



**Jürgen Esser**  
Group Deputy CEO & CFO

# RENEW DANONE

## NEXT CHAPTER



**01**

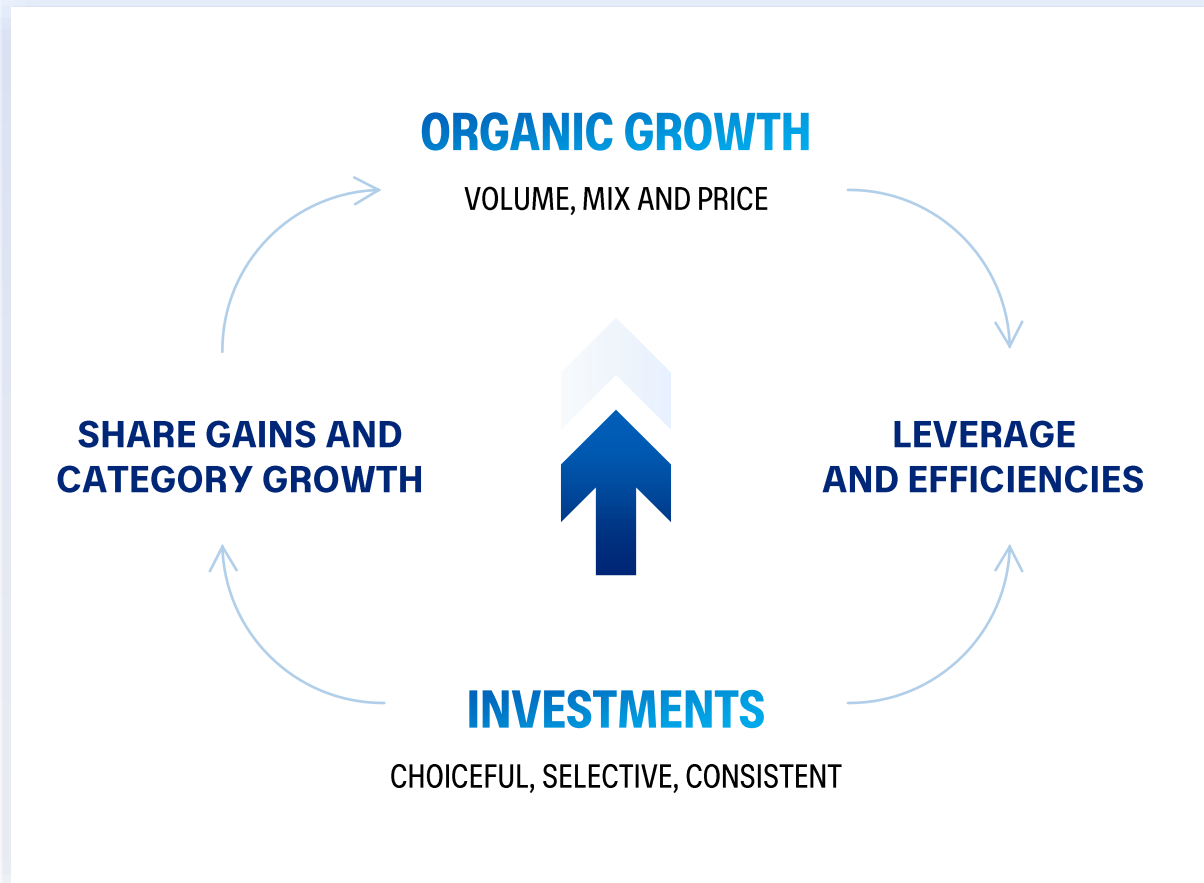
**BUILDING ON  
HEALTHIER  
FOUNDATIONS**

