIA AND OCEANIA

RESILIENT GROWTH DRIVEN BY SPECIALIZED NUTRITION; MIZONE IMPACTED BY LOCKDOWNS

H1 2022 KEY FIGURES

H1 22 NET SALES	€1.7bn
LIKE-FOR-LIKE SALES GROWTH	+8.3%
Volume-Mix / Price	+6.1% / +2.2%
H1 22 RECURRING OPERATING MARGIN	32.0%
Reported change	+240 bps

LFL SALES GROWTH BY QUARTER



Note: all data in like-for-like

Q2 DEVELOPMENTS

- Good momentum in IMF China with continued resilient market shares; strong momentum in Medical Nutrition, both adult and pediatrics
- Mid-teens decline in Mizone in a context of mobility restrictions & lockdowns
- Strong momentum in Japan led by Activia and Oikos



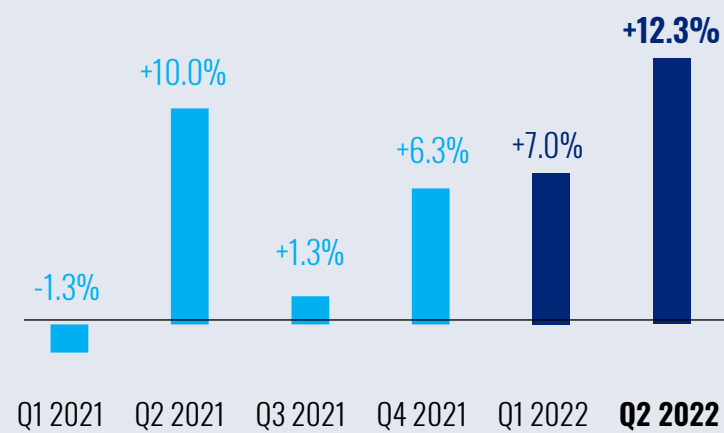
REST OF THE WORLD

DOUBLE-DIGIT PRICE-LED GROWTH IN Q2

H1 2022 KEY FIGURES

H1 22 NET SALES	€4.1bn
LIKE-FOR-LIKE SALES GROWTH	+9.7%
Volume-Mix / Price	-1.5% / +11.2%
H1 22 RECURRING OPERATING MARGIN	6.1%
Reported change	-16 bps

LFL SALES GROWTH BY QUARTER



Note: all data in like-for-like

Q2 DEVELOPMENTS

- Double-digit growth in Indonesia led by Aqua recovery and strong momentum in Specialized Nutrition
- Double-digit growth in Latin America with strong performance across categories
- Continued challenging context in Ukraine and Russia



