



Paris, January 14, 2025

FY 2024 results aide-memoire

Danone has compiled this document that sets forth public information previously provided by the Company, ahead of FY 2024 results, due for publication on February 26, 2025.

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I. 2024 GUIDANCE

The guidance for FY2024 was issued in February 2024, and confirmed in April, July and October 2024:

- **Like-for-like sales growth between +3% and +5%**
- **Moderate improvement in recurring operating margin**

II. NET SALES

Noteworthy information included in previous quarterly announcements

In 9M 2024, sales were up +4.1% on a like-for-like (LFL) basis, with a balanced contribution from volume/mix (+2.6%) and price (+1.5%).

On a reported basis, sales decreased by -2.6% in 9M 2024, reflecting notably in addition to the LFL sales growth:

- A strong negative impact from scope (-5.2%), resulting predominantly from the deconsolidation of EDP Russia (around 5% of 2022 global revenues; deconsolidated from July 16, 2023) and Horizon Organic and Wallaby (around 3% of 2022 global revenues; sale completed on April 1, 2024), and to a lesser extent, Michel & Augustin (sale completed on February 29, 2024).
- A negative impact from Forex & others (-3.1%), reflecting the depreciation of several currencies against the Euro, including notably the Argentine Peso, the Turkish Lira, the Indonesian Rupiah and the Chinese Renminbi
- A positive contribution of hyperinflation (+1.6%).

Management statements from previous quarterly calls

On FY 2024 guidance: "We have now been delivering three good quarters in year 2024, each of them at around +4% with actually a good mix. What is very important for us is to build a sustainable growth path."

"Finding the right balance between volume mix and price for us is important, and I believe that we are here fully on track"

"Moving forward, we will continue to drive a business model which focuses on a science-based and consumer centric approach. We're investing for even stronger category leadership for not only winning where we play, but also taking care of our categories, keeping our categories growing faster than the average of the food and beverage market within a soft consumer environment."

On pricing: "Pricing will stay positive in the second half of the year."

"The way we are approaching it is to ensure that we do consumer-led pricing where we have strong brands, which bring innovations into the market and where we feel that we have the right and the role to be a driver of the market growth, but it means also increased price in certain instances. And there will be other occasions where we will invest into price, in order to make sure that we get our fair share of the volume growth."

On volume/mix: "All of what we have been doing over the last 2 years is yielding results. Now, we will manage our portfolio and maximize the opportunities of our portfolio across the different regions. This is a volatile world, there's things happening here and there. But as you hear, we are confident that we are on the right path, and this is also why we have been reinvesting to solidify the growth momentum for the second semester and the years to come."

9M 2024 sales growth and volume/mix by geographies and categories

€ million except %	9M 2023	9M 2024	Reported change	LFL sales growth	Volume/mix growth
BY GEOGRAPHICAL ZONE					
Europe	7,069	7,210	+2.0%	+1.6%	+0.9%
North America	5,164	4,943	-4.3%	+4.4%	+3.5%
China, North Asia & Oceania	2,674	2,808	+5.0%	+8.4%	+8.9%
Latin America	2,233	2,265	+1.4%	+4.0%	-0.4%
Rest of the World	3,977	3,350	-15.8%	+5.8%	+1.4%
BY CATEGORY					
EDP	10,973	10,066	-8.3%	+3.5%	+2.4%
Specialized Nutrition	6,369	6,599	+3.6%	+4.6%	+2.7%
Waters	3,775	3,910	+3.6%	+5.0%	+2.9%
TOTAL	21,118	20,575	-2.6%	+4.1%	+2.6%

9M 2024 sales by geography by category

9M 2024	Europe		North America		China/North Asia/Oceania		AMEA, CIS & Latin America		Total	
	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)
EDP	3,243	+1.2%	4,448	+4.6%	278	+12.8%	2,097	+3.3%	10,066	+3.5%
Specialized Nutrition	2,335	+1.2%	263	-4.8%	1,857	+6.2%	2,144	+8.5%	6,599	+4.6%
Waters	1,632	+3.1%	231	+10.5%	673	+12.9%	1,374	+2.9%	3,910	+5.0%
Total Company	7,210	+1.6%	4,943	+4.4%	2,808	+8.4%	5,615	+5.1%	20,575	+4.1%