**02**

**BECOMING  
A LONG-TERM  
VALUE COMPOUNDER**

# OUR VALUE CREATION MODEL IS IN MOTION

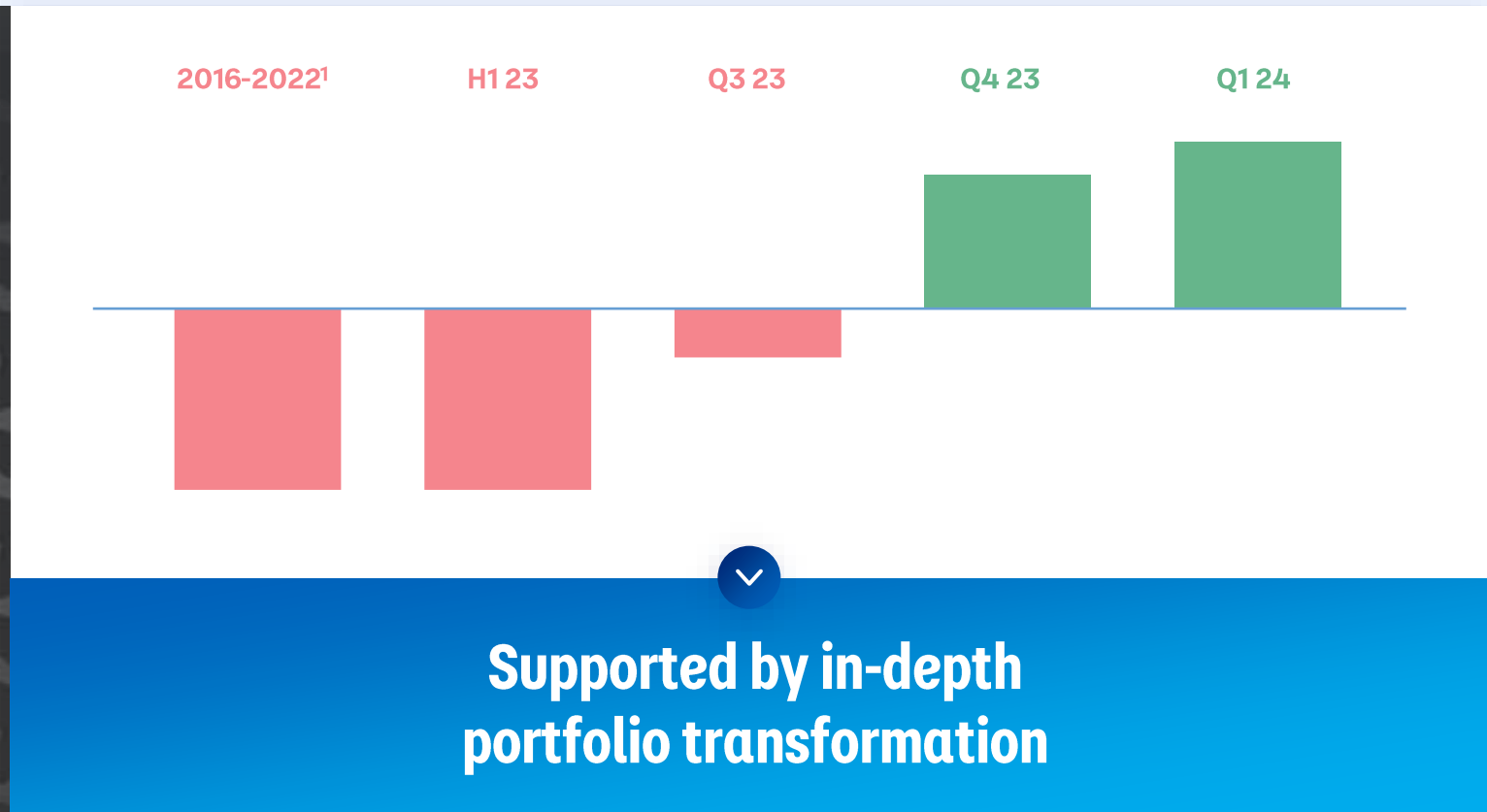
## GROWTH-DRIVEN BUSINESS MODEL



# FLYWHEEL STARTING TO SPIN VOL/MIX BACK TO POSITIVE

Consistently delivering

