Jürgen Esser

Group Deputy CEO & CFO

RENEW DANONE
NEXT CHAPTER

01
BUILDING ON HEALTHIER FOUNDATIONS

02
BECOMING A LONG-TERM VALUE COMPOUNDER

OUR VALUE CREATION MODEL IS IN MOTION
GROWTH-DRIVEN BUSINESS MODEL

ORGANIC GROWTH
VOLUME, MIX AND PRICE

SHARE GAINS AND CATEGORY GROWTH

LEVERAGE AND EFFICIENCIES

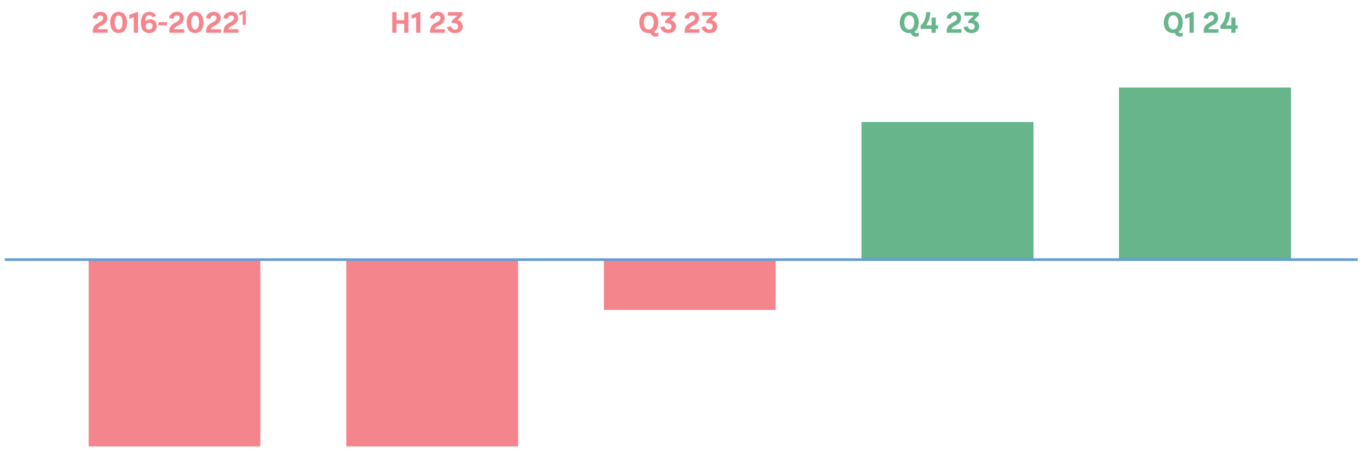
INVESTMENTS
CHOICEFUL, SELECTIVE, CONSISTENT

FLYWHEEL STARTING TO SPIN
VOL/MIX BACK TO POSITIVE

Consistently delivering

9
QUARTERS
of LFL Sales growth
in-line/above expectations

Vol/Mix back to positive



Supported by in-depth portfolio transformation

