



**2023 First-Quarter Sales**  
Press release – Paris, April 26, 2023

## Strong start to the year Consistently delivering on Renew Danone

- **Net sales of €6,962m in the first quarter, up +11.6% on a reported basis and +10.5% on a like-for-like (LFL) basis,** with price up +10.3% and volume/mix up +0.2%; proforma volume/mix up +1.1% excluding EDP Russia
- **Strong start to the year, with all geographies and categories contributing to LFL sales growth:**
  - +6.2% in Europe driven by France, UK and Poland; further progress on EDP portfolio transformation
  - +11.8% in North America led by a continued strong and balanced momentum across segments
  - +16.0% in China, North Asia & Oceania with double-digit growth in all three categories
  - +12.6% in Latin America, led by Mexico and Brazil with resilient volumes
  - +11.8% in Rest of the World, notably supported by favorable calendar effects
- **2023 guidance upgrade:** like-for-like sales growth now expected between +4 and +6%; moderate improvement in recurring operating margin confirmed

### Antoine de Saint-Affrique – CEO statement

*"This first quarter showed a strong start to year 2023, with sales up +10.5% on a like-for-like basis, supported by strong pricing and resilient volume/mix, up +0.2% compared to last year. This performance was driven by all our categories and geographies, and notably the North America and CNAO zones, but also supported by favorable phasing.*

*This quarter again, we consistently delivered against the pillars of our Renew Danone strategy, further improving the quality of our execution, and investing behind our winning brands and platforms, while continuing to streamline and improve our portfolio.*

*While this is encouraging progress, there is still much to be done. We remain fully focused on delivering on our Renew Danone agenda, setting a solid base for long term sustainable value creation."*

€ million except %	Q1 2022	Q1 2023	Reported change	LFL sales growth	Volume/mix growth
<b>BY GEOGRAPHICAL ZONE</b>					
Europe	2,142	2,248	+4.9%	<b>+6.2%</b>	-4.0%
North America <sup>1</sup>	1,477	1,714	+16.0%	<b>+11.8%</b>	+0.8%
China, North Asia & Oceania <sup>2</sup>	735	824	+12.1%	<b>+16.0%</b>	+14.3%
Latin America <sup>3</sup>	602	689	+14.6%	<b>+12.6%</b>	-0.1%
Rest of the World	1,280	1,486	+16.2%	<b>+11.8%</b>	-1.1%
<b>BY CATEGORY</b>					
EDP	3,365	3,768	+12.0%	<b>+9.3%</b>	-3.2%
Specialized Nutrition	1,919	2,143	+11.6%	<b>+12.0%</b>	+5.4%
Waters	951	1,051	+10.5%	<b>+12.0%</b>	+2.5%
<b>TOTAL</b>	<b>6,236</b>	<b>6,962</b>	<b>+11.6%</b>	<b>+10.5%</b>	<b>+0.2%</b>

<sup>1</sup>United States and Canada; <sup>2</sup>China, Japan, Australia and New Zealand; <sup>3</sup>Mexico, Brazil, Argentina and Uruguay  
All references in this document to Like-for-like (LFL) changes, Recurring operating income and margin and Recurring net income correspond to financial indicators not defined in IFRS. Their definitions, as well as their reconciliation with financial statements, are listed on page 5

## I. 2023 FIRST-QUARTER SALES

In the first quarter of 2023, consolidated sales stood at €6,962m, up +10.5% on a like-for-like basis, with a +10.3% contribution from price and a +0.2% contribution from volume/mix. On a reported basis, sales increased by +11.6%, benefiting notably from a slightly positive Forex impact of +0.7%, and a positive effect of +1.4% coming from the contribution of hyperinflation. Reported sales were also impacted by a negative scope impact of -0.6%, resulting from the deconsolidation of the Waters business in Argentina.

### Performance by operating segment

All geographies contributed to the strong start to the year. In **Europe**, sales were up +6.2% sale on a like-for-like basis, driven by +10.2% growth in price and -4.0% in volume/mix. Growth was led by France, UK and Poland, and by the good performance of *Danone*, *Actimel*, *Alpro*, *evian* and *Aptamil*. In parallel, European countries continued to progress on the transformation of the EDP portfolio. In **North America**, the strong and balanced growth momentum continued, supported by consistent investments and execution: sales were up +11.8% on a like-for-like basis, driven by +11.0% growth in price and +0.8% growth in volume/mix, led by *Oikos* and *Activia* in Yogurt, and by *International Delight* and *Stok* in Coffee creations, while Plant-based delivered moderate growth on a high base. **China, North Asia & Oceania** posted sales growth of +16.0% on a like-for-like basis, led by +1.7% growth in price and +14.3% growth in volume/mix. In China, Infant Nutrition experienced a strong start to the year fueled by higher shipments, while Adult and Pediatric Specialties both grew well into double digits. In Waters, Mizone showed an encouraging start to the year, amid improving operating conditions, while in EDP, Japan delivered another quarter of double-digit growth, led by *Oikos* and *Danone*. **Latin America** posted sales growth of +12.6% on a like-for-like basis, led by Mexico and Brazil, with a +12.7% increase in price and a -0.1% decline in volume/mix. Dairy performance was sustained by *Danone*, *Activia*, *Danette* and *YoPro* brands, while Waters growth was driven by the good momentum of *Bonafont*, especially in small formats and Aquadrinks. **Rest of the World** registered sales growth of +11.8%, with price up +12.9% and volume/mix down -1.1%. Volume/mix growth was positive in the quarter excluding EDP Russia, benefitting notably from calendar effects. South-East Asia delivered mid-teens growth on a low base, sustained by both Waters and Specialized Nutrition.