Vol/Mix back to positive



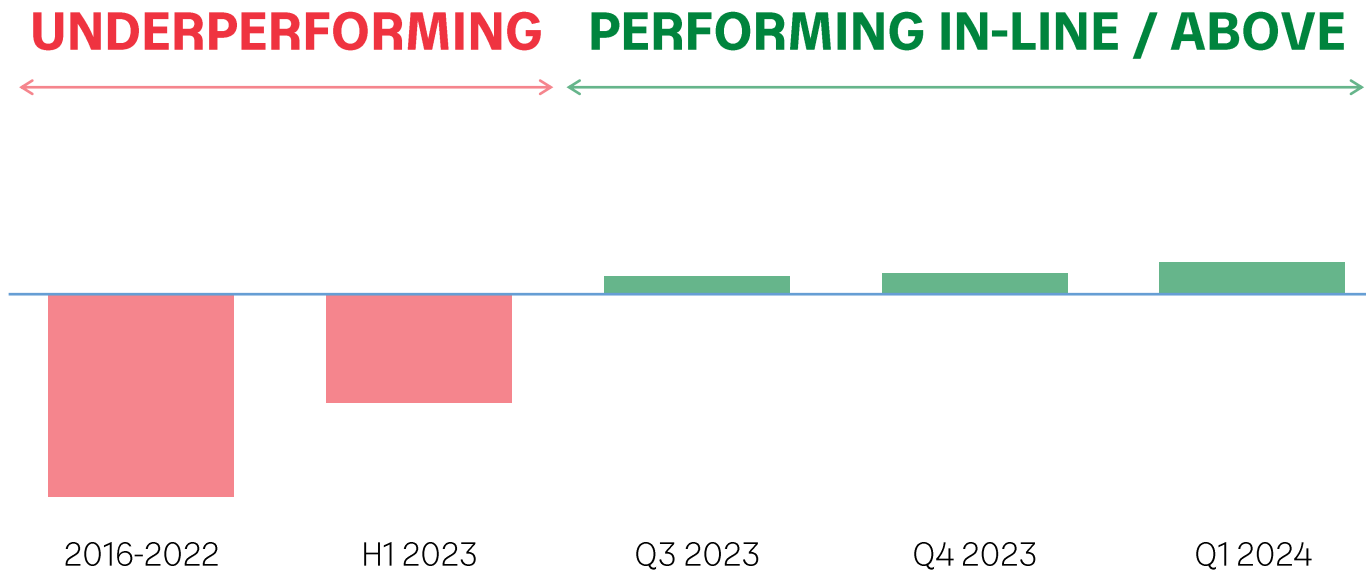
1. Volumes only



# 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**

c. €**300m**



**Market shares**



**CAPABILITIES  
AND OPERATIONS**

c. €**200m**



