



**DANONE**  
ONE PLANET. ONE HEALTH

# FULL YEAR RESULTS 2018

February 19, 2019

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Emmanuel Faber, Chairman and CEO  
Cécile Cabanis, CFO



# Disclaimer

- 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”, “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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- 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.
- 2017 reported figures have been restated for IFRS 15 (Revenues from contracts with customers). Q3, Q4 and FY 2018 reported figures take into account application of IAS29 (Financial reporting in hyperinflationary economies) to Argentina from July 1, 2018, with effect on January 1, 2018. All references in this presentation to “Like-for-like (LFL) New Danone” changes, “like-for-like” changes, recurring operating income, recurring operating margin, recurring net income, recurring income tax rate, Recurring EPS, Yakult Transaction Impact, free cash flow and net financial debt correspond to financial indicators not defined in IFRS. Please refer to the FY 2018 results press release issued on February 19, 2019 for further details on IFRS 15, IAS29, the definitions and reconciliation with financial statements of financial indicators not defined in IFRS. The FY 2018 also details the impact of the consumer boycott that started in Morocco in April 2018. Finally, the calculation of ROIC and Net Debt/Ebitda is detailed in the half-year interim financial report and annual registration document.
- Due to rounding, the sum of values presented in this presentation may differ from totals as reported. Such differences are not material.



**DANONE**  
ONE PLANET. ONE HEALTH

**2018:**  
**another year of delivery  
and transformation**

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**Emmanuel Faber**  
Chairman and CEO



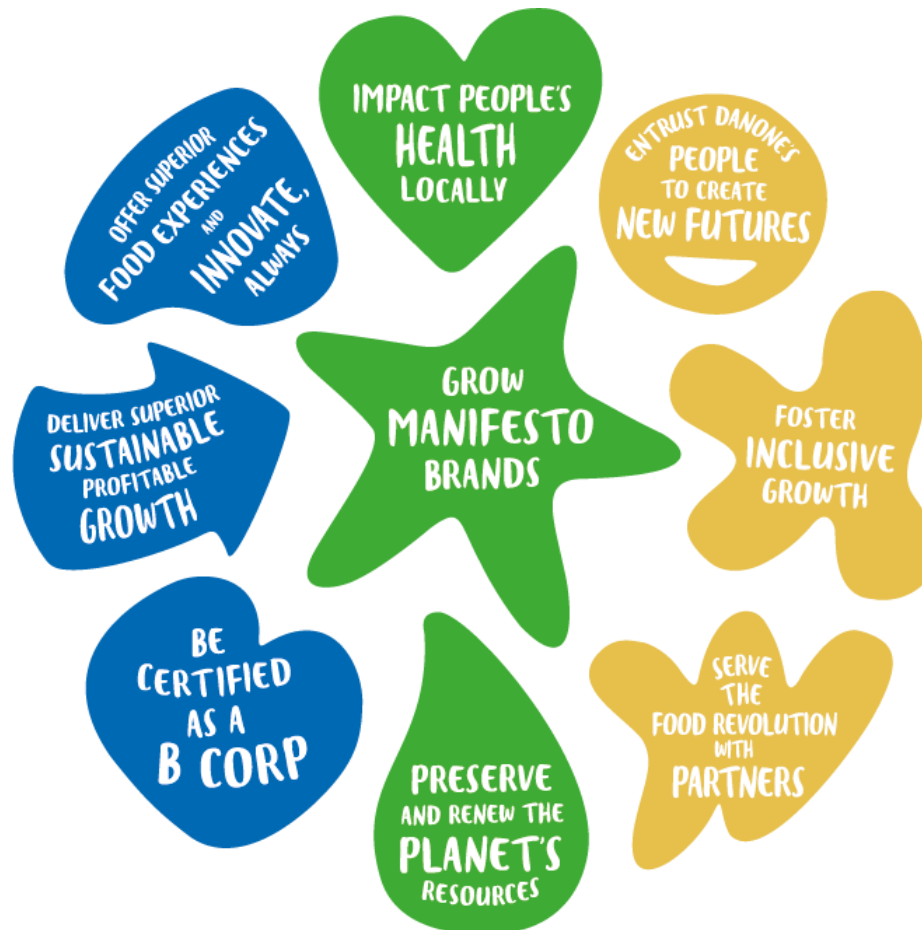
# 2018 performance aligned to long term goals

## Leading the way to create and share sustainable value



### OUR BRAND MODEL

OUR  
BUSINESS  
MODEL



OUR  
TRUST  
MODEL

## 2018: a year of delivery

Very strong recurring EPS growth at constant FX

### 2018 GUIDANCE

**DOUBLE-DIGIT  
RECURRING EPS  
GROWTH**

at constant exchange rate<sup>(1)</sup>

*excluding Yakult Transaction Impact*



### 2018 RESULTS

Recurring EPS  
at constant FX<sup>(1)</sup>

**+12.8%**

*excluding Yakult Transaction Impact*



(1) Excluding IAS 29 accounting treatment

# 2018 performance aligned to business, brand and trust model

## Targeting superior sustainable profitable growth as a B Corp

### OUR BUSINESS MODEL

Earnings delivery

**+ 12.8%**

recurring EPS growth  
at constant FX<sup>(1)</sup>

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Becoming a B Corp

**~ 30%**

of net sales

### OUR BRAND MODEL

Brand transformation

**20%**

of net sales in 2018  
from Manifesto brands

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Best-in-class in carbon  
reduction