### Performance by geography and category

Q1 2023	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	1,067	+5.3%	1,567	+11.8%	85	+19.5%	1,049	+8.6%	3,768	+9.3%
Specialized Nutrition	752	+2.5%	86	+6.7%	609	+15.2%	696	+22.1%	2,143	+12.0%
Waters	429	+16.1%	61	+19.2%	131	+17.4%	430	+6.0%	1,051	+12.0%
<b>Total Company</b>	<b>2,248</b>	<b>+6.2%</b>	<b>1,714</b>	<b>+11.8%</b>	<b>824</b>	<b>+16.0%</b>	<b>2,176</b>	<b>+12.0%</b>	<b>6,962</b>	<b>+10.5%</b>

## II. 2023 GUIDANCE UPGRADE

Like-for-like sales growth now expected between +4 and +6%, versus +3 to +5% previously, with moderate recurring operating margin improvement confirmed.

## III. MAJOR DEVELOPMENTS OVER THE PERIOD

- **March 15, 2023:** Danone announced that Sanjiv Mehta has been proposed as an independent member of Danone's Board of Directors. If approved at Danone's Shareholders' Meeting on April 27, 2023, the appointment will mark the full renewal of the Board. Mehta is currently CEO and Managing Director of Hindustan Unilever Limited (HUL), a role he will leave on June 26, 2023. If approved, he will join Danone's Board effective July 1, 2023.

- **April 24, 2023:** Danone announced its intention to call its redemption option for the outstanding €750m of its hybrid bond issued in 2017. The redemption date is set for June 23, 2023.

## VI. NEW FINANCIAL DISCLOSURE

### Financial disclosure

Danone's external reporting has been adjusted to reflect the organizational changes. Starting from Q1 2023, the company reports its key indicators (net sales, like-for-like sales growth, recurring operating income and recurring operating margin) along five adjusted operating segments:

- Europe, which includes Ukraine (was previously part of Rest of the World zone);
- North America, which includes the United States and Canada (unchanged);
- China, North Asia, Oceania (unchanged);
- Latin America (was previously part of Rest of the World zone);
- Rest of the World, which includes AMEA (Asia, Middle East including Turkey, Africa) and CIS.

The global category reporting remains unchanged, and Danone continues to report performance, on both net sales and recurring operating income and margin, for EDP, Specialized Nutrition and Waters.

### Like-For-Like definition

All countries with hyperinflationary economies are now included in our like-for-like changes. However, in order to limit the distorting effect of hyperinflation, net sales growth in excess of around 26% per year are excluded from like-for-like net sales growth calculation in hyperinflationary economies. Indeed, a three-year average at 26% would generally trigger hyperinflation as defined by IFRS rules.

2022 figures restated by new operating segments and new LFL methodology

	First quarter 2022		Second quarter 2022		Third quarter 2022		Fourth quarter 2022		Full Year 2022	
	Like-for-like change	Volume/mix change	Like-for-like change	Volume/mix change	Like-for-like change	Volume/mix change	Like-for-like change	Volume/mix change	Like-for-like change	Volume/mix change
<b>BY GEOGRAPHICAL ZONE</b>										
Europe	+5.2%	+2.4%	+4.2%	-0.7%	+5.4%	-2.7%	+3.6%	-6.4%	+4.6%	-1.9%
North America	+5.5%	+1.3%	+8.9%	+2.0%	+11.2%	+1.0%	+9.7%	-2.1%	+8.9%	+0.5%
China, North Asia & Oceania	+15.3%	+13.2%	+3.3%	+4.3%	+6.8%	+5.2%	+3.4%	2.1%	+6.7%	+4.9%
Latin America	+9.7%	+1.4%	+15.7%	+1.2%	+18.1%	+4.0%	+15.1%	-4.4%	+14.7%	+0.5%
Rest of the World	+5.5%	-1.4%	+8.5%	+0.4%	+8.1%	-6.7%	+4.8%	-5.5%	+6.7%	-3.3%
<b>BY CATEGORY</b>										
EDP	+3.8%	-1.5%	+5.6%	-2.1%	+6.1%	-4.8%	+7.5%	-6.9%	+5.8%	-3.9%
Specialized Nutrition	+9.0%	+5.2%	+10.4%	+8.0%	+11.5%	+1.7%	+6.5%	+1.3%	+9.3%	+3.6%
Waters	+14.1%	+11.5%	+5.1%	-1.6%	+10.8%	+5.3%	+0.9%	-4.5%	+7.5%	+2.4%
<b>Total</b>	<b>+6.8%</b>	<b>+2.4%</b>	<b>+6.9%</b>	<b>+1.0%</b>	<b>+8.5%</b>	<b>-1.0%</b>	<b>+6.2%</b>	<b>-4.0%</b>	<b>+7.1%</b>	<b>-0.6%</b>