**Productivity**



**INNOVATIONS AND  
PRODUCT SUPERIORITY**

c. €**200m**

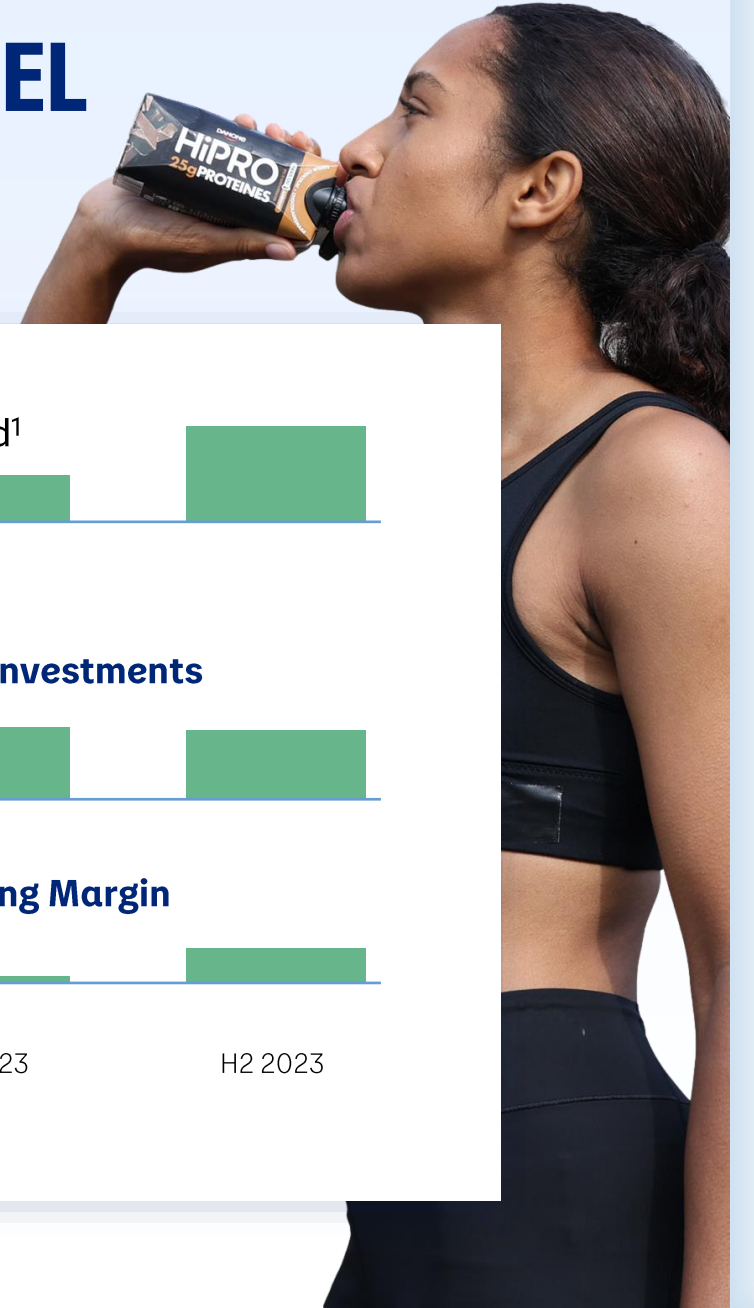


**Pipeline value**



# CONNECTING TO DESIRED FINANCIAL MODEL

## GROSS MARGIN AS KEY VALUE DRIVER



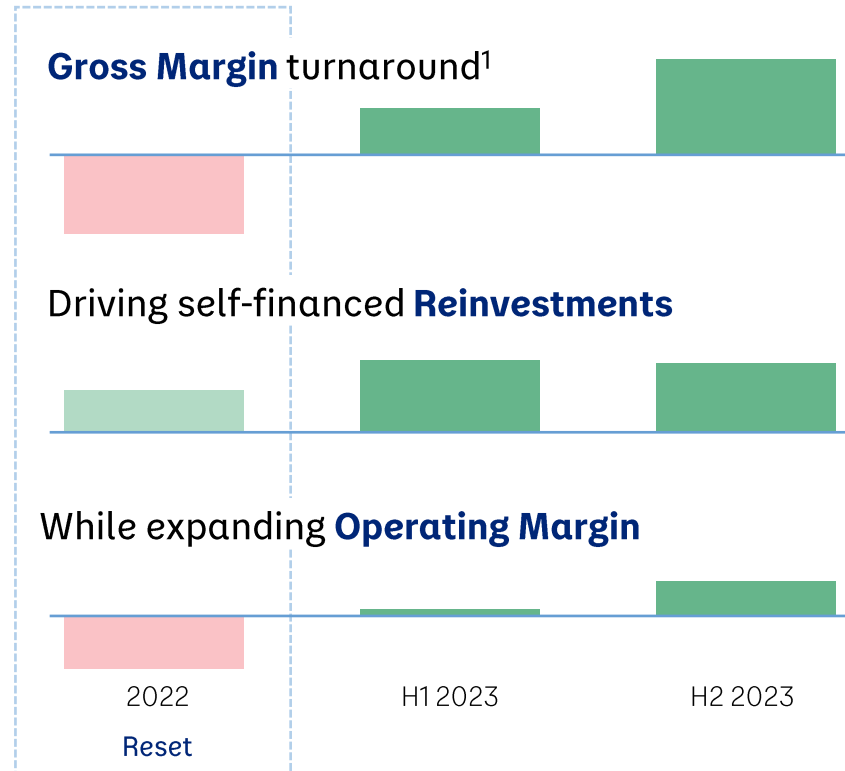