**A**

ranking for CDP Climate

### OUR TRUST MODEL

Promoting diversity

**50%**

women in  
management roles<sup>(2)</sup>

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Unlocking  
people power

**> 75%**

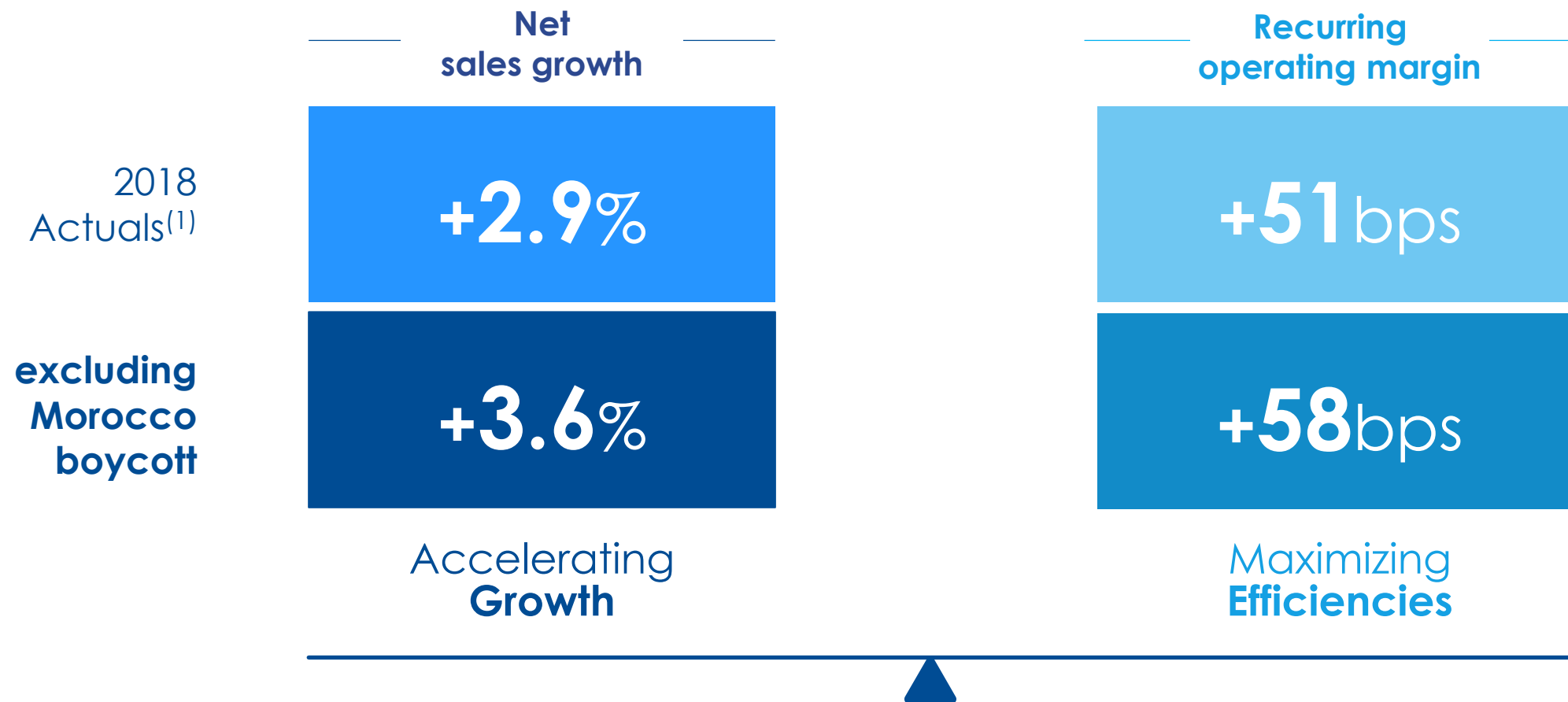
of Danoners contributing  
to 2030 goals consultation

(1) Excluding Yakult Transaction Impact and IAS 29

(2) Proportion of Danone female managers, directors and executives

# Balanced sales growth and profitability

## Further progress towards 2020 targets



(1) Like-for-like New Danone.

