



**2024 First Quarter Sales**  
Press release – Paris, April 18, 2024

## Good start to the year Further delivering on Renew Danone

- Net sales reached €6,789m in Q1 2024, up **+4.1% on a like-for-like (LFL) basis, with volume/mix up +1.2%**, and price up +2.9%
- **Making continued progress on Renew Danone**
  - Broad-based growth, with positive volume/mix across categories
  - Solid start to the year in Europe and North America amid pricing normalization
  - Sustained competitive growth in all categories in China
  - Continued progress on fixing business models in Emerging Markets
  - Portfolio rotation: Horizon Organic and Wallaby milk and dairy activity in the US and Michel & Augustin disposals successfully closed
- **2024 guidance confirmed:** like-for-like sales growth expected between +3% and +5%, with moderate improvement in recurring operating margin

€ million except %	Q1 2023	Q1 2024	Reported change	LFL sales growth	Volume/mix growth
<b>BY GEOGRAPHICAL ZONE</b>					
Europe	2,248	2,336	+3.9%	<b>+2.8%</b>	+0.1%
North America	1,714	1,737	+1.3%	<b>+2.5%</b>	+1.5%
China, North Asia & Oceania	824	840	+1.9%	<b>+8.9%</b>	+6.9%
Latin America	689	727	+5.4%	<b>+4.1%</b>	-2.6%
Rest of the World	1,486	1,150	-22.7%	<b>+6.0%</b>	+1.0%
<b>BY CATEGORY</b>					
EDP	3,768	3,474	-7.8%	<b>+3.0%</b>	+0.8%
Specialized Nutrition	2,143	2,183	+1.9%	<b>+3.8%</b>	+0.3%
Waters	1,051	1,132	+7.6%	<b>+8.1%</b>	+3.9%
<b>TOTAL</b>	<b>6,962</b>	<b>6,789</b>	<b>-2.5%</b>	<b>+4.1%</b>	<b>+1.2%</b>

All references in this document to Like-for-like (LFL) changes and Recurring operating income and margin, correspond to alternative performance measures not defined by IFRS. Their definitions, and their reconciliation with financial statements, as well as the definitions of geographical zones, are listed on pages 3 and 4.

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## Antoine de Saint-Affrique: CEO statement

We have delivered a good start to the year, with yet another quarter of quality growth and consistent delivery on our Renew Danone agenda: net sales were up +4.1% on a like-for-like basis and volume/mix up +1.2%, with all categories positively contributing.

In what remains a challenging environment, we continued making good progress on our transformation agenda, strengthening our category fundamentals, intentionally driving our winning mixes and geographies while delivering on portfolio rotation with the successful closing of the disposals of our milk and dairy activity Horizon Organic and Wallaby in the US and Michel & Augustin.

We are confident that 2024 will be another year where we deliver on our value creation model. With that in mind, we look forward to talking more about the next chapter of Renew Danone at our Capital Market Event in Amsterdam in June.

### I. FIRST QUARTER SALES

In Q1 2024, consolidated sales stood at €6.8 bn, up +4.1% on a like-for-like basis, led by an increase of +1.2% from volume/mix and +2.9% from price. On a reported basis, sales decreased by -2.5%, mainly penalized by the strong negative impact from scope (-5.0%), resulting from the deconsolidation of EDP Russia starting from July 2023, and the negative impact from forex of -3.2%. Besides, hyperinflation contributed positively to reported sales (+1.7%).

### Sales by operating segment

In the first quarter, **Europe** sales were up +2.8% on a like-for-like basis, with volume/mix up +0.1% and price up +2.8%. EDP continued its turnaround, notably led by *Actimel*, *Activia*, *YoPro* and *Alpro* brands, despite temporary shipment disruptions. Specialized Nutrition delivered resilient growth, on a high base, while Waters posted strong growth, notably driven by the sustained competitive performance of *evian* and *Volvic*. In **North America**, sales were up +2.5% on a like-for-like basis, led by volume/mix up +1.5% and price up +1.0%. The performance was led by Coffee Creations and High Protein Yogurts, and in particular by *International Delight*, *Stok* and *Oikos* brands, while in Plant-based, the portfolio restaging starts to show first signs of progress. **China, North Asia & Oceania** delivered +8.9% like-for-like sales growth, led by volume/mix up +6.9% and price up +2.0%. In China, Specialized Nutrition maintained its competitive momentum, while *Mizone* posted a strong start to the year, growing steep double-digits. Outside China, EDP registered double-digit growth in Japan, led by dairy functional brands. In **Latin America**, sales were up +4.1%, with price up +6.8% and volume/mix down -2.6%. The performance was driven by strong growth in Waters, led by *Bonafont*. EDP volume/mix was impacted by the licensing out of milk business in Brazil, while the value-added part of the portfolio, such as *YoPro* brand, posted a good performance. In the **Rest of the World**, sales increased by +6.0% on a like-for-like basis, with price up +4.9% and volume/mix up +1.0%, notably led by the resilient growth of Specialized Nutrition across Asia and the Middle-East, on a high base.