**IMPROVING  
VOLUME/MIX**

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





# 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**

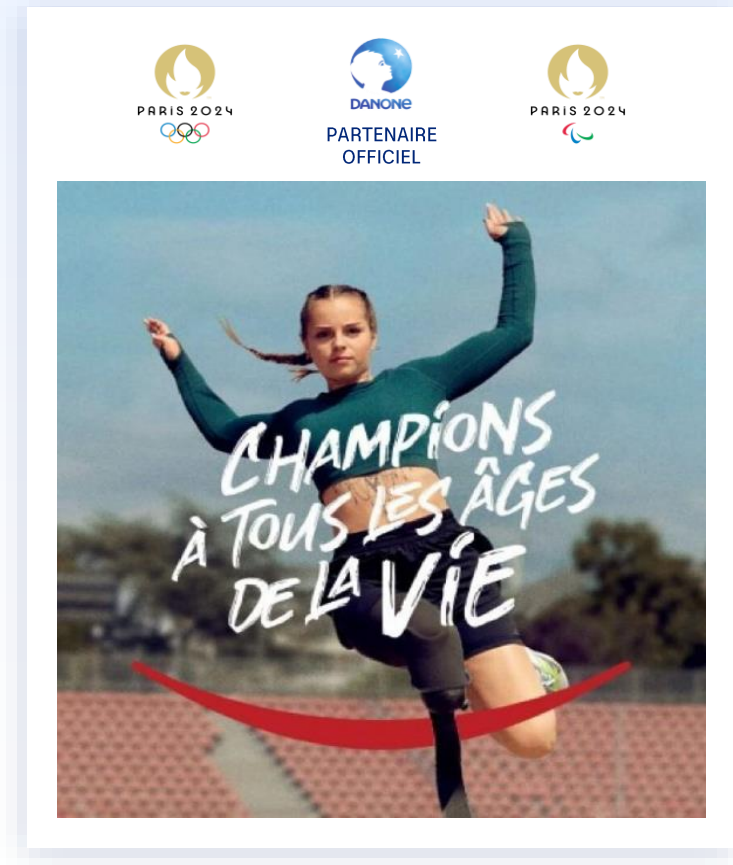
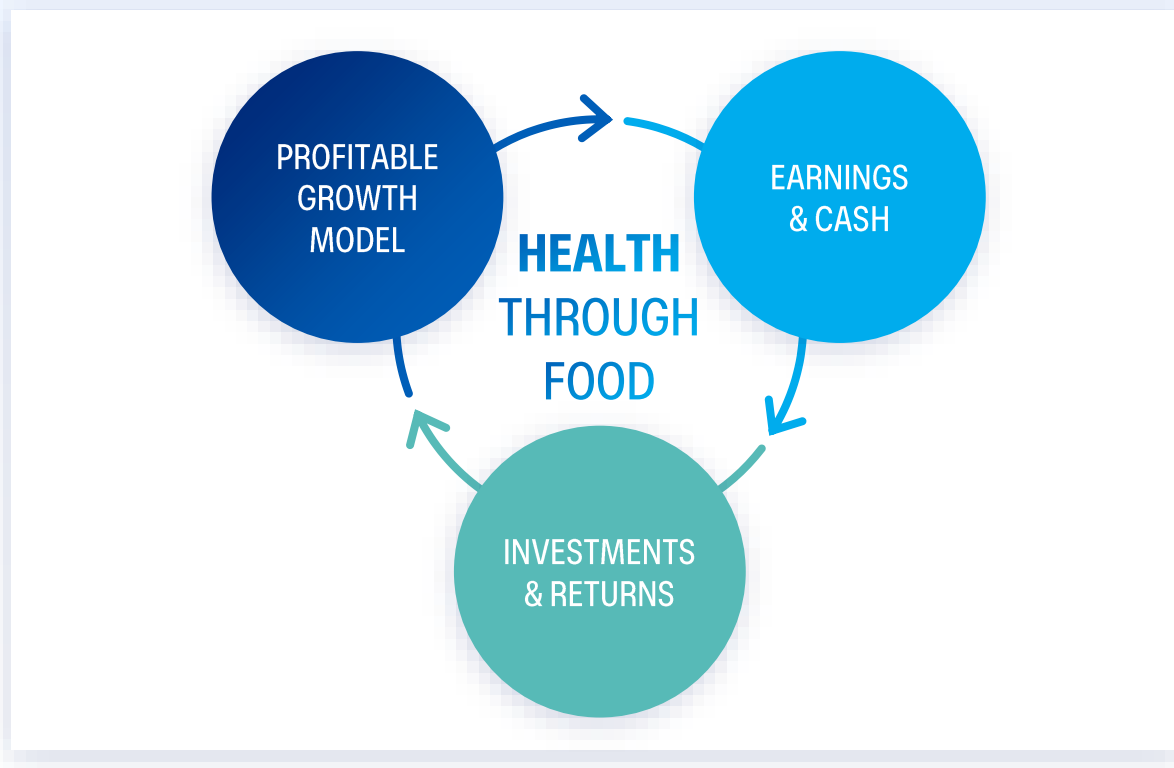