# +2.9% like-for-like sales growth in 2018

## All reporting lines contributing to broad-based growth

€7.1bn



+5.9%

€8.0bn



+0.1%

€5.0bn



+1.5%

€4.5bn



+5.3%

**+2.1%**  
excl. Morocco boycott

Like-for-like New Danone



# Developing strategic categories in 2018

## Targeted investment in higher-return categories

Organic

Plant-based

Probiotics

Reduced sugar



**8** flagship brands  
with new organic offering



~**15%** of EDP sales  
from plant-based products



miles de millones de probióticos

menos de 180 Kcal por porción

~ **1/3** of probiotics  
sales from innovation

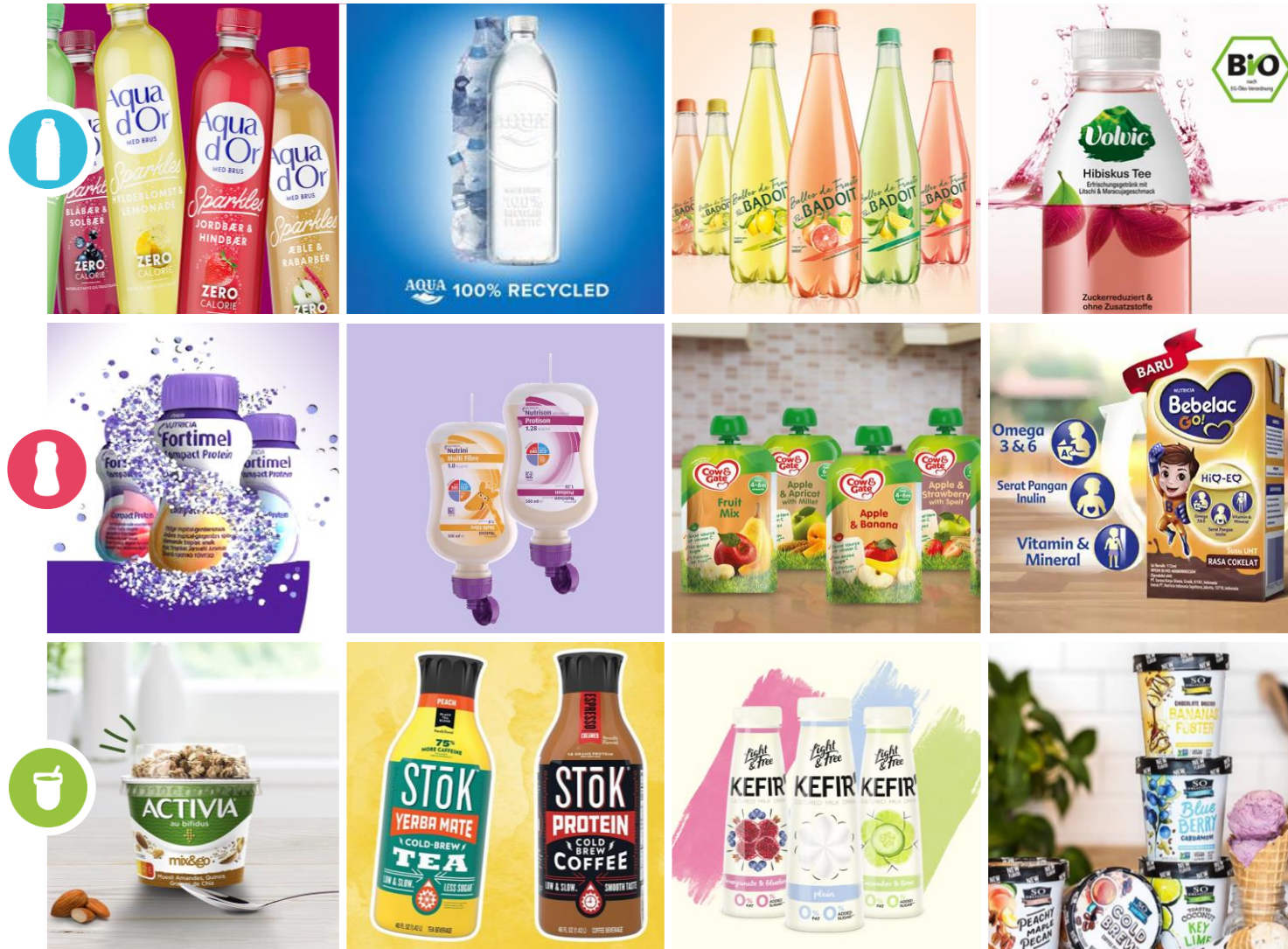


**87%** of volumes  
in line with 2020 targets<sup>(1)</sup>  
**+10** points progress vs. 2017

(1) Added sugars targets are defined for most of our product categories, and summarized in the publicly available leaflet "Danone Nutritional Targets 2020". These Targets are maximum values, and are expressed in terms of grams of added sugars per 100g or per 100 kcal.

# A new innovation model for a new world

## Targeted innovation at speed and scale to enhance value



**MORE INNOVATIONS**

~1/4 of net sales in 2018<sup>(1)</sup>

**+25%** vs 2017

**FASTER TIME TO MARKET**

**40%** faster on recent innovations

**DRIVING VALUE**

**+ 50%** higher net sales/liter in Waters<sup>(2)</sup>

**+ 25%** higher net sales/kg in EDP <sup>(2)</sup>

(1) Innovations over the last 24 months (2) compared to core range

# Investing in future growth businesses

## Expanding our start-up portfolio in 2018



**MANIFESTO**  
**VENTURES**



**Invest**

in innovative companies

**Support**

them to their next stage of development

**Cross-fertilize**

Danone with an entrepreneurial mindset

**AGRICOOOL**  
Urban farming



**mitte**

Purified & Personalized mineral content home water



**YUMBLE**

Direct-to-consumer kids meal kits



Innovative oat offering for plant-based foods



**epigamia**

Creating a modern Greek Yogurt in India



2018



2019 ...

# 2018 performance supported by successful digital activations

## Building lifestyle brands with strong consumer connections



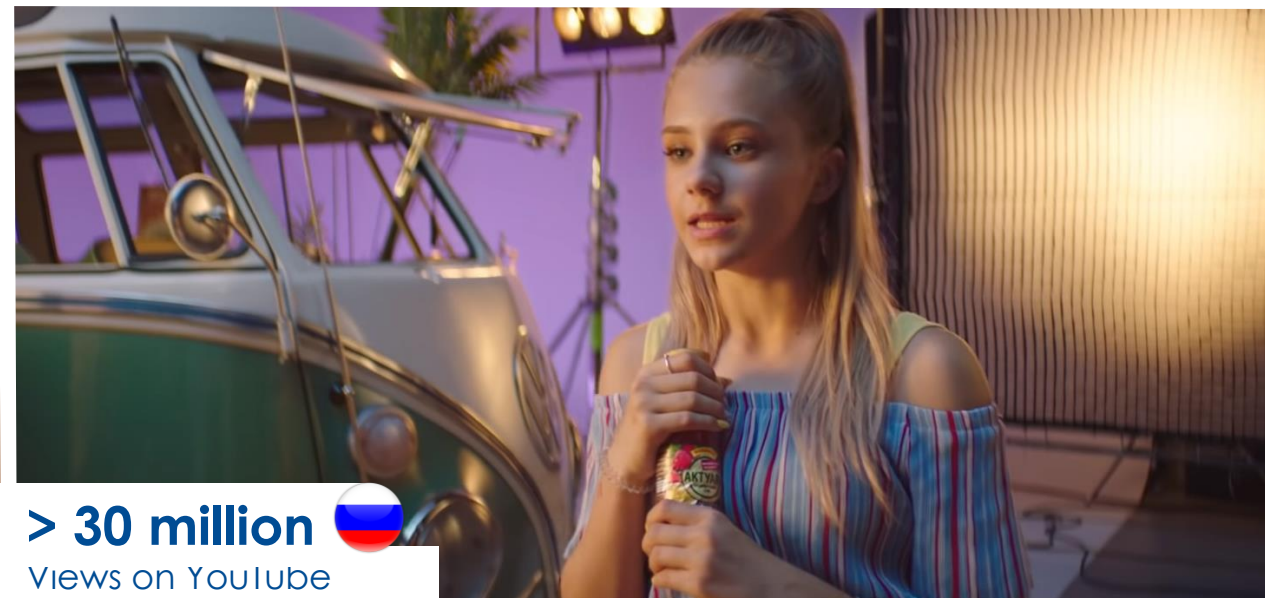
 **20 times**  
Higher engagement



**> 50 million**   
consumers impacted



 **63 million**  
impressions



**> 30 million**   
Views on YouTube

# Driving returns from highest-growth channels

## Accelerating in 2018 impulse and e-commerce, outperforming market

### E-commerce



▼

**€1 bn** sales in 2018  
**+ 40%** vs 2017

### Impulse channels<sup>(1)</sup>



▼

**~2/3** of EDP growth  
in 2018

(1) Defined as Small stores, on-the-go and on-premise

# Incremental growth and profit drivers

## WhiteWave delivering synergies and creating value

**ACCRETIVE  
SALES GROWTH**

75% of former  
WhiteWave  
**> +5% growth**



**+Ginger**  
**+Turmeric**  
**+Living Oats**

Billions of living cultures  
No added sugars or sweeteners  
Contains only naturally occurring sugars  
Made with organic ingredients