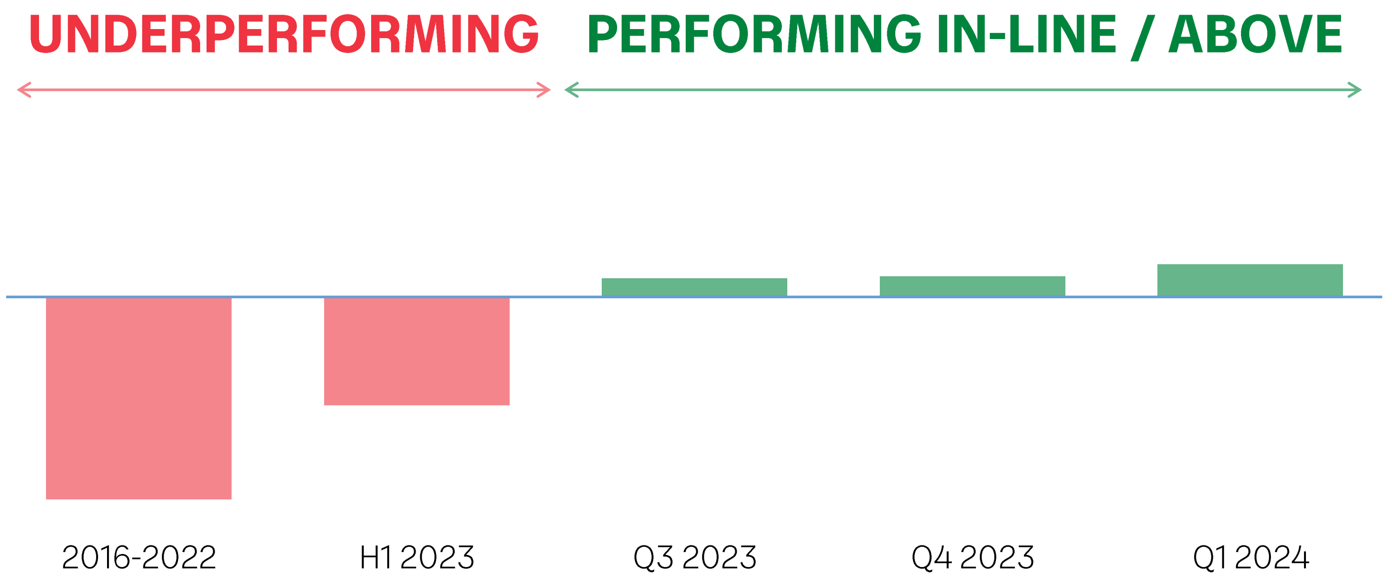
1. Volumes only

01
02

REGAINING COMPETITIVENESS
PERFORMING IN-LINE OR ABOVE MARKET

We are back to competitiveness globally

Value growth of Danone vs Market worldwide



Dairy Europe

Market shares

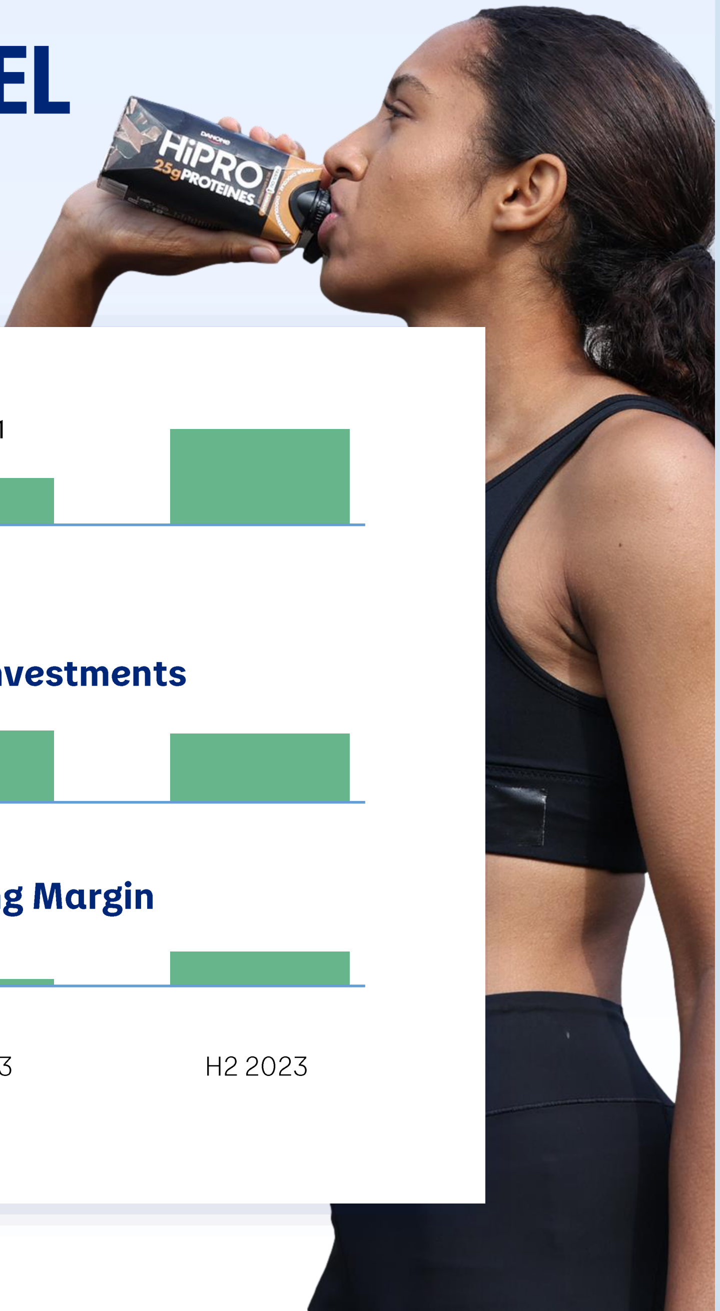
Since H2 2023

REINVESTMENTS KEY ENABLER FOR TURNAROUND
RETURN-ORIENTED ALLOCATION

More focused, higher quality investments

A&P AND GO-TO-MARKET	CAPABILITIES AND OPERATIONS	INNOVATIONS AND PRODUCT SUPERIORITY
c. €300m	c. €200m	c. €200m
Market shares ↗	Productivity ↗	Pipeline value ↗