NAVIGATING THROUGH A HIGH INFLATIONARY CONTEXT

FOCUSING ON PRODUCTIVITY AND PRICING

Mid-teens
inflation

>5%
productivity

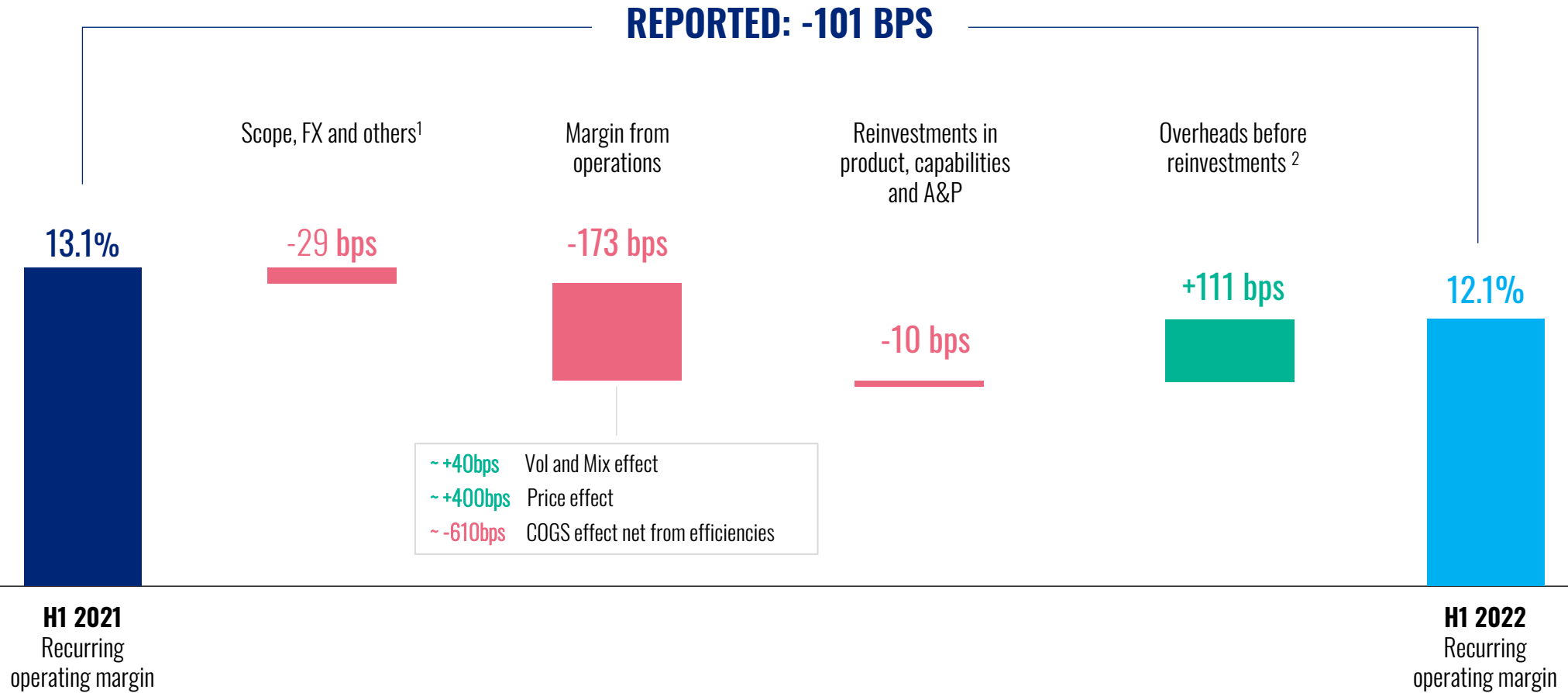
+6.1%
pricing

H1 2022 metrics



H1 2022 RECURRING OPERATING MARGIN

12.1%, DOWN -101 BPS VS. LAST YEAR – REINVESTMENT JOURNEY KICKSTARTED



1. Includes IAS 29 and contribution to growth from hyperinflation geographies and effects from other income and expenses

2. Mostly driven by Local First savings

WE STARTED REINVESTING

MAKING 2022 THE FOUNDATIONAL YEAR OF OUR RENEW DANONE AGENDA

COMPETITIVENESS AND CONSUMER VALUE



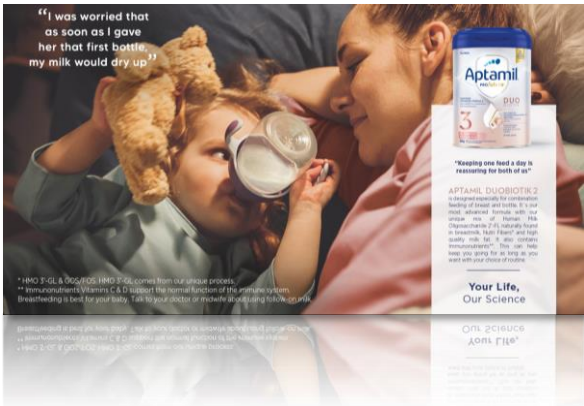
- Reformulation
- Packaging
- Sustainability

