



# MEDICAL NUTRITION

Key contributor to Danone's  
Sustainable profitable growth ambition

---

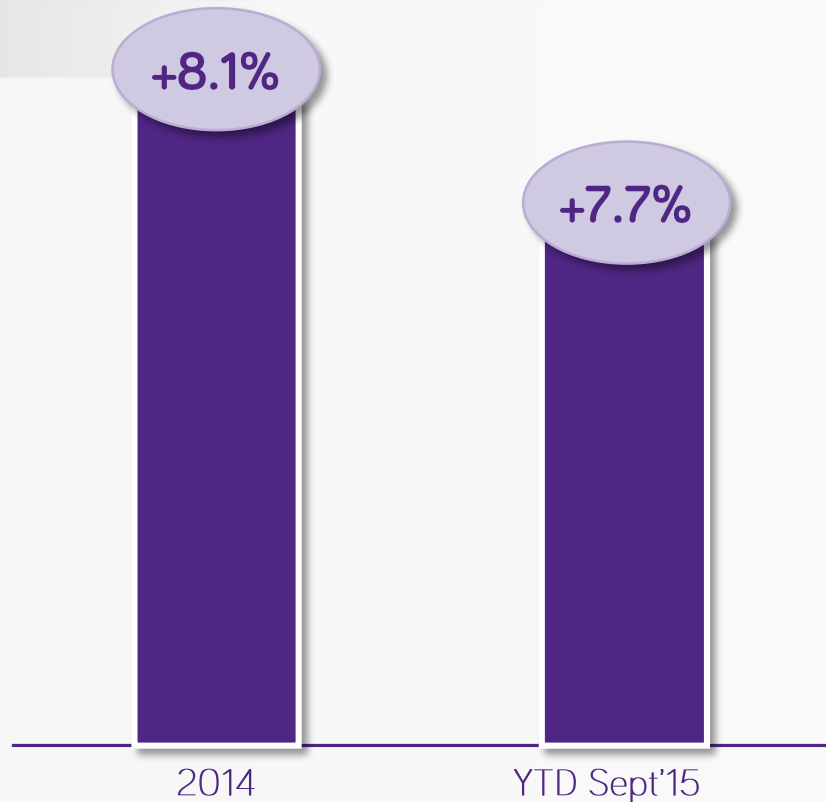
Flemming MORGAN

# A DIVISION VERY WELL POSITIONED FOR GROWTH



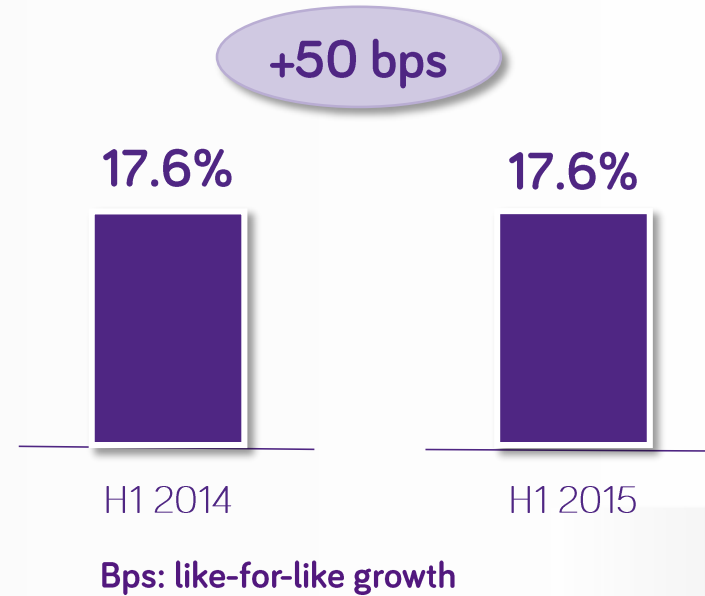
# ROBUST FINANCIAL PERFORMANCE

## Sales growth evolution



+x% Y-o-Y like-for-like growth

## H1 Margin improvement



- Sustainable growth over the last 2 years
- Solid profitable equation



# STRONG PERFORMANCE IN OUR CATEGORIES

## Paediatrics



> 12%



> 10%



> 6%

## Adult



> 8%



> 6%



2-3%



> 20%

Category sales growth vs last year



# SOLID GROWTH IN ALL REGIONS YTD 2015



+3 - +5%

Western Europe



> +10%

APEEMEA



> +10%

Americas



# INNOVATION AS A FUEL FOR SUSTAINABLE GROWTH

Continued global roll out of key innovations and line extensions



Innovations focused on selected growth markets



Improved product experience



# WE SHARPENED OUR STRATEGY

FOUR STRATEGIC OBJECTIVES

ONE VALUE EQUATION

DELIVER STRONG SUSTAINABLE PROFITABLE GROWTH

BUILD **INVINCIBLE PAEDIATRICS** AND **SELECTED TAs** IN **ADULT CARE**

DRIVE SUSTAINABLE, PROFITABLE GROWTH IN **SELECTED DEVELOPING MARKETS**



BRING WESTERN EUROPE BACK TO PROFITABLE GROWTH

BE A **CONNECTED, CUSTOMER-FOCUSED, EMPOWERED TEAM**

# GUIDED BY OUR CLEAR PURPOSE



best care

- Our **AMBITION** is to establish advanced nutrition as an integral part of healthcare
- Our **PURPOSE** is to pioneer nutritional discoveries that help people live longer, healthier lives
- What makes us different is delivering the **BEST CARE** for patients, healthcare professionals, consumers and our employees





# DANONE HAS BEEN CHANGING...

**DANONE**  
2020\*

Danone's Transformation Journey

- People and Organization
- Food and Water Cycle
- Alimentation

**DANONE**  
*Manifesto*

Danone's commitment to build an alimentation revolution for the health of Danone, our planet and our whole ecosystem



Committed to leverage the best of all 4 categories (expertise, innovation and people)



# ...AND WE FIT PERFECTLY

Purpose driven

We are led by our strong and powerful Best Care purpose



Communities

We lead our category by building and engaging with communities of key stakeholders in our ecosystem



Alimentation

Alimentation, understanding the needs and behaviours of our customers, is at the heart of what we do