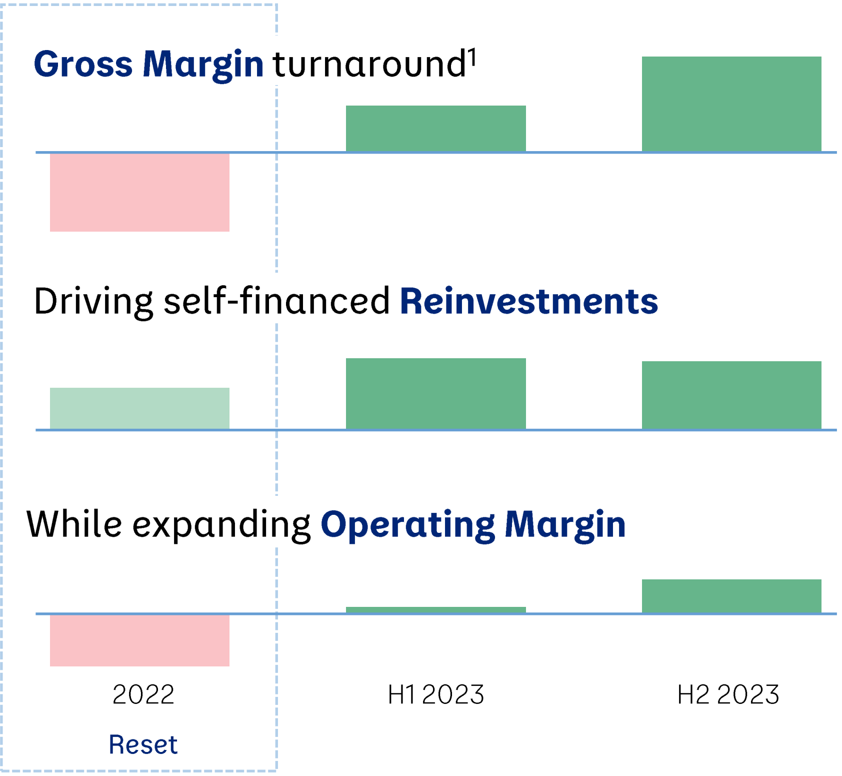
CONNECTING TO DESIRED FINANCIAL MODEL
GROSS MARGIN AS KEY VALUE DRIVER



IMPROVING VOLUME/MIX
Back to positive

+

OPERATING LEVERAGE
& Record Productivity



1. Margin from Operations

ADDRESSING OUR UNDERPERFORMERS ACCRETIVE TO GROWTH AND MARGINS

Exited

HORIZON ORGANIC

EDP RUSSIA

WATERS IN ARGENTINA AND BRAZIL

c. 9%
of Net Sales exited

> €1bn
of Fresh Milk Net Sales exited

Turning around

MIZONE CHINA	+14.1% LFL growth FY2023
DAIRY IN EUROPE	Positive Vol/Mix H2 2023
DAIRY IN EMERGING MARKETS	↗ Margins FY2023

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INSTALLED FINANCIAL DISCIPLINE
WALKING THE TALK ON VALUE CREATION

DELIVERING ON ALL METRICS IN 2023

+7.0%
LFL SALES GROWTH
Vol/mix turning positive

+40BPS
RECURRING OPERATING MARGIN
Improving

€2.6bn
FREE CASH FLOW
Record level, discipline on Capex and Wk Cap mgmt

+3.2%
EPS

+60BPS
ROIC

+5.0%
DIVIDEND GROWTH

INCENTIVES ALIGNED WITH VALUE CREATION

SHORT TERM
- Net Sales incl. Volume/Mix
- Rec. Operating Margin
- Free Cash Flow
- ESG