III. Recurring Operating Margin

Noteworthy information included in previous quarterly announcements

In H1 2024, the recurring operating margin stood at 12.69%, up +45 basis points (bps) compared to last year. This growth includes:

- The strong improvement of margin from operations (+257 bps), driven by the final benefits of 2023 carry-over pricing, combined with record levels of productivity;
- The continued step-up in reinvestments in A&P, product superiority and capabilities, which had a negative effect of -169 bps;
- The negative impact from Overheads before reinvestments of -8 bps;
- A combined impact of -34 bps that includes notably a negative impact from Forex and a positive effect from Scope.

Management statements from previous quarterly calls

On recurring operating margin: *"We are looking at the full year with confidence. We are maintaining the guidance we issued at the beginning of the year (...) we are expecting a comparable composition of the margin progression as last year."*

On gross margin: *"We are confident on the second semester, although the gross margin may not be at the same magnitude of expansion as in the first one."*

"We were in this first semester, benefiting from some final carryover effects of pricing from last year, which has given the gross margin even more momentum for the last period. With pricing normalizing in the coming quarters, the effect on gross margin will not repeat with the same magnitude in the coming second half (...) we will continue to have benefit from there, although probably at the lower level."

"Some of the commodity prices have probably touched the lowest point [in H1] (...) We also see some inflation on our material costs moving forward (...) We see some inflation at normalized level driven by milk and some milk ingredients, driven by labor costs and transportation."

On reinvestments: *"In a market environment which has seen intense competitive pressure, we have been reinvesting 169 bps [in H1] into what will drive our growth in the future into A&P, into sales & marketing capabilities, into Research and Innovation as well as into digitalizing our supply chain. The reinvestment focus will now sequentially move towards more category leadership initiatives."*

IV. Recurring Net Income and Earnings per share

Noteworthy information included in previous quarterly announcements

In H1 2024, Recurring EPS was up +2.6% to €1.80. It notably reflected:

- Recurring financing costs increased -€9m in H1 2024 to €151m, related to slightly higher bond yields. The tax rate was 26.9% in H1 2024 vs 27.2% in FY23.
- Recurring share of profit of equity-accounted companies stood at €40 million, up from €14 million last year, while recurring net income from non-controlling interests, which include notably Aqua and Mizone, stood at €44 million, slightly up from €39 million last year.

The number of shares (excluding treasury shares) is c. 644 million as of December 31, 2024.

V. Cash Flow and Debt

Noteworthy information included in previous quarterly announcements

Free cash flow amounted to €1,248 million in H1 2024, up +11% year on year, reflecting the strong increase in cash flow from operating activities. Capex stood at €319 million.

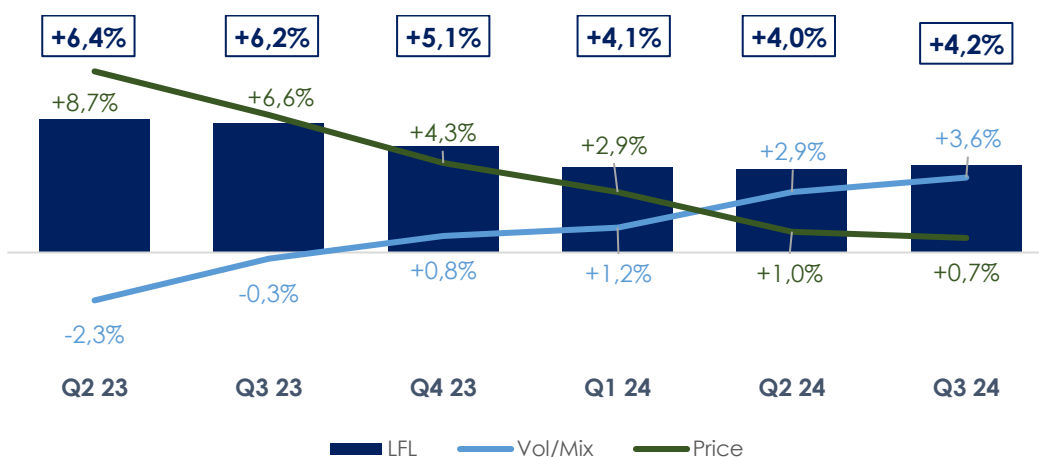
As of June 30, 2024, Danone's net debt stood at €10.0 billion, decreasing from €10.2 billion as of December 31, 2023, reflecting continued improvement in the quality of Danone's balance sheet.