**WE ARE A  
STRONGER  
COMPANY TODAY,  
READY FOR MORE**



# RENEW DANONE NEXT CHAPTER OUR VALUE COMPOUNDING MODEL

Driving a long-term business model



# STEPPING UP THE AMBITION



NET SALES



RECURRING  
OPERATING MARGIN



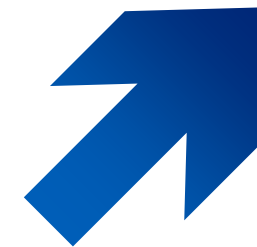
FREE  
CASH FLOW



ROIC



## CONSISTENT COMPETITIVE AMBITIOUS





# MAXIMIZING PORTFOLIO POTENTIAL DOUBLING-DOWN ON EXECUTION

## BOOSTING THE WINNERS

Scaling **€8bn** of  
Double-Digit Growth platforms

HIGH PROTEIN



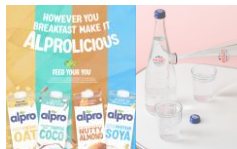
MEDICAL NUTRITION



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





# 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

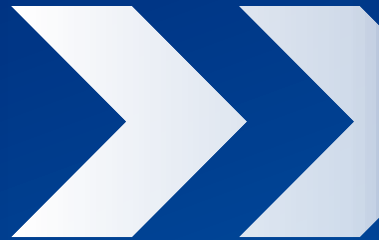
NEXT CHAPTER

# QUALITY GROWTH DRIVING MARGIN MAX OPERATING LEVERAGE OPPORTUNITY

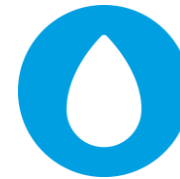
Competitive  
**GROWTH**  
VOL/MIX & PRICE



**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
 <b>HEALTH</b>	<ul style="list-style-type: none"> <li>✔ Healthier &amp; tastier</li> <li>✔ Positive &amp; sustainable nutrition</li> <li>✔ Research and Science</li> </ul>	<b>GROWTH</b>
 <b>NATURE</b>	<ul style="list-style-type: none"> <li>✔ Low methane dairy</li> <li>✔ Water protection</li> <li>✔ Regenerative agriculture</li> <li>✔ Packaging</li> </ul>	<b>EFFICIENCY &amp; GROWTH</b>
 <b>PEOPLE</b>	<ul style="list-style-type: none"> <li>✔ Future fit capabilities</li> <li>✔ Culture, training, upskilling &amp; reskilling</li> </ul>	<b>GROWTH</b>