**SYNERGIES  
TO DATE**

Cumulative  
**> \$180m<sup>(1)</sup>**



(1) Impact at recurring operating profit level since closing

# Strategic transformation of Essential Dairy and Plant-based in Europe Stabilized and poised for growth in 2019

## Successful innovations



## Local relevancy Improving execution



## Net sales LFL growth

FY 17 H1 18 Q3 18 Q4 18

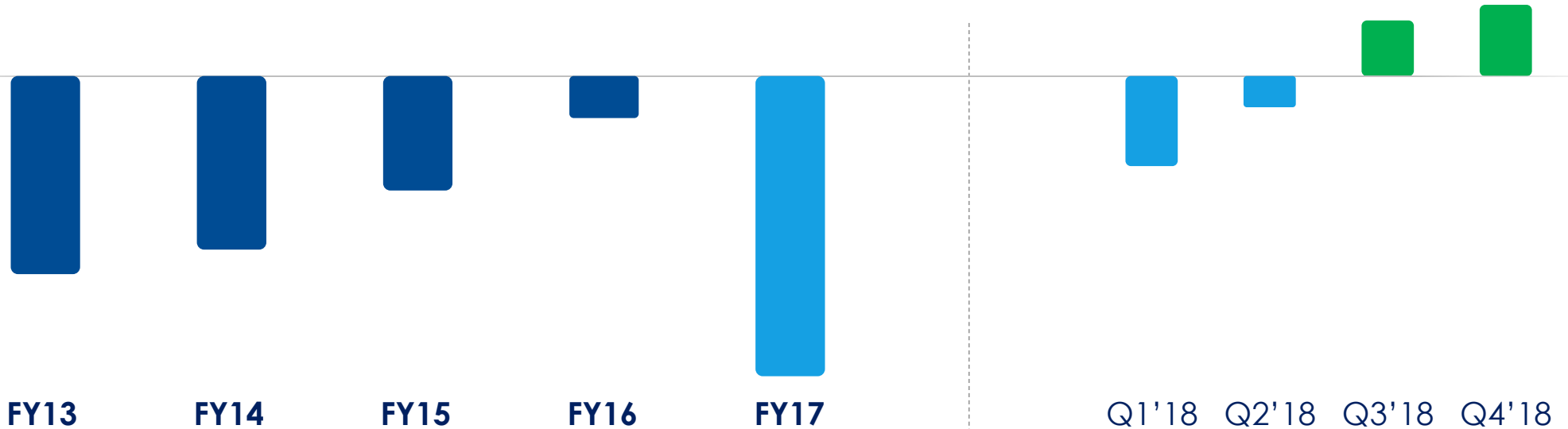


# Activia winning through self-disruption

## Back to growth in 2018



Activia net sales  
Like-for-like growth





# Successful first year of Protein program 2018 efficiencies ahead of plan

**2018**  
1<sup>st</sup> year of delivery

**~€300m delivered**

- Cross-category **logistic** network
- Integrated **facility** management
- Digital remote **energy** management
- Faster deployment in **emerging markets**<sup>(1)</sup>

**2020**  
Full delivery

**€1 bn objective**

- Operations ~50%
- Professional services ~25%
- Sales & Marketing ~25%

(1) China, Latam, Africa overdelivering

# Continuing to adapt and transform the organization

## Enhancing Danone's agility and resilience

Operating model:  
From 4 to 3 businesses



SYNERGIES

further integrate AMN and ELN into  
**one single**  
**Specialized Nutrition business**

One common  
Regional footprint:  
13 regions



AGILITY

more **locally-grounded**  
and **business proximity**

Business services:  
Next generation



EFFICIENCY

Strengthen **business services**  
Enhance **efficiencies**  
Leverage **data management**