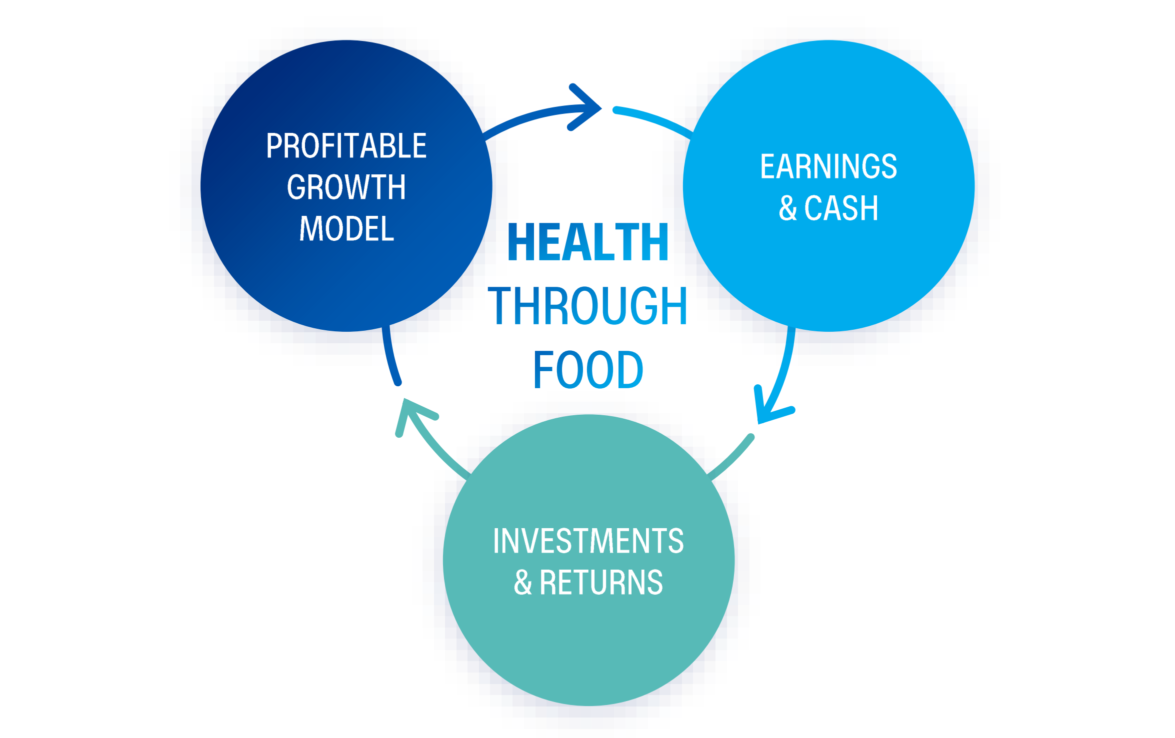
LONG TERM
- EPS
- ROIC
- TSR
- ESG

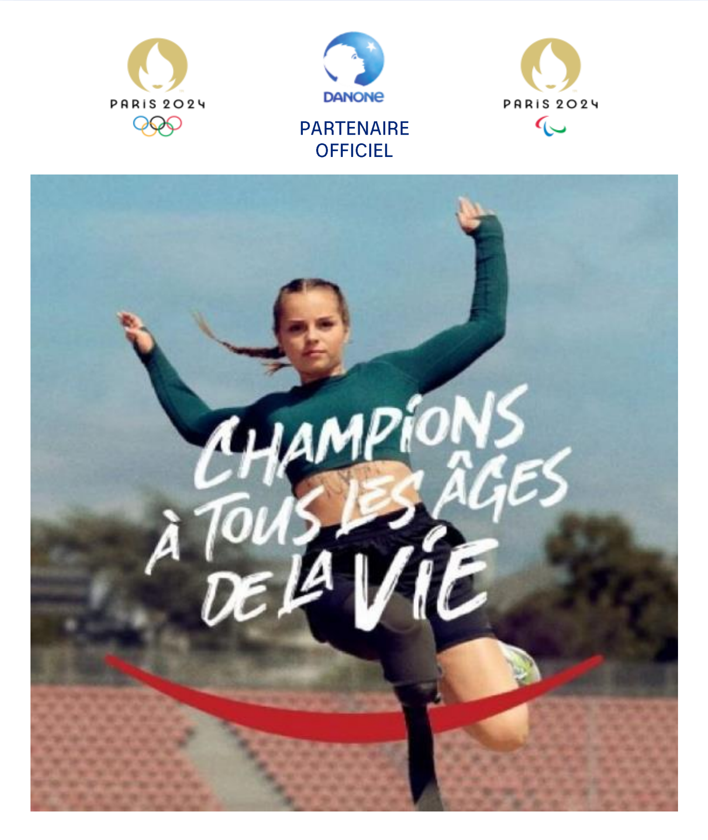
PERFORMANCE CULTURE

WE ARE A STRONGER COMPANY TODAY, READY FOR MORE

RENEW DANONE NEXT CHAPTER
OUR VALUE COMPOUNDING MODEL

Driving a long-term business model



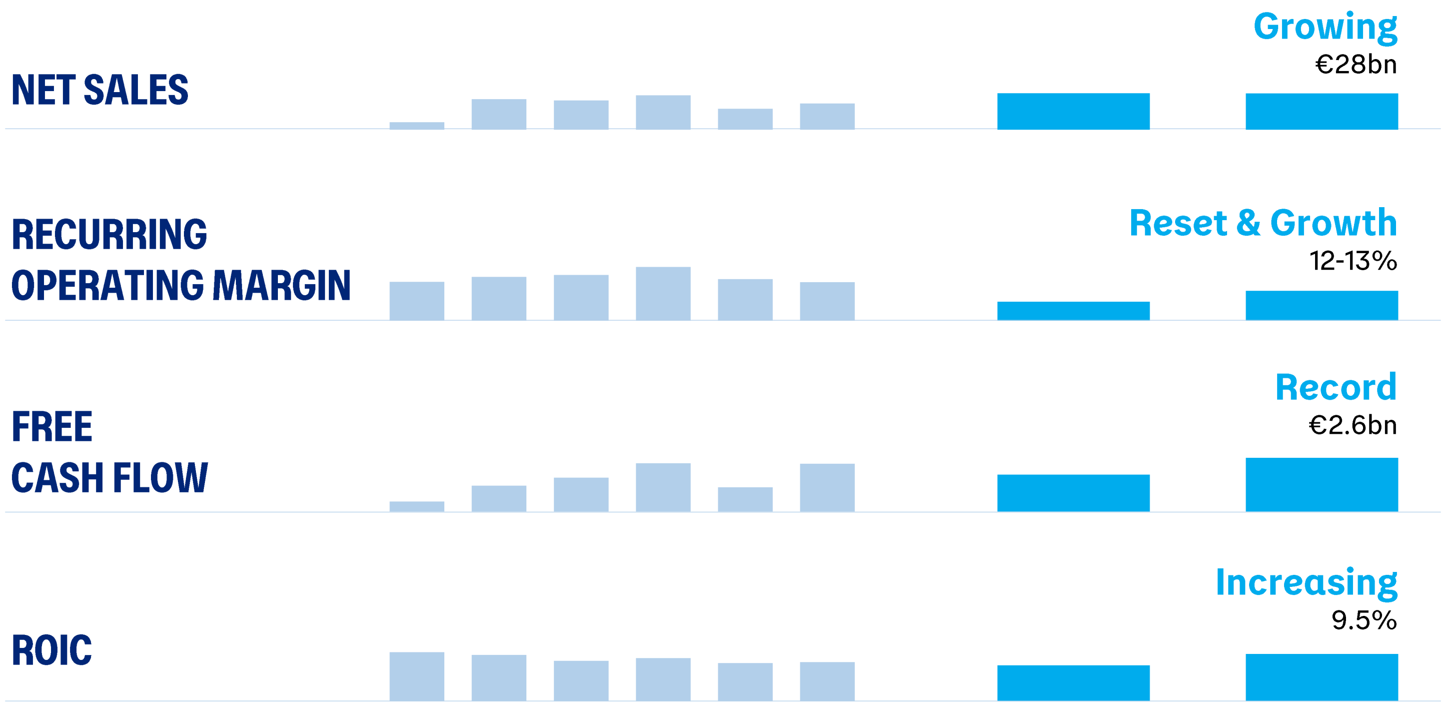


STEPPING UP THE AMBITION

2016-2021
UNDERPERFORMING AND VOLATILE

2022-2023
RENEW DANONE FOUNDATIONS

NEXT CHAPTER



CONSISTENT
COMPETITIVE
AMBITIOUS

MAXIMIZING PORTFOLIO POTENTIAL