GROWTH ENABLERS, CORE CAPABILITIES



- Revenue Growth Management
- Marketing and Sales
- Systems, IT and Data

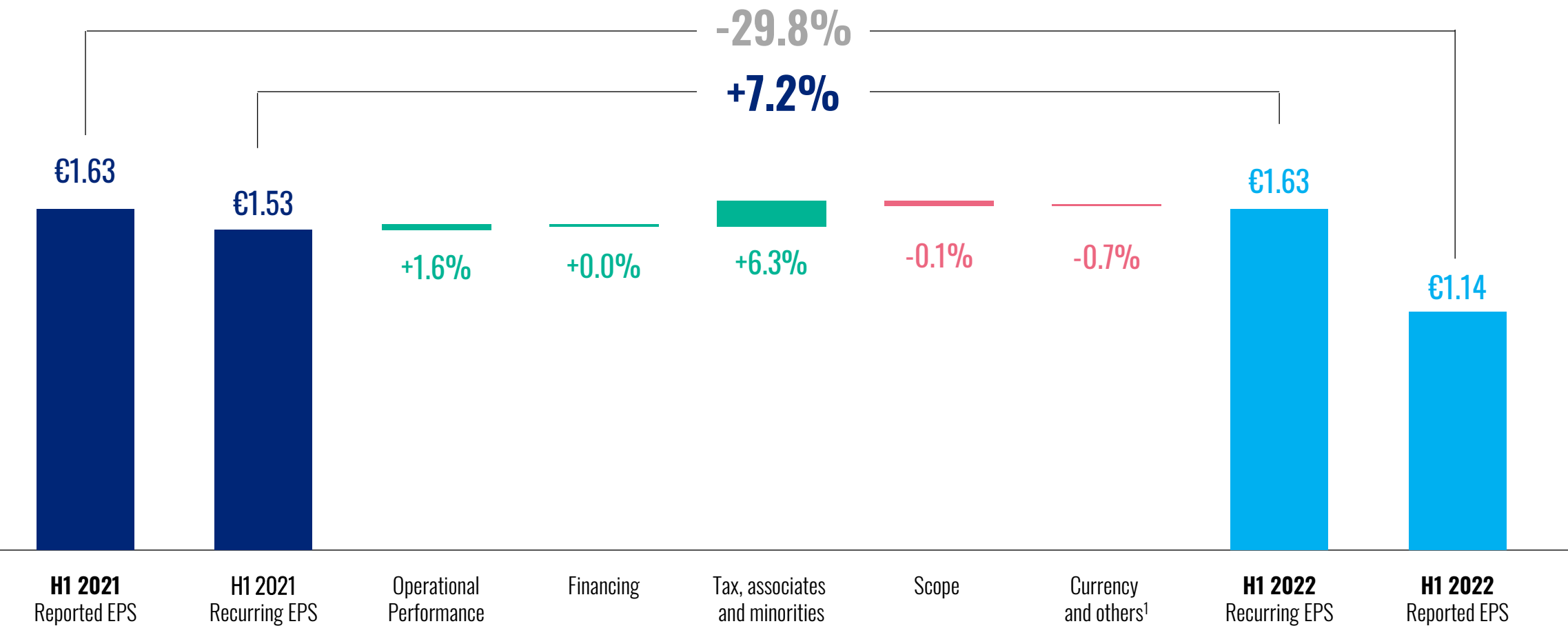
GROWTH DRIVERS: A&P, GO TO MARKET



- Media
- Content production
- Shopper activities

EPS BRIDGE

RECURRING EPS +7.2% VS LY



¹ Including IAS 29

FOCUS ON CASH GENERATION

H1 FREE CASH FLOW

€0.7bn

Disciplined
capex management

Higher
inventories

Local First
cash out phasing



HIGH IN
PROTEIN
YOGURT

2022 GUIDANCE UPDATED

2022 LFL SALES GROWTH

- Now expected between +5 and +6%

2022 RECURRING OPERATING MARGIN

- Expected above 12%



CEO CONCLUSION

Antoine de Saint-Affrique

CEO



MOVING FORWARD, OUR FOCUS IS ON EXECUTION AND DELIVERY

Making our
portfolio more
competitive

Stepping up
on execution

Strengthening our
fundamentals



— RENEW —

DANONE

SUSTAINABLE VALUE CREATION, FOR ALL

PERFORMANCE — PEOPLE — PURPOSE






APPENDIX







Q2 2022 SALES BY GEOGRAPHICAL ZONE

	EUROPE	NORTH AMERICA	CHINA, NORTH ASIA & OCEANIA	REST OF THE WORLD	COMPANY
Q2 net sales	€2,267m	€1,662m	€936m	€2,202m	€7,067m
Like-for-like growth	+5.1%	+8.9%	+3.3%	+12.3%	+7.7%
Volume/Mix	+0.2%	+2.0%	+4.4%	-0.9%	+0.9%
Price	+4.9%	+6.8%	-1.0%	+13.1%	+6.8%

Q2 2022 SALES BY CATEGORY

				COMPANY
Q2 net sales	€3,684m	€2,106m	€1,277m	€7,067m
Like-for-like growth	+5.6%	+11.4%	+7.9%	+7.7%
Volume/Mix	-3.0%	+8.7%	-0.4%	+0.9%
Price	+8.6%	+2.7%	+8.3%	+6.8%