**DANONE**  
2020\*



# BEING COMMUNITY RELEVANT IS KEY TO DANONE'S FUTURE GROWTH AMBITION

Reaching a large array of consumers in different geographies, moments, places



Addressing evolving lifestyles



Adapting to strongly anchored local diets, social & cultural habits



# WE ARE DANONE'S ADVANCED ARMY IN COMMUNITIES

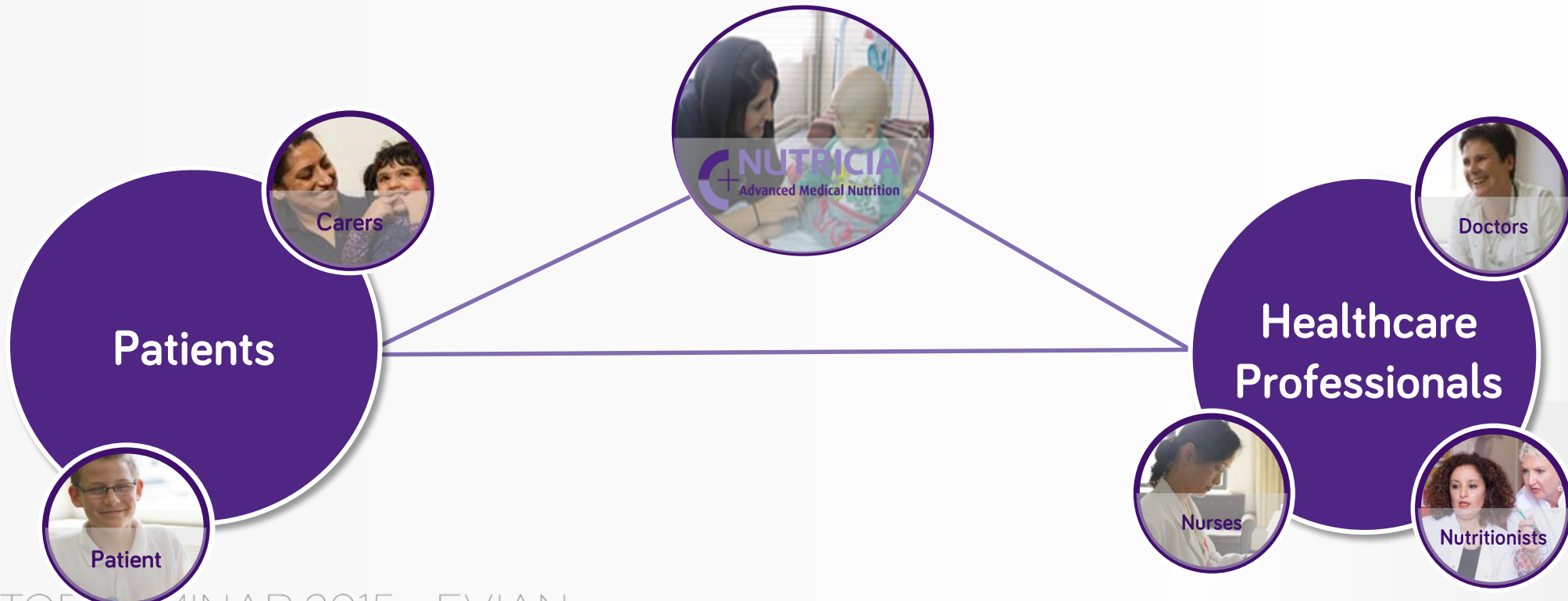
Communities are integral to the medical division's business & critical to driving our future growth and therefore vital for our strategies



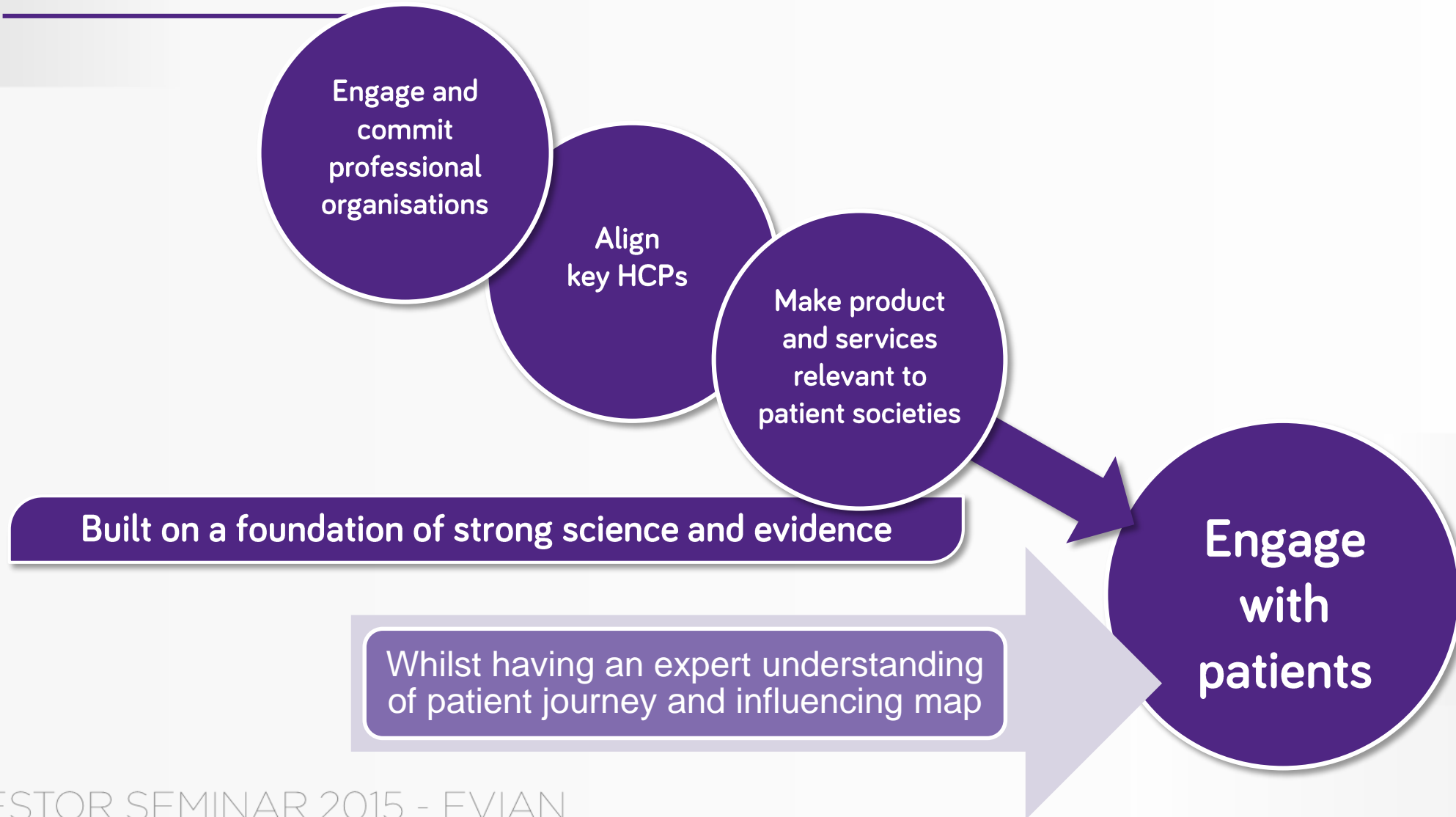
# HOW DO WE DEFINE COMMUNITIES?