# Entrust Danone's people to create new futures

## An innovative governance model

ONE PERSON

ONE VOICE

ONE SHARE

Let's shape Danone TOGETHER

FROM SEPTEMBER 22<sup>ND</sup> TO OCTOBER 21<sup>ST</sup>

CONSULTATION



2



Oct-2018:  
digital consultation  
Sharing voices to shape the future

**>75,000** participants  
**35,000** volunteers  
**360,000** verbatim

**MAKE YOUR VOICE COUNT**  
PARTICIPATE IN THE SURVEY

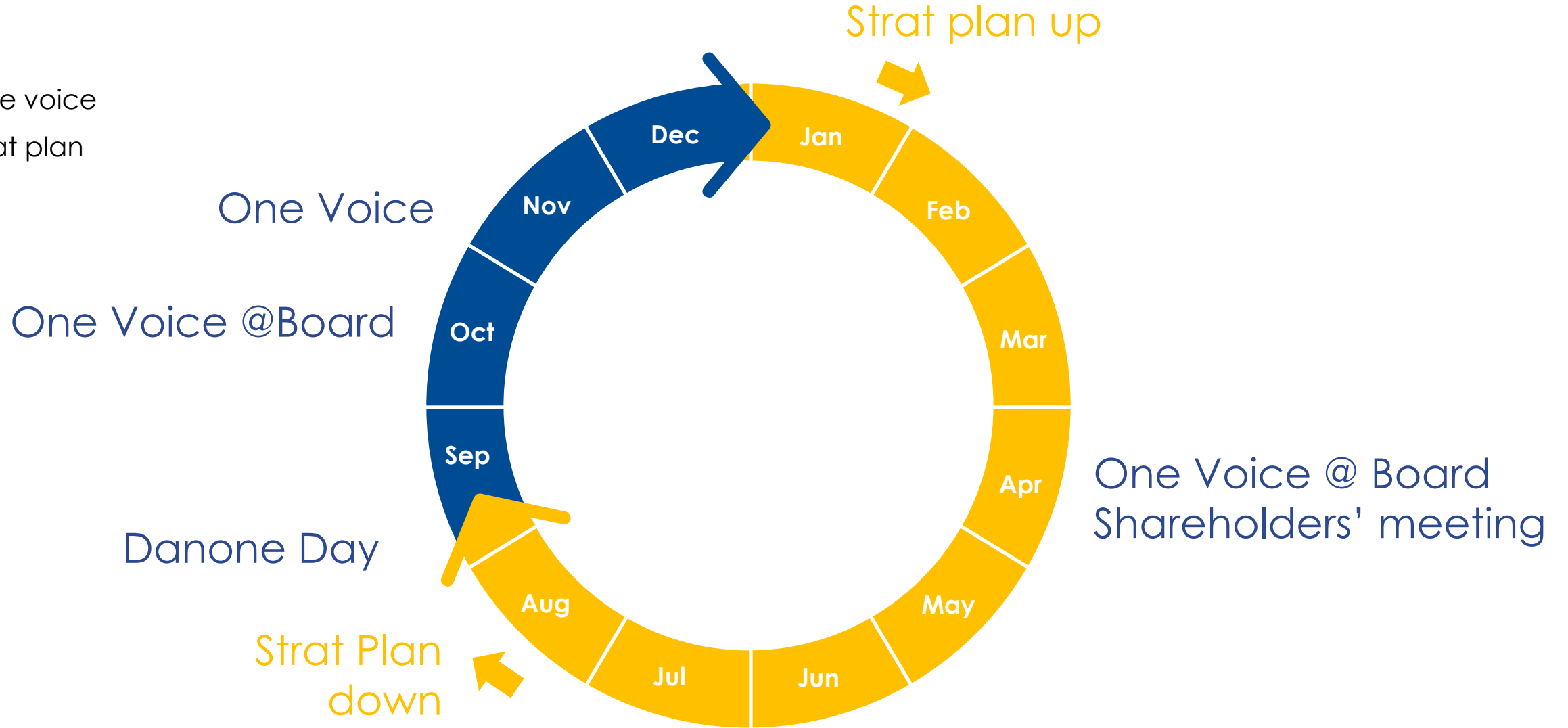


Apr-2019:  
shareholders' meeting  
**Fostering an ownership mindset**

**One share**  
granted to every Danoner  
—  
**Employee**  
share purchase plan

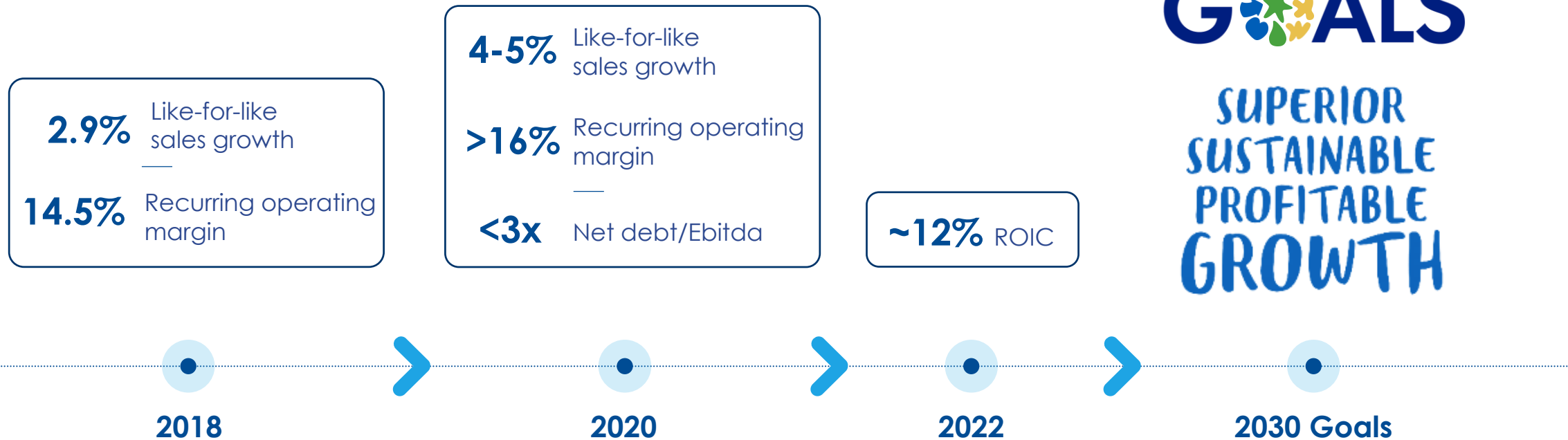
# Entering a new routine with One Person. One Voice. One Share

- One voice
- Strat plan



# Transformation and delivery towards 2030

## Confirming 2020 objectives





**DANONE**  
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**2018**  
**financial review**

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**Cécile Cabanis**  
CFO



# Guidance delivered, despite unexpected events

## Another year strengthening our operating model

### 2018 OBJECTIVE

**DOUBLE-DIGIT  
RECURRING EPS  
GROWTH**

at constant exchange rate<sup>(1)</sup>  
*excluding Yakult Transaction Impact*



### 2018 RESULTS

Recurring EPS  
at constant FX<sup>(1)</sup>

**+12.8%**

*excluding Yakult Transaction Impact*



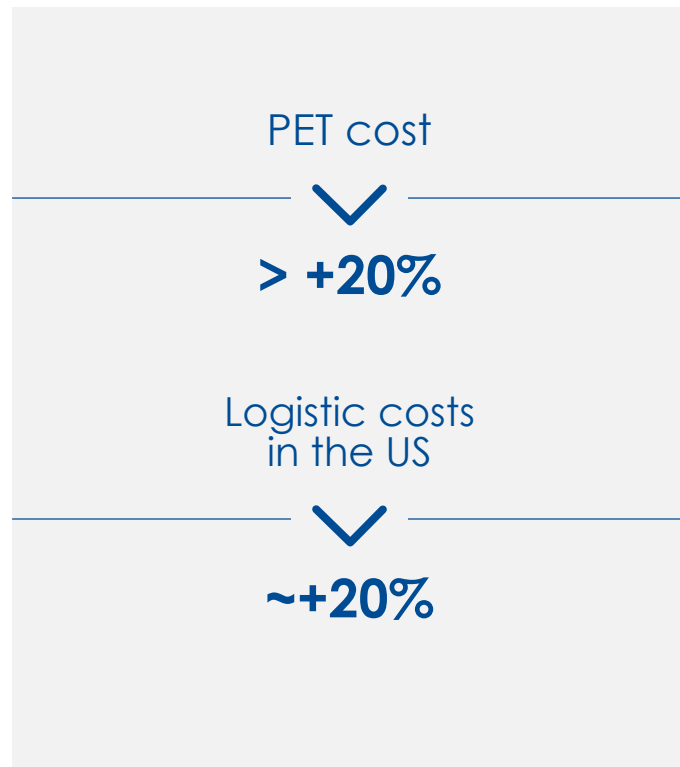
(1) Excluding IAS 29 accounting treatment