DOUBLING-DOWN ON EXECUTION

BOOSTING THE WINNERS

Scaling €8bn of Double-Digit Growth platforms

HIGH PROTEIN

MEDICAL NUTRITION

COFFEE CREATIONS

AWAY-FROM-HOME

DRIVING THE CORE

Quality & competitive growth Driving resilience

YOGURT

EARLY LIFE NUTRITION

MIZONE

WATERS

FIXING UNDERPERFORMERS

Constantly raising the bar Disciplined execution

PLANT-BASED BEVERAGES

DAIRY EMERGING MARKETS

01
02

CHANGING THE NATURE OF INVESTMENTS
FROM CATCHING UP TO DRIVING OUR CATEGORIES

Fuel investments to restore competitiveness

Share of Voice
Segmentation & Differentiation
Category Management
Innovation Capabilities

LAST 2 YEARS

Incrementally invest to drive category leadership

Science-driven innovations
Undisputable superiority
Excellence at Point of Sale
Consumer-centric AI model

NEXT CHAPTER

QUALITY GROWTH DRIVING MARGIN
MAX OPERATING LEVERAGE OPPORTUNITY

Competitive
GROWTH
VOL/MIX & PRICE

Operating
MARGIN
Expansion

RECURRING OPERATING MARGIN

OPERATING LEVERAGE
10-20 pts asset utilisation upside potential vs best-in-class peers