Management statements from previous quarterly calls

On Capex: "We anticipate that our CapEx needs will increase compared to the last years, while staying below the threshold of 4.5% of net sales. The incremental investment will go into capacity extension for our Winners and in the acceleration of our digital journey to further enhance our cash flows of the future."

VI. APPENDIX

Quarterly topline evolution



Quarterly sales and volume/mix by geography and by category

	Q1 2023		Q2 2023		Q3 2023		Q4 2023		Q1 2024		Q2 2024		Q3 2024	
	LFL growth	Vol/mix	LFL growth	Vol/mix	LFL growth	Vol/mix	LFL growth	Vol/mix	LFL growth	Vol/mix	LFL growth	Vol/mix	LFL growth	Vol/mix

By geographical zone

Europe	+6.2%	-4.0%	+6.5%	-5.1%	+5.1%	-4.1%	+6.0%	+0.3%	+2.8%	+0.1%	+0.7%	+0.2%	+1.4%	+2.4%
North America	+11.8%	+0.8%	+5.0%	-2.7%	+3.9%	-0.2%	+3.1%	+2.8%	+2.5%	+1.5%	+5.0%	+4.4%	+5.8%	+4.9%
China, North Asia & Oceania	+16.0%	+14.3%	+9.6%	+8.8%	+8.4%	+7.3%	+7.4%	+4.8%	+8.9%	+6.9%	+8.4%	+9.4%	+8.0%	+10.2%
Latin America	+12.6%	-0.1%	+10.8%	-2.0%	+8.2%	-1.8%	+8.1%	-1.3%	+4.1%	-2.6%	+5.0%	+1.8%	+2.7%	-0.7%
Rest of the World	+11.8%	-1.1%	+3.9%	-4.3%	+9.7%	+1.9%	+3.5%	-2.9%	+6.0%	+1.0%	+5.3%	+1.8%	+6.0%	+1.2%

By category

EDP	+9.3%	-3.2%	+6.2%	-3.3%	+6.3%	-0.8%	+4.5%	+2.0%	+3.0%	+0.8%	+3.3%	+2.6%	+4.1%	+3.8%
Specialized Nutrition	+12.0%	+5.4%	+4.9%	-1.7%	+5.7%	+0.3%	+4.7%	-1.3%	+3.8%	+0.3%	+4.7%	+3.6%	+5.2%	+4.1%
Waters	+12.0%	+2.5%	+9.6%	+0.0%	+7.0%	-0.2%	+8.5%	+1.5%	+8.1%	+3.9%	+4.4%	+2.6%	+3.2%	+2.3%

TOTAL	+10.5%	+0.2%	+6.4%	-2.3%	+6.2%	-0.3%	+5.1%	+0.8%	+4.1%	+1.2%	+4.0%	+2.9%	+4.2%	+3.6%
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Quarterly sales by geography by category

Q3 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	+6.6%	1,583	+4.9%	90	+14.6%	733	+8.0%	3,474	+6.3%
Specialized Nutrition	766	+3.0%	92	-12.5%	573	+6.5%	641	+11.5%	2,070	+5.7%
Waters	560	+5.2%	72	+5.3%	233	+10.9%	498	+7.5%	1,362	+7.0%
Total Company	2,392	+5.1%	1,747	+3.9%	896	+8.4%	1,871	+9.1%	6,906	+6.2%

Q4 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	1,081	+5.6%	1,583	+3.6%	89	+13.1%	708	+3.8%	3,462	+4.5%
Specialized Nutrition	795	+4.6%	77	-8.7%	652	+5.7%	649	+5.9%	2,174	+4.7%
Waters	436	+9.4%	65	+7.2%	80	+15.7%	438	+6.6%	1,019	+8.5%
Total Company	2,313	+6.0%	1,725	+3.1%	822	+7.4%	1,795	+5.2%	6,655	+5.1%