**DANONE**  
2020\*

« A community is a group of people with a common sense of belonging who share passion/needs for a specific topic and share common references (code, language, story) and who are keen to engage with each others »



# BUILDING A COMMUNITY FOR A THERAPEUTIC AREA IS SYSTEMATIC





## PKU is an inherited genetic disease

Extremely rare 1:10.000

Unable to metabolise protein

No treatment results in severe mental retardation

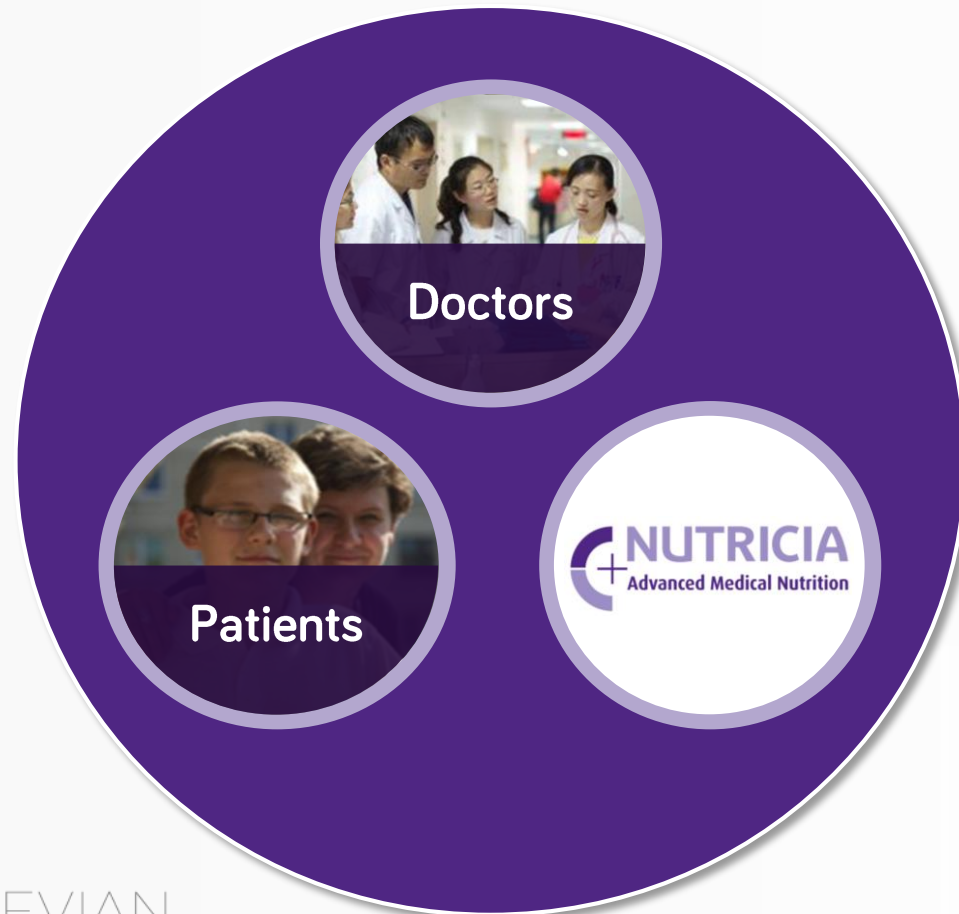
PKU patients can only eat low protein foods