Q2 2022 SALES BY GEOGRAPHICAL ZONE BY CATEGORY














	EUROPE	NORTH AMERICA	CHINA, NORTH ASIA & OCEANIA	REST OF THE WORLD	COMPANY
 EDP Sales LFL growth	€1,030m +1.6%	€1,500m +7.7%	€89m +14.3%	€1,066m +6.6%	€3,684m +5.6%
 SPECIALIZED NUTRITION Sales LFL growth	€737m +7.5%	€97m +23.0%	€617m +9.7%	€654m +16.7%	€2,106m +11.4%
 WATERS Sales LFL growth	€501m +9.4%	€65m +18.8%	€230m -13.6%	€482m +19.3%	€1,277m +7.9%
 COMPANY Sales LFL growth	€2,267m +5.1%	€1,662m +8.9%	€936m +3.3%	€2,202m +12.3%	€7,067m +7.7%

Q2 AND H1 2022 SALES BY REPORTING ENTITY

		EUROPE	NORTH AMERICA	CHINA, NORTH ASIA & OCEANIA	REST OF THE WORLD	TOTAL
Q2 2022	Like-for-like sales growth	+5.1%	+8.9%	+3.3%	+12.3%	+7.7%
	Contribution to growth from hyperinflation geographies	+0.0%	+0.0%	+0.0%	+2.6%	+0.8%
	Currency and others ¹	+0.1%	+13.0%	+9.0%	+8.0%	+6.5%
	IAS 29 impact	+0.0%	+0.0%	+0.0%	-0.1%	+0.0%
	Scope	-0.0%	-2.4%	+0.2%	-0.1%	-0.5%
	Reported sales growth	+5.2%	+19.5%	+12.5%	+22.8%	+14.5%
		EUROPE	NORTH AMERICA	CHINA, NORTH ASIA & OCEANIA	REST OF THE WORLD	TOTAL
H1 2022	Like-for-like sales growth	+5.4%	+7.2%	+8.3%	+9.7%	+7.4%
	Contribution to growth from hyperinflation geographies	+0.0%	+0.0%	+0.0%	+2.9%	+0.9%
	Currency and others ¹	+0.4%	+10.4%	+8.4%	+3.5%	+4.6%
	IAS 29 impact	+0.0%	+0.0%	+0.0%	+0.3%	+0.1%
	Scope	-0.0%	-1.7%	+0.2%	-0.1%	-0.4%
	Reported sales growth	+5.8%	+16.0%	+16.9%	+16.2%	+12.6%

¹ Excluding IAS 29

CHANGES IN EXCHANGE RATES

		% total H1 2022	H1 22 vs H1 21 (avg)	Q2 22 vs Q2 21 (avg)
	United States Dollar	21.3%	+10.3%	+13.0%
	Chinese Renminbi	7.5%	+10.1%	+10.4%
	Indonesian Rupiah	6.0%	+8.6%	+11.4%
	Russian Ruble	5.7%	+6.2%	+27.9%
	British Pound	5.5%	+3.1%	+1.8%
	Mexican Peso	4.3%	+9.8%	+12.5%
	Polish Zloty	2.5%	-2.1%	-2.5%
	Canadian Dollar	2.5%	+8.2%	+8.9%
	Hong Kong Dollar	2.5%	+9.4%	+11.4%
	Brazilian Real	2.3%	+16.8%	+21.0%
	Turkish Lira	2.2%	-41.6%	-39.3%
	Argentine Peso	2.1%	-10.2%	-9.5%
	Japanese Yen	1.3%	-3.3%	-4.2%

RECURRING OPERATING MARGIN

€ million

	H1 2021		H1 2022		Change	
	€m	Margin (%)	€m	Margin (%)	Reported	Like-for-like
Europe	625	15.1%	574	13.1%	-199 bps	-183 bps
North America	283	10.4%	254	8.1%	-235 bps	-245 bps
China, North Asia & Oceania	423	29.6%	534	32.0%	+240 bps	+240 bps
Rest of the World	221	6.2%	250	6.1%	-16 bps	+17 bps
Essential Dairy & Plant-based	616	9.6%	494	7.0%	-262 bps	-257 bps
Specialized Nutrition	769	21.9%	933	23.2%	+128 bps	+180 bps
Waters	166	8.6%	185	8.3%	-39 bps	-106 bps
Total	1,551	13.1%	1,612	12.1%	-101 bps	-88 bps