# Reinforcing resilience of earnings model

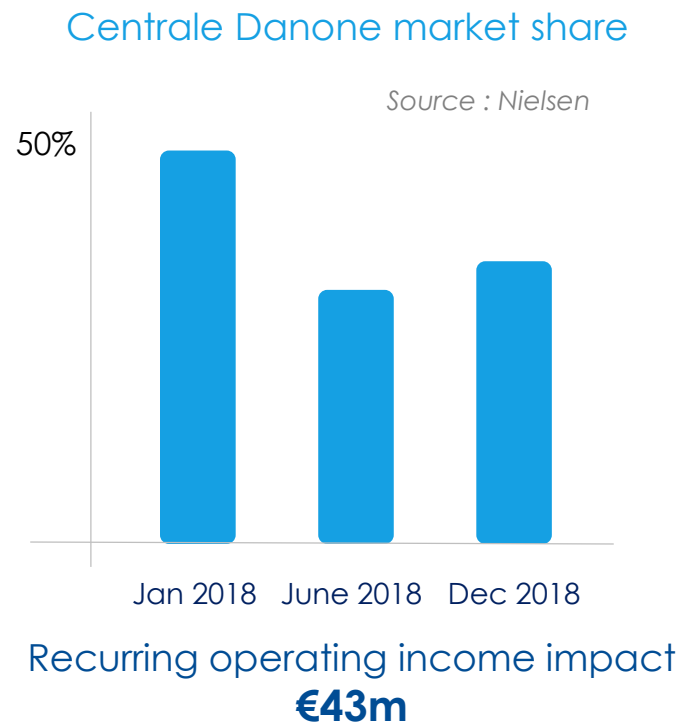
## Navigating a volatile environment in 2018



### — Input costs inflation —



### — Consumer boycott —



### — Currencies —





# 2018: delivery against our priorities

## Solid progress towards 2020

1

### ACCELERATE GROWTH



- Invested in strategic categories
- Step-changed innovation
- Outperformed e-commerce and impulse channels

2

### MAXIMIZE EFFICIENCIES



- Overall efficiencies above €900m
- Protein delivery ahead of plan (~€300m)
- €120m synergies from WhiteWave in 2018