### Sales by geography by category

Q1 2024	Europe		North America		China/North Asia/Oceania		AMEA, CIS & Latin America		Total	
	Net sales (€m)	LFL sales growth (%)	Net sales (€m)	LFL sales growth (%)	Net sales (€m)	LFL sales growth (%)	Net sales (€m)	LFL sales growth (%)	Net sales (€m)	LFL sales growth (%)
EDP	1,088	+1.7%	1,590	+2.6%	87	+16.0%	709	+4.9%	3,474	+3.0%
Specialized Nutrition	785	+2.5%	80	-5.7%	596	+4.0%	722	+6.5%	2,183	+3.8%
Waters	462	+6.1%	67	+10.9%	157	+27.6%	446	+4.1%	1,132	+8.1%
<b>Total Company</b>	<b>2,336</b>	<b>+2.8%</b>	<b>1,737</b>	<b>+2.5%</b>	<b>840</b>	<b>+8.9%</b>	<b>1,876</b>	<b>+5.3%</b>	<b>6,789</b>	<b>+4.1%</b>

## II. 2024 GUIDANCE

2024 guidance confirmed: like-for-like sales growth between +3% and +5% with moderate improvement in recurring operating margin.

## III. OTHER DEVELOPMENTS OVER THE PERIOD

- **February 29, 2024:** Danone completed the sale of Michel & Augustin.
- **March 22, 2024:** Danone announced that the Russian regulatory approvals required for the disposal of its EDP business in Russia to Vamin R LLC have been obtained. The closing of this disposal is expected in the coming weeks.
- **April 1, 2024:** Danone completed the sale of its milk and dairy activity Horizon Organic and Wallaby in the U.S. to Platinum Equity. Danone retains a non-consolidated minority stake in the business.

## IV. ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

### IAS 29: impact on reported data

Danone has been applying IAS 29 in hyperinflation countries as defined in IFRS. Adoption of IAS 29 in hyperinflationary countries requires its non-monetary assets and liabilities and its income statement to be restated to reflect the changes in the general pricing power of its functional currency, leading to a gain or loss on the net monetary position included in the net income. Moreover, its financial statements are converted into euros using the closing exchange rate of the relevant period.

IAS 29: impact on reported data € million except %	Q1 2024
Sales	12.7
Sales growth (%)	0.19%

### Definitions of geographical zones

**Europe** refers to European countries and Ukraine.

**North America** includes United States and Canada.

**China, North Asia & Oceania** includes China, Japan, Australia and New-Zealand.

**Latin America** includes Mexico, Brazil, Argentina and Uruguay.

**Rest of the World** includes AMEA (Asia, Middle East including Turkey, Africa) and CIS.

### Financial indicators not defined in IFRS

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

**Like-for-like changes** in sales reflect Danone's organic performance and essentially exclude the impact of:

- changes in consolidation scope, with indicators related to a given fiscal year calculated on the basis of the previous year's scope;
- changes in applicable accounting principles;
- changes in exchange rates, with both previous-year and current-year indicators calculated using the same exchange rates (the exchange rate used is a projected annual rate determined by Danone for the current year and applied to both previous and current years).

Since January 1<sup>st</sup>, 2023, all countries with hyperinflationary economies are taken into account in like-for-like changes as follows: net sales growth in excess of around 26% per year (a three-year average at 26% would generally trigger the application of hyperinflationary accounting as defined in IFRS) is now excluded from the like-for-like net sales growth calculation.

#### **Bridge from reported data to like-for-like data**

(€ million except %)	Q1 2023	Like-for-like change	Impact of changes in scope of consolidation	Impact of changes in exchange rates & others incl. IAS 29	Contribution of hyperinflation	Reported change	Q1 2024
<b>Sales</b>	<b>6,962</b>	+4.1%	-5.0%	-3.2%	+1.7%	<b>-2.5%</b>	<b>6,789</b>

**Recurring operating income** is defined as Danone's operating income excluding Other operating income and expenses. Other operating income and expenses comprise items that, because of their significant or unusual nature, cannot be viewed as inherent to Danone's recurring activity and have limited predictive value, thus distorting the assessment of its recurring operating performance and its evolution. These mainly include:

- capital gains and losses on disposals of fully consolidated companies;
- impairment charges on intangible assets with indefinite useful lives;
- costs related to strategic restructurings or transformation plans;
- costs related to major external growth transactions;
- costs related to major crisis and major litigations;
- in connection with IFRS 3 (Revised) and IAS 27 (Revised) relating to business combinations, (i) acquisition costs related to business combinations, (ii) revaluation profit or loss accounted for following a loss of control, and (iii) changes in earn-outs relating to business combinations and subsequent to acquisition date.

**Recurring operating margin** is defined as the Recurring operating income over Sales ratio.

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#### **FORWARD-LOOKING STATEMENTS**

*This press release 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", "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.*

*Although Danone believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. For a detailed description of these risks and uncertainties, please refer to the "Risk Factor" section of Danone's Universal Registration Document (the current version of which is available at [www.danone.com](http://www.danone.com)).*

*Subject to regulatory requirements, Danone does not undertake to publicly update or revise any of these forward-looking statements. This document does not constitute an offer to sell, or a solicitation of an offer to buy Danone securities.*

**The presentation to analysts and investors will be broadcast live today from 8:00 a.m. (Paris time) on Danone's website ([www.danone.com](http://www.danone.com)).  
Related slides will also be available on the website in the Investors section.**