Capacity investment

Industry leading productivity

Fixed cost discipline

DOUBLE DIGIT	DOUBLE DIGIT	@ CURRENT LEVEL

TURNING SUSTAINABILITY INTO COMPETITIVE EDGE
DRIVING GROWTH, EFFICIENCY AND RETURNS

DANONE IMPACT JOURNEY

PILLAR	FOCUS	PAYBACK
HEALTH	Healthier & tastier Positive & sustainable nutrition Research and Science	GROWTH
NATURE	Low methane dairy Water protection Regenerative agriculture Packaging	EFFICIENCY & GROWTH
PEOPLE	Future fit capabilities Culture, training, upskilling & reskilling	GROWTH

STEP-CHANGING CASH GENERATION LEVELS
LONG-TERM COMPOUNDER MODEL

Drivers for accelerated cash generation

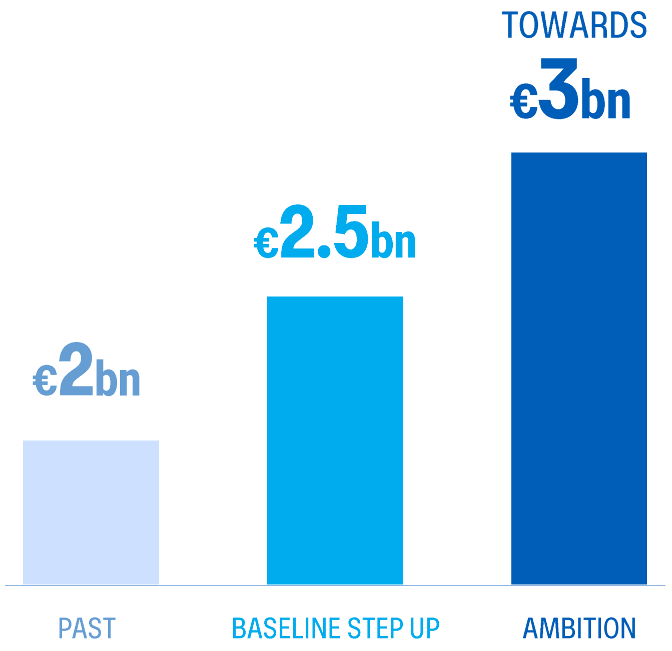
COMPETITIVE GROWTH
+
MARGIN EXPANSION

→ **OPERATING INCOME EXPANSION**

CAPEX
c. 3% → <4.5% on NS

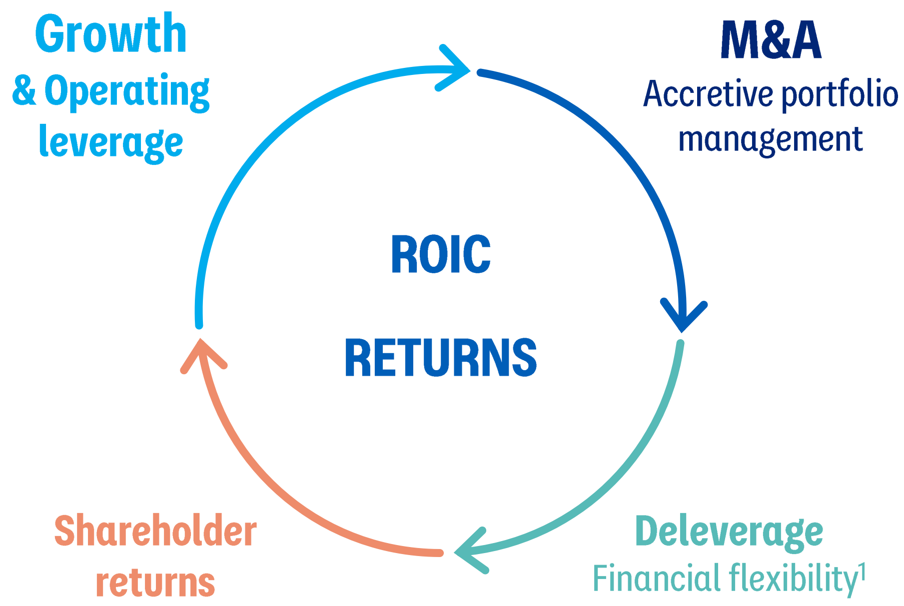
WORKING CAPITAL
Further improving

Stepping up our FCF

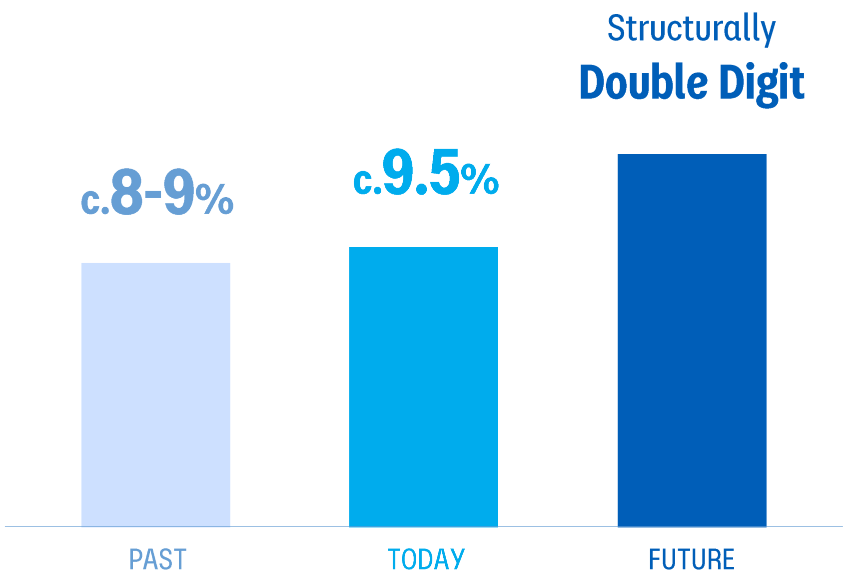