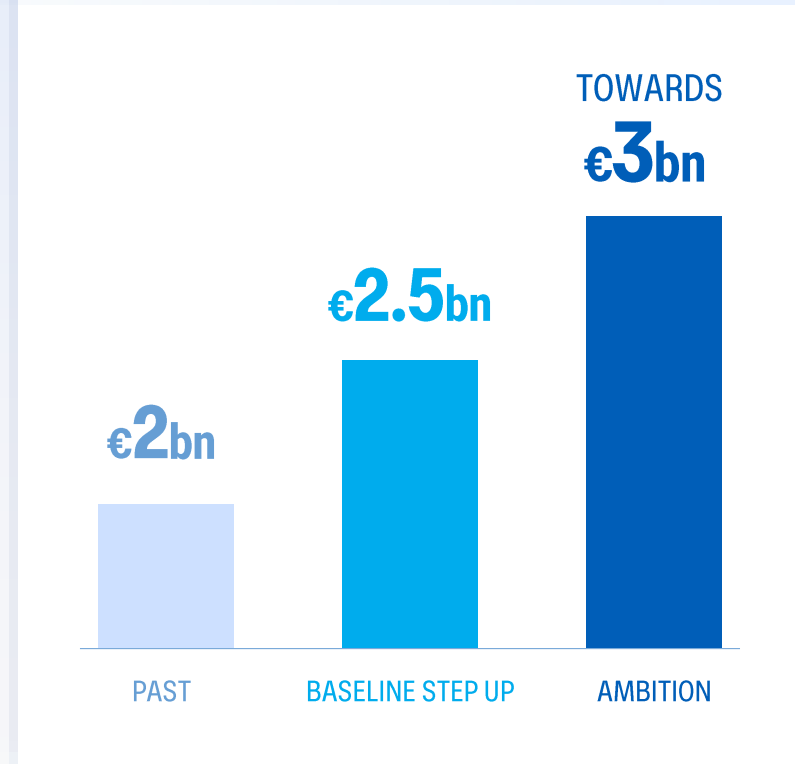


# STEP-CHANGING CASH GENERATION LEVELS LONG-TERM COMPOUNDER MODEL

## Drivers for accelerated cash generation

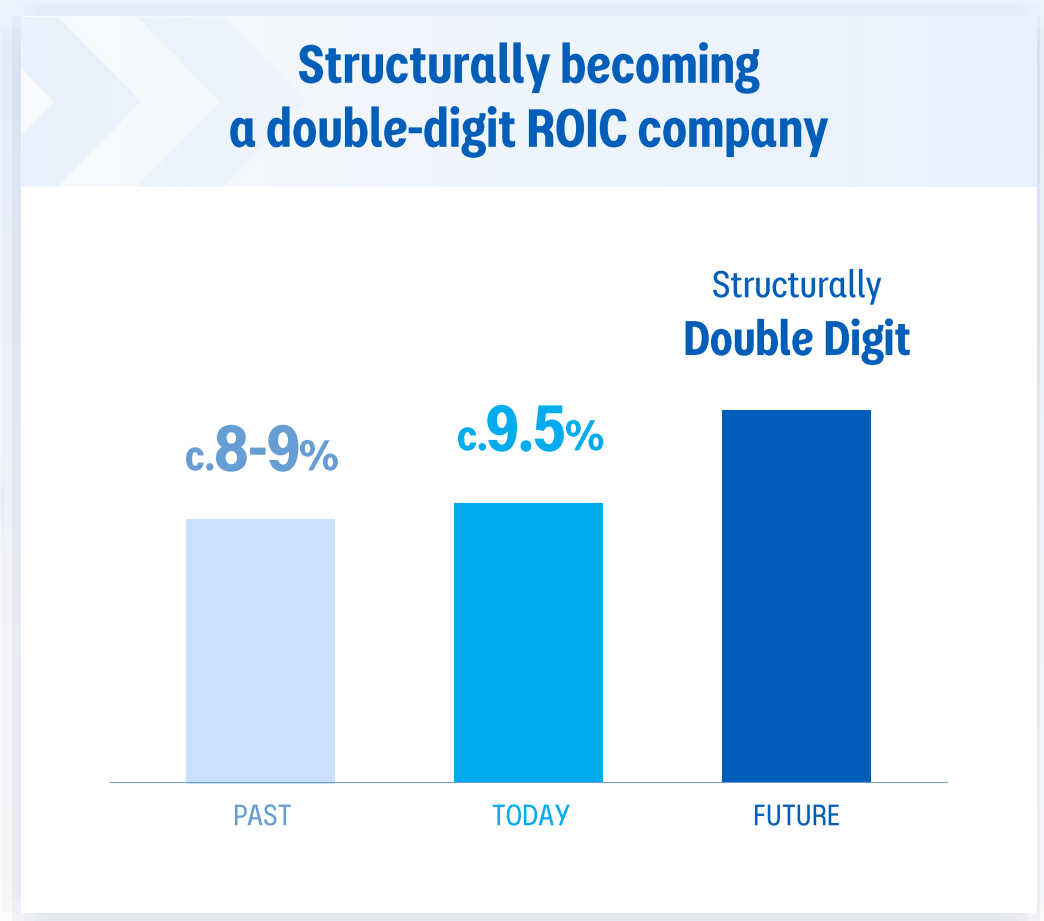
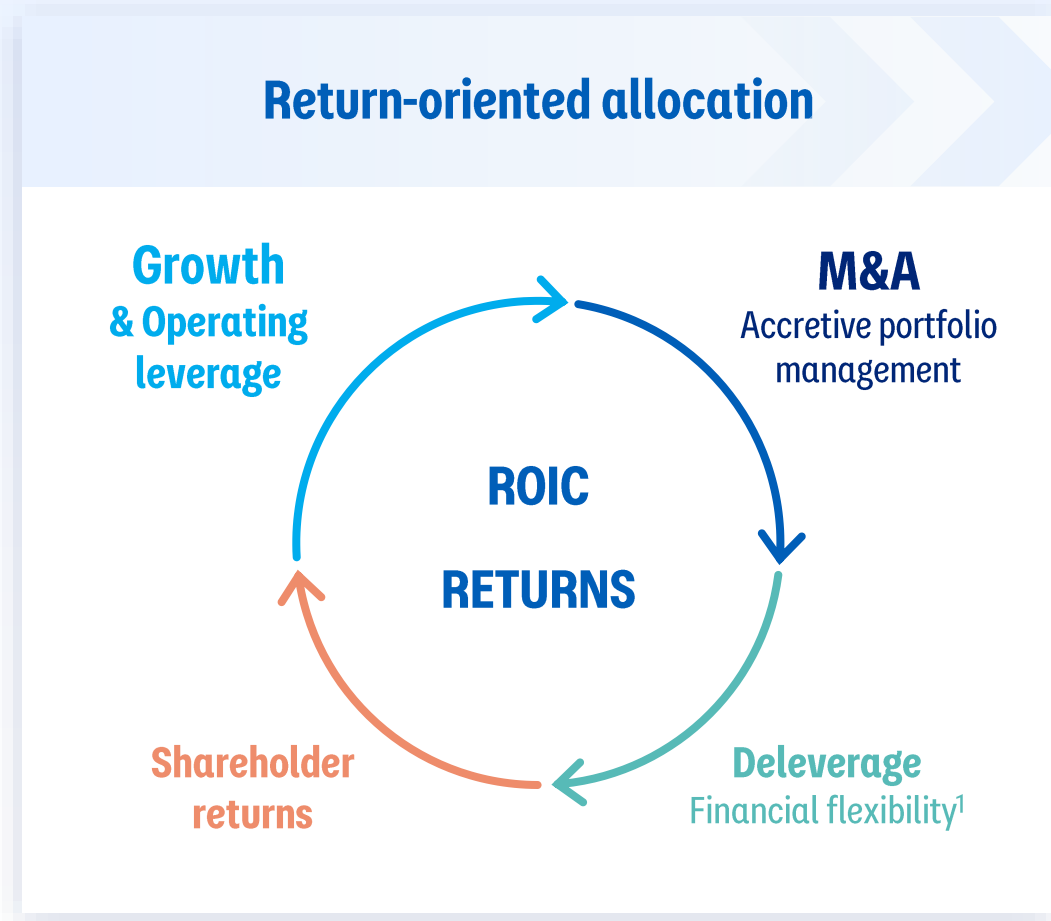