3

### ALLOCATE CAPITAL WITH DISCIPLINE



- Optimized stake in Yakult
- Capital gain of ~€700m
- Net debt/EBITDA at 2.9x

# A solid performance

## Another year of strengthening our operating model

Net sales

**+2.9%**<sup>(1)</sup>  
€ 24.7 bn

Recurring  
Operating margin

**+51 bps**<sup>(1)</sup>  
14.45%

Recurring EPS

**+12.8%**<sup>(3)</sup>  
€ 3.56

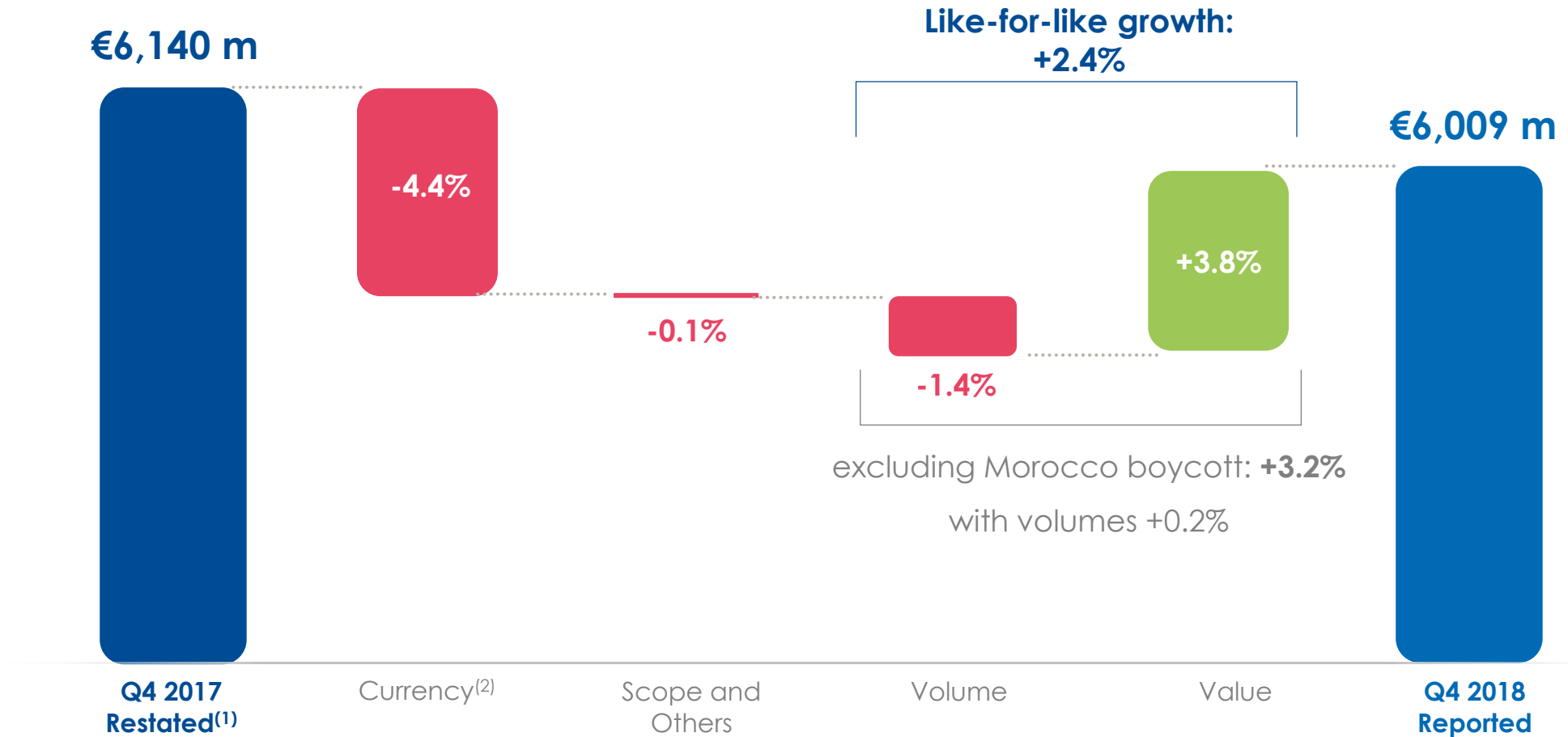
Free cash flow

**+7.1%**<sup>(2)</sup>  
€ 2.2 bn

(1) Like-for-like New Danone (2) On a reported basis (3) at constant exchange rate, excluding impact of Yakult Transaction and IAS29

# Q4 2018 sales bridge: +2.4% like-for-like growth

## Valorization driving sales growth



(1) Q4 2017 sales figures have been restated for IFRS 15; (2) including IAS 29 impact




# WATERS

## FY 2018 key figures

<b>Sales</b>	<b>€4.5bn</b>
<b>Change<sup>(1)</sup></b>	<b>+5.3%</b>
Volume / Price Mix	+2.1% / +3.2%
<b>Recurring operating margin</b>	<b>10.8%</b>
Change <sup>(1)</sup>	-82bps

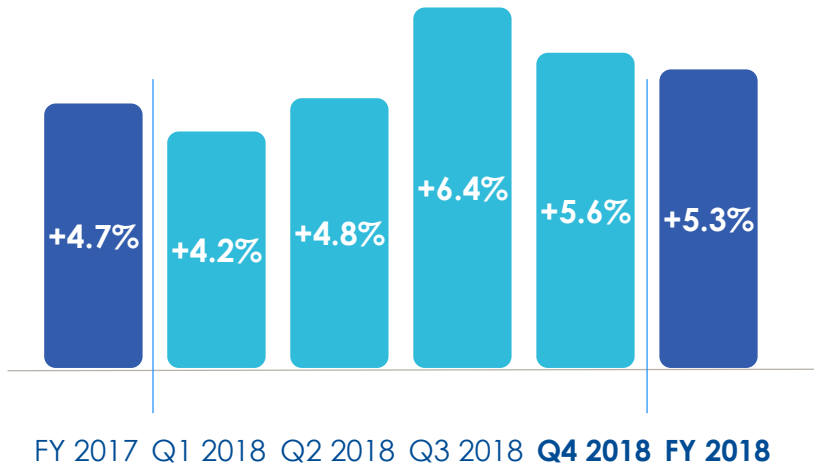


(1) Like-for-like New Danone



# Waters: +5.6% in Q4 Consistent strong growth

Quarterly LFL sales growth



## Europe: moderate growth

- Successful activation campaigns for *evian*
- Very strong growth of local brands, notably *Zywiec Zdroj*

## Noram: growth > 20%

- Early benefits of new distribution agreement with KDP

## Asia: mid-single digit growth

- Strong growth in Indonesia through volumes and pricing
- China: stable market share against low summer season

## Latam: growth led by valorization

All data in like-for-like



# SPECIALIZED NUTRITION

## FY 2018 key figures

Sales	€7.1bn
Change <sup>(1)</sup>	+5.9%
Volume / Price Mix	+1.2% / +4.7%
Recurring operating margin	24.8%
Change <sup>(1)</sup>	+139bps

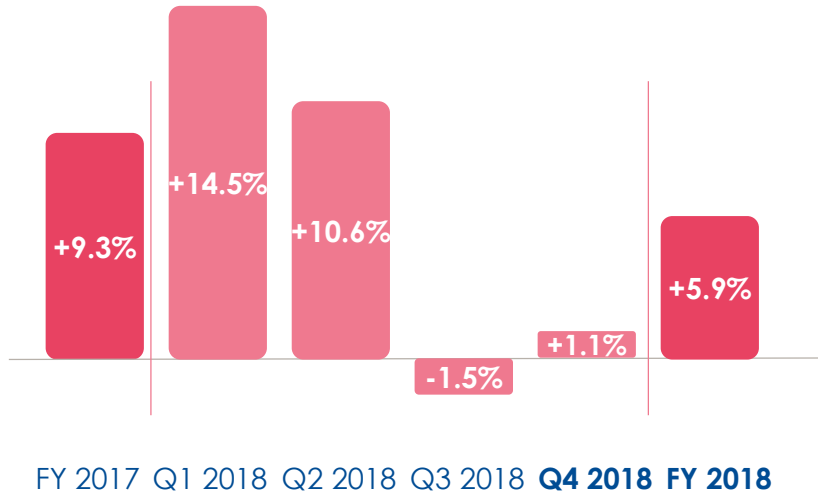


(1) Like-for-like New Danone

# Specialized Nutrition: +1.1% in Q4

## Broad-based profitable growth outside ELN China

Quarterly LFL sales growth



### Advanced Medical Nutrition: high-single digit growth

- Solid growth in Europe
- Double-digit growth in China, led by allergy treatments

### Early Life Nutrition: slightly negative growth

- **China:** negative growth in Q4, high-single digit for the full-year
- **Other geographies:** solid broad-based growth
  - Broad acceleration in Europe, progressive recovery in the UK
  - Double-digit growth in the US, Happy Family #2 in total baby food