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%
Total Company	2,336	+2.8%	1,737	+2.5%	840	+8.9%	1,876	+5.3%	6,789	+4.1%

Q2 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	1,086	+1.0%	1,420	+5.4%	97	+13.5%	696	+1.0%	3,298	+3.3%
Specialized Nutrition	780	+1.1%	87	-6.1%	641	+7.0%	704	+8.6%	2,213	+4.7%
Waters	581	-0.4%	87	+11.1%	263	+9.9%	495	+6.5%	1,426	+4.4%
Total Company	2,447	+0.7%	1,595	+5.0%	1,001	+8.4%	1,895	+5.2%	6,938	+4.0%

Q3 2024	Europe		North America		China/North Asia/Oceania		AMEA, CIS & Latin America		Total	
	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)
EDP	1,069	+0.9%	1,438	+6.2%	95	+9.3%	683	+4.1%	3,283	+4.1%
Specialized Nutrition	770	0.0%	96	-2.6%	620	+7.7%	704	+10.3%	2,189	+5.2%
Waters	589	+4.3%	78	+9.6%	252	+8.3%	435	-1.7%	1,354	+3.2%
Total Company	2,427	+1.4%	1,611	+5.8%	967	+8.0%	1,821	+4.8%	6,826	+4.2%

Reminder of recent developments

- **February 29, 2024:** Danone completed the sale of Michel & Augustin.
- **April 1, 2024:** Danone completed the sale of its milk and dairy activity Horizon Organic and Wallaby in the U.S. to Platinum Equity. In 2022, it represented approximately 3% of Danone's global revenues and had a dilutive impact on Danone's like-for-like sales growth and recurring operating margin. Danone retains a non-consolidated minority stake in the business.
- **April 26, 2024:** Danone successfully issued a €700 million bond with a 6-year maturity and a 3.481% coupon. The settlement took place on May 3, 2024 and the bonds are listed on Euronext Paris.
- **May 1, 2024:** Danone announced it had successfully completed the acquisition of Functional Formularies, a leading whole foods tube feeding business in the US, from Swander Pace Capital. As part of the Renew Danone strategy, this acquisition strengthens Danone's Medical Nutrition portfolio in the US by further expanding its enteral tube feeding ranges.
- **May 17, 2024:** Following the press release on March 22, 2024, where Danone announced that the Russian regulatory approvals required for the disposal of its EDP business in Russia to Vamin R LLC were obtained, Danone announced it had completed this transaction. In 2022, the EDP Russia business represented around 5% of Danone net sales and had a dilutive contribution to Danone's like-for-like sales growth and recurring operating margin.
- **June 12, 2024:** Danone, Michelin, the American start-up DMC Biotechnologies and Crédit Agricole Centre France, a key investor in the region, agreed to create the Biotech Open Platform to bolster the development of advanced fermentation processes, particularly precision fermentation, on a larger scale.
- **June 20, 2024:** Danone hosted a Capital Market Event where the company shared its mid-term strategy and value creation journey for the 2025-2028 period. Danone's next chapter will build on the fundamentals the company reestablished over the last 2 years: science and innovation, operational and executional discipline, and proactive portfolio management. Committed to a long-term value compounding model, Danone aims to consistently deliver attractive returns, and expects, for the 2025-2028 period, like-for-like net sales growth between +3% and +5%, and recurring operating income to grow faster than net sales. This financial guidance should allow Danone to deliver a structurally double-digit ROIC and progress towards its long-term ambition of delivering €3bn free-cash-flow.

- **July 24, 2024:** Danone announced it is exploring a multi-year collaboration with Microsoft to integrate artificial intelligence (AI) throughout Danone's operations. Through the collaboration, the companies intend to launch a Danone Microsoft AI Academy, dedicated to upskilling all Danone employees to ensure that all employees are equipped with the AI and digital tools they need to thrive in the new AI-driven economy. It builds on Danone's recently launched 'DanSkills' programme, which aims to upskill and reskill around 100,000 Danone employees to the jobs of the future and attract new talent.
- **September 5, 2024:** Danone successfully issued a €700 million bond with a 7-year maturity and a 3.2% coupon. The settlement took place on September 12, 2024 and the bonds are listed on Euronext Paris.



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This document 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.

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