Q1 2022	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	1,041	-0.3%	1,351	+5.1%	77	+4.0%	896	+6.9%	3,365	+3.8%
Specialized Nutrition	743	+9.6%	77	+4.7%	543	+21.5%	557	-0.7%	1,919	+9.0%
Waters	358	+14.4%	49	+17.7%	115	-1.2%	429	+18.5%	951	+14.1%
<b>Total Company</b>	<b>2,142</b>	<b>+5.2%</b>	<b>1,477</b>	<b>+5.5%</b>	<b>735</b>	<b>+15.3%</b>	<b>1,881</b>	<b>+6.7%</b>	<b>6,236</b>	<b>+6.8%</b>

Q2 2022	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	1,046	-0.2%	1,500	+7.7%	89	+14.3%	1,049	+8.8%	3,684	+5.6%
Specialized Nutrition	742	+7.3%	97	+23.0%	617	+9.7%	649	+13.4%	2,106	+10.4%
Waters	501	+9.4%	65	+18.8%	230	-13.6%	482	+10.5%	1,277	+5.1%
<b>Total Company</b>	<b>2,289</b>	<b>+4.2%</b>	<b>1,662</b>	<b>+8.9%</b>	<b>936</b>	<b>+3.3%</b>	<b>2,180</b>	<b>+10.5%</b>	<b>7,067</b>	<b>+6.9%</b>

Q3 2022	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	1,016	+1.2%	1,610	+8.3%	89	+14.7%	1,147	+7.8%	3,862	+6.1%
Specialized Nutrition	738	+8.9%	130	+52.2%	611	+5.3%	655	+15.4%	2,134	+11.5%
Waters	516	+9.2%	73	+26.3%	239	+7.6%	510	+12.5%	1,338	+10.8%
<b>Total Company</b>	<b>2,270</b>	<b>+5.4%</b>	<b>1,813</b>	<b>+11.2%</b>	<b>940</b>	<b>+6.8%</b>	<b>2,311</b>	<b>+11.0%</b>	<b>7,334</b>	<b>+8.5%</b>

Q4 2022	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	1,034	+1.5%	1,624	+11.1%	85	+15.5%	1,144	+8.5%	3,887	+7.5%
Specialized Nutrition	753	+7.7%	72	-17.6%	659	+3.7%	664	+11.7%	2,147	+6.5%
Waters	382	+1.5%	64	+12.8%	72	-10.3%	454	+1.1%	972	+0.9%
<b>Total Company</b>	<b>2,169</b>	<b>+3.6%</b>	<b>1,759</b>	<b>+9.7%</b>	<b>817</b>	<b>+3.4%</b>	<b>2,261</b>	<b>+7.8%</b>	<b>7,007</b>	<b>+6.2%</b>

FY 2022	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	4,137	+0.6%	6,085	+8.1%	340	+12.4%	4,237	+8.0%	14,799	+5.8%
Specialized Nutrition	2,977	+8.3%	376	+15.6%	2,431	+9.3%	2,535	+9.7%	8,319	+9.3%
Waters	1,757	+8.5%	251	+19.0%	656	-4.4%	1,879	+10.2%	4,543	+7.5%
<b>Total Company</b>	<b>8,871</b>	<b>+4.6%</b>	<b>6,712</b>	<b>+8.9%</b>	<b>3,428</b>	<b>+6.7%</b>	<b>8,651</b>	<b>+9.0%</b>	<b>27,661</b>	<b>+7.1%</b>

## VII. IFRS STANDARDS AND FINANCIAL INDICATORS NOT DEFINED IN IFRS

### IAS 29: impact on reported data

All necessary conditions have been reached (including 3-year cumulative rate of inflation for consumer prices exceeding the 100% threshold reached during the first half 2022) to now consider Turkey as "hyperinflationary" as defined by IFRS rules and therefore that IAS 29 rule related to Financial Reporting in Hyperinflationary Economies becomes applicable to the country. Consequently, Danone applies IAS 29 in Turkey with an effective date of January 1st, 2022.

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.

IAS29: impact on reported data € million except %	Q1 2023
Sales	-6.4
Sales growth (%)	-0.09%

### 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, recurring operating income and recurring operating margin 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 previous-year 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).

All countries with hyperinflationary economies are included in the like-for-like changes as follows: the net sales growth of those hyperinflationary countries in excess of around 26% per year (a three-year average at 26% would generally trigger hyperinflation as defined by IFRS rules) are excluded from like-for-like net sales growth calculation for those countries.

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

(€ million except %)	Q1 2022	Like-for-like change	Impact of changes in scope of consolidation	Impact of changes in exchange rates & others incl. IAS 29	Hyperinflation contribution	Reported change	Q1 2023
Sales	6,236	+10.5%	-0.6%	+0.4%	+1.4%	+11.6%	6,962

**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 Recurring operating income over Sales ratio.



### 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 8:30 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.**