NON-RECURRING NET INCOME

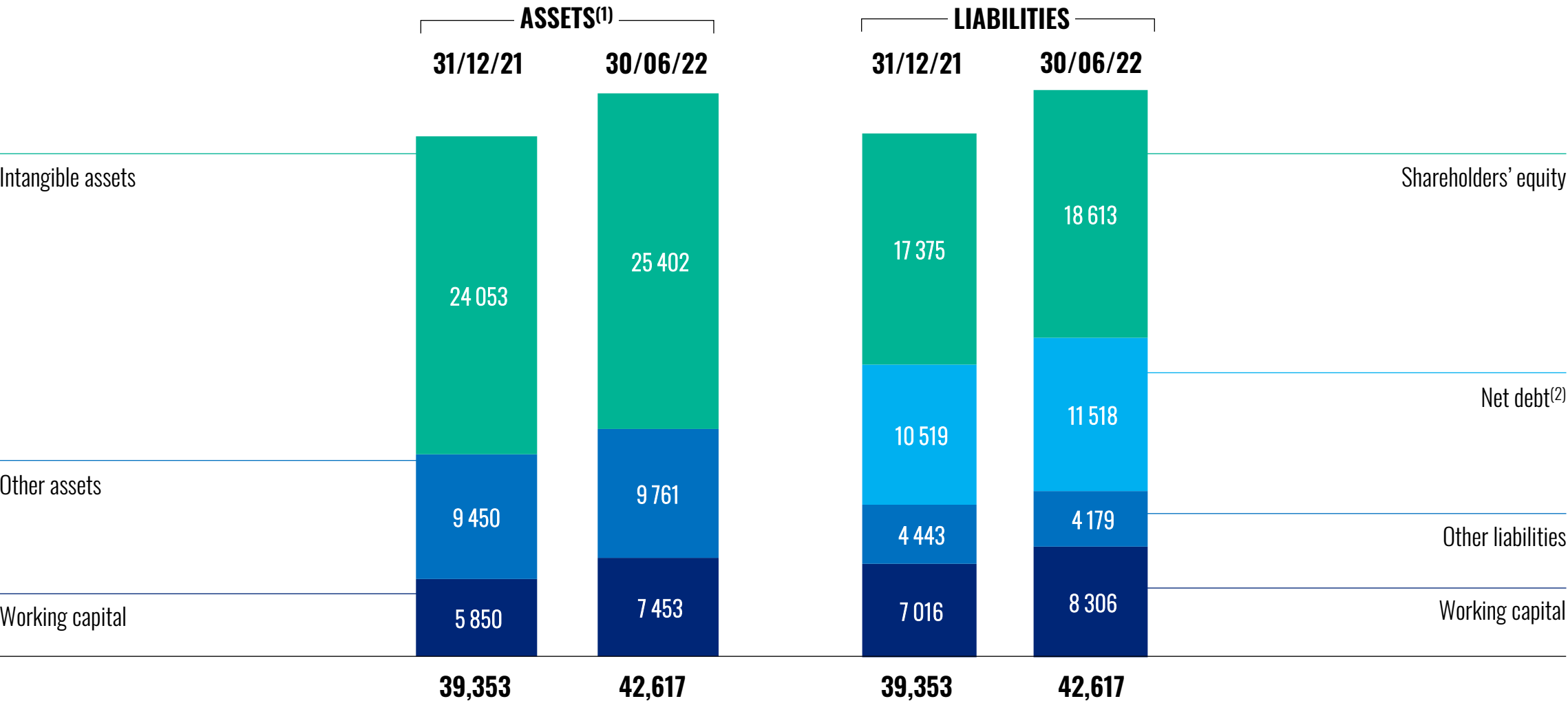
€ million

		H1 2021	H1 2022	Change 2022 vs 2021	
Recurring net income		1,000	1,051	+51	
NON-RECURRING ITEMS	Non-recurring net income	68	(314)	(381)	
	Operating income	(700)	(233)	+467	Decrease in costs related to Local First and transformation of operations
	Total Financial expenses	0	6	+6	
	Income tax	173	28	(145)	Decrease in tax effects linked to non-recurring costs (Local First)
	Net income from associates	593	(114)	(707)	Mengniu disposal in H1 2021 and unwinding of remaining minority investments in H1 2022
	Non-controlling interests	2	0	(2)	
Reported net income		1,068	737	(331)	

Note: Net income group share

BALANCE SHEET

€ million



⁽¹⁾ Excluding assets included in net debt | ⁽²⁾ Net of cash, cash equivalents, marketable securities, other short-term investments and financial instrument asset