## Stepping up our FCF



# RETURN-ORIENTED CAPITAL ALLOCATION

## EARNINGS DRIVING ROIC EXPANSION



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



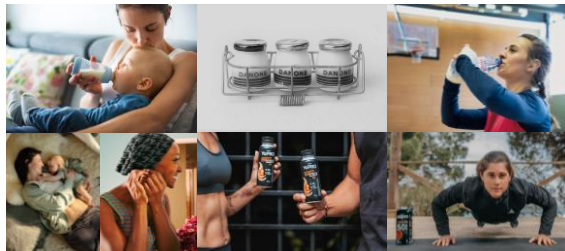
# MOVING TO THE FRONT FOOT PORTFOLIO MANAGEMENT

## ACQUISITIONS AND PARTNERSHIPS

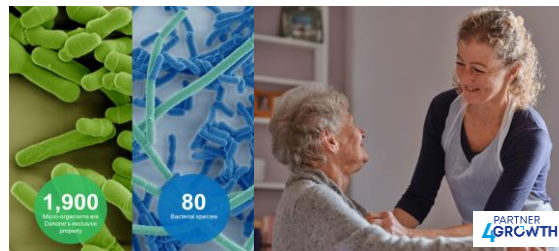
## OPTIMISING PORTFOLIO



### Pivoting



### Broadening



### Expanding



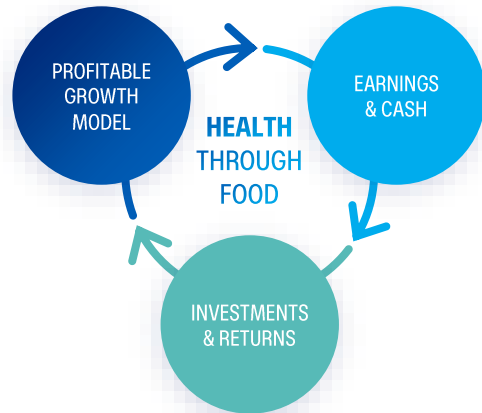
**DISCIPLINE ON ROIC & LEVERAGE**





# 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**

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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.



01

02

03

# CAPITAL MARKET EVENT