RETURN-ORIENTED CAPITAL ALLOCATION
EARNINGS DRIVING ROIC EXPANSION

Return-oriented allocation



Structurally becoming a double-digit ROIC company



1. In line with industry standards of 2–3x Net debt / EBITDA

MOVING TO THE FRONT FOOT
PORTFOLIO MANAGEMENT

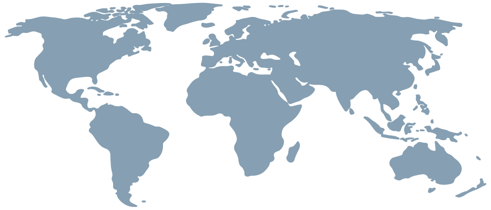
ACQUISITIONS AND PARTNERSHIPS

OPTIMISING PORTFOLIO

Pivoting

Broadening

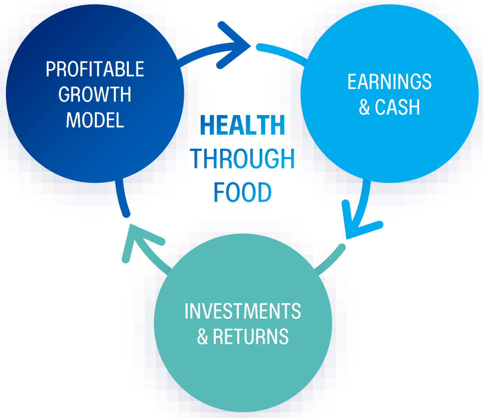
Expanding



DISCIPLINE ON ROIC & LEVERAGE

RENEW DANONE NEXT CHAPTER
BECOMING A LONG-TERM VALUE COMPOUNDER

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

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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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Due to rounding, the sum of values presented in this presentation may differ from totals as reported. Such differences are not material.

CAPITAL MARKET EVENT

DANONE

ONE PLANET. ONE HEALTH