We make a protein substitute which removes the offending amino acid



# BUILDING A COMMUNITY TO DRIVE DIET FOR LIFE IN PKU

15 years ago...

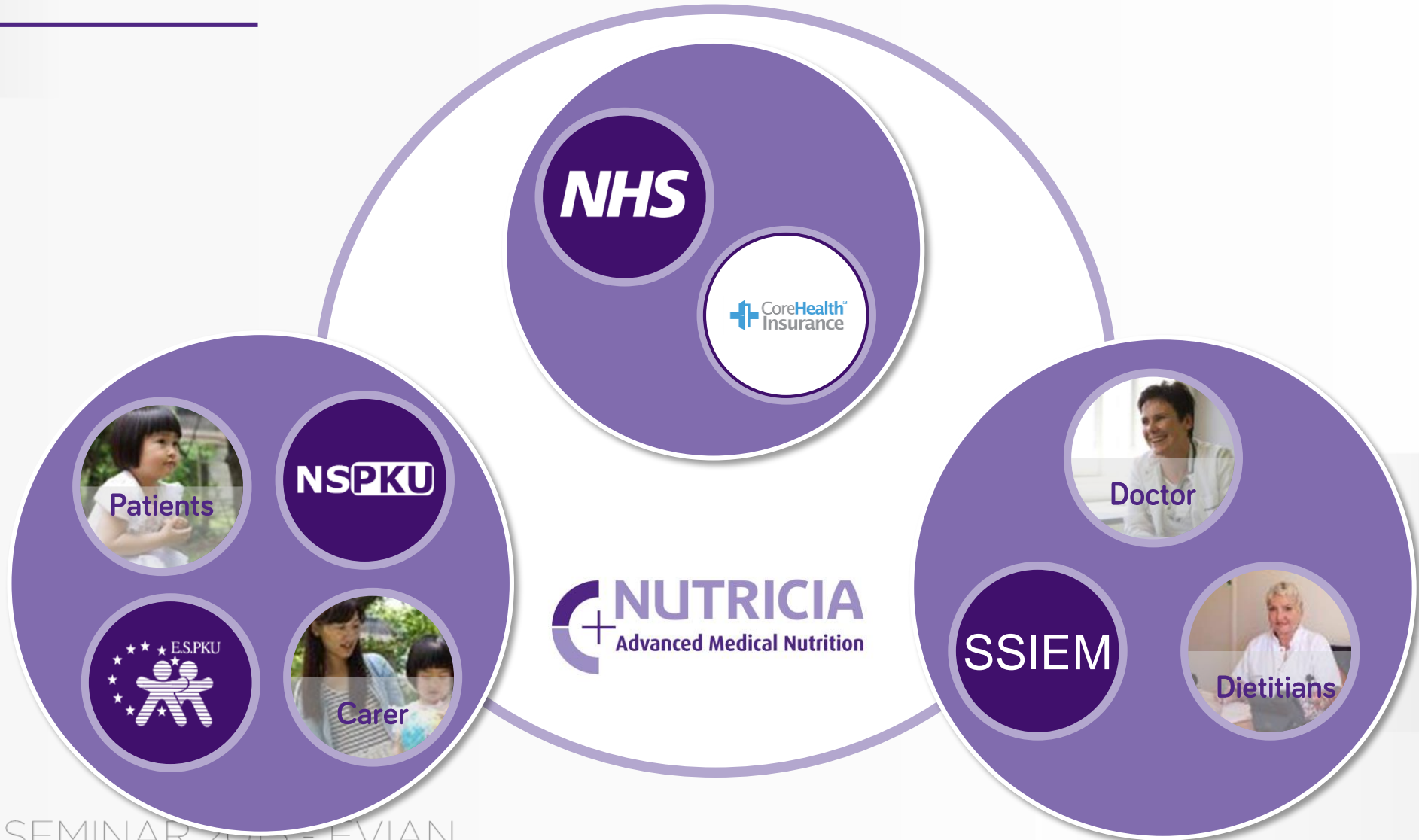




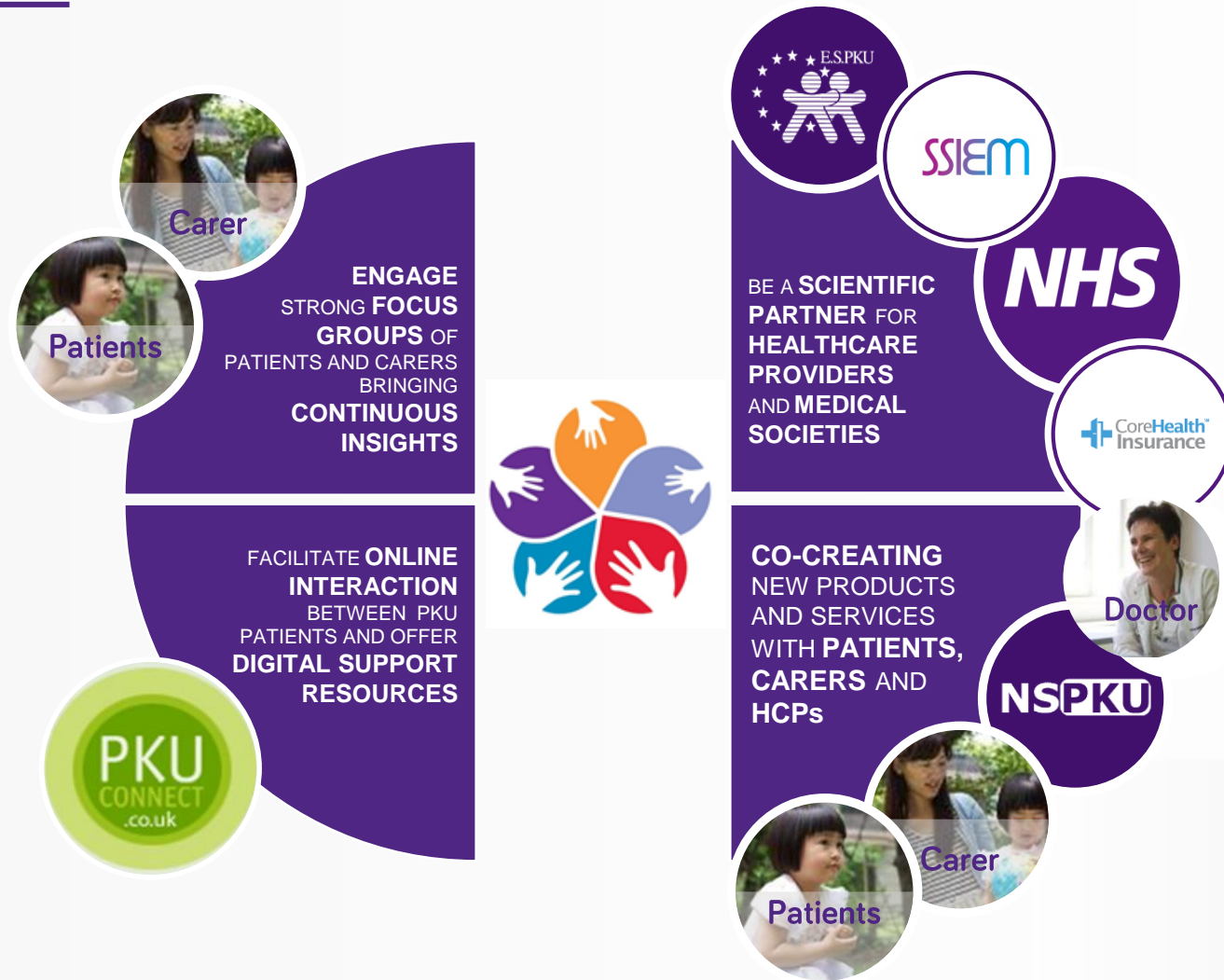
# NUTRICIA CONNECTED THE INTERDEPENDENT STAKEHOLDERS



# AND IS NOW A FULLY INTEGRATED PARTNER IN AN ESTABLISHED COMMUNITY





# BUILDING A COMMUNITY TO DRIVE DIET FOR LIFE IN PKU




# PKUCONNECT: leveraging digital tools to engage an even greater community of patients

The screenshot shows the PKU Connect website with a navigation bar (Recipes, Events, Articles, Products, SHS Homeward, Community) and a main content area. A prominent banner advertises 'THE BRAND NEW APP' for iPhones and iPads, highlighting features like a 'SIMPLE EXCHANGE CALCULATOR', 'KEEP TRACK OF YOUR EXCHANGES', and 'SET REMINDERS TO TAKE YOUR PROTEIN SUBSTITUTE'. Below this, there are sections for 'New Parents', 'Parents', 'Teens', and 'Adults', each with a 'More...' link. A 'Community' section lists recent discussions such as '01 Apr 2015 Biscuits' and '10 Jan 2015 Fussy child'. A 'Recipe of the month' for 'Sweet Muffins' is also featured. On the right side of the website, there are 'Log in' and 'Register' forms, and a social media feed for 'Nutricia/SHS PKU Friends'.

 Support resources: recipes, product information, careline

 Mobile app: compliance tracker

 Social media: accelerates community growth



# A MATURE COMMUNITY INVOLVES MULTIPLE INTERDEPENDENT STAKEHOLDERS



We Build, Manage and Mobilize

Leverage physical AND digital work to engage and sustain communities key to our business

Always using tailored, relevant and credible communication



**NUTRICIA**  
**Metabolics**  
Inspiring Futures

Lifetime value per patient €0.3-0.5m

# ALL OF OUR THERAPEUTIC AREAS ARE BUILT AROUND COMMUNITIES



## Paediatric Therapeutic Areas

- Allergy
- Faltering Growth
- Neurodisability
- Metabolic Diseases



## Adult Therapeutic Areas

- Stroke
- Frailty
- Oncology
- Alzheimer's Disease

- We **IMMERGE** in communities of patients, carers and healthcare professionals and understand their **VALUES, BELIEFS** and **FIGHTS**.
- We become a part of these communities by being a **CREDIBLE** and **RELIABLE PARTNER** helping patients, carers and healthcare professionals **WIN** their fights.
- We turn societal health issues into **BUSINESS DRIVERS** guided by a clear social purpose at the heart of our brands.



# **MEDICAL NUTRITION:** *key contributor to Danone's sustainable profitable growth ambition*

---

**Robust financial performance**

**Innovation as a fuel for sustainable profitable growth**

**Fully embedded in Danone, we live our Best Care purpose by bringing health through food to our customers**

**Alimentation and communities as key pillars of our growth strategies**