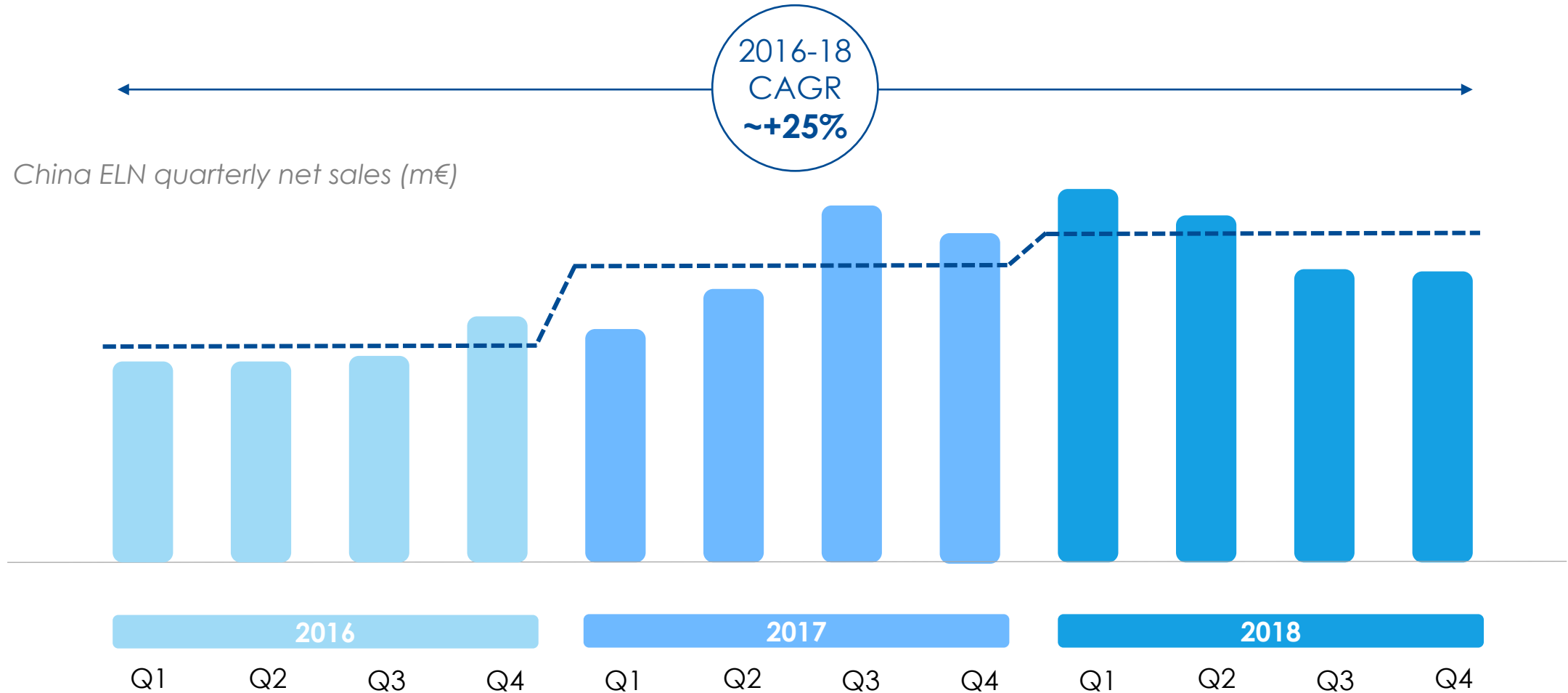


All data in like-for-like



# China Early Life Nutrition

## Strong underlying delivery beyond quarterly volatility



**Back to positive growth in H2 2019 as base of comps unwinds**



# FROM GOOD TO COCO-CRAZY GOOD



# EDP NORAM

## FY 2018 key figures

<b>Sales</b>	<b>€5.0bn</b>
<b>Change<sup>(1)</sup></b>	<b>+1.5%</b>
Volume / Price Mix	+2.5% / -1.0%
<b>Recurring operating margin</b>	<b>11.7%</b>
Change <sup>(1)</sup>	+25bps

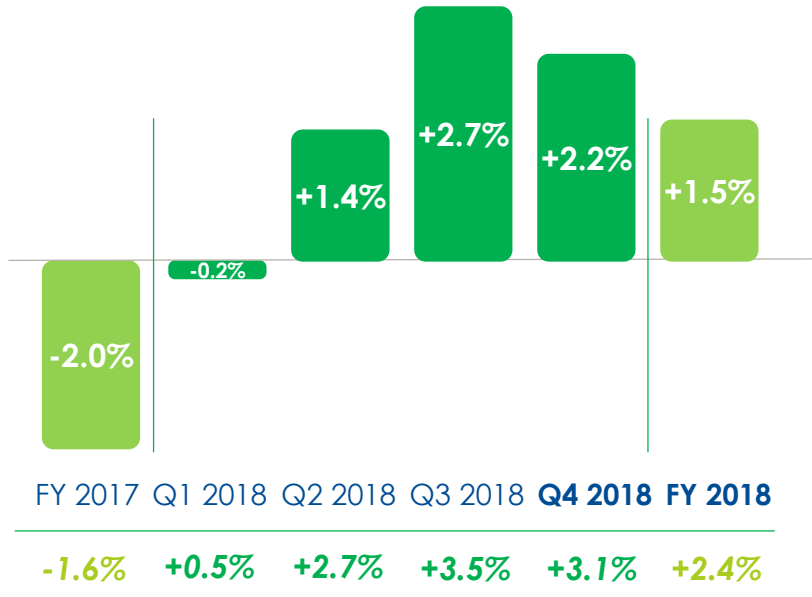
(1) Like-for-like New Danone



# EDP Noram: +2.2% in Q4

## Confirming solid performance

Quarterly LFL sales growth



**Excl. Fresh Foods**



### Yogurt: moderate growth

- Supported by probiotics and plant-based offering



### Plant-based: solid growth

- Focus on value-added innovations and nut-based



### Coffee creamers: continued strong growth

- Strong market fundamentals
- Ready-to-drinks gaining market share




### Premium Dairy: back to growth, with positive volumes

- Successful turnaround driven by kids offering, relevant formats and value-added innovations



### Fresh Foods: Impact of FDA alert on romaine salads category

All data in like-for-like

# EDP INTERNATIONAL

## FY 2018 key figures

Sales	€8.0bn
Change <sup>(1)</sup>	+0.1%
Volume / Price Mix	-5.5% / +5.6%
Recurring operating margin	9.1%
Change <sup>(1)</sup>	+29bps

(1) Like-for-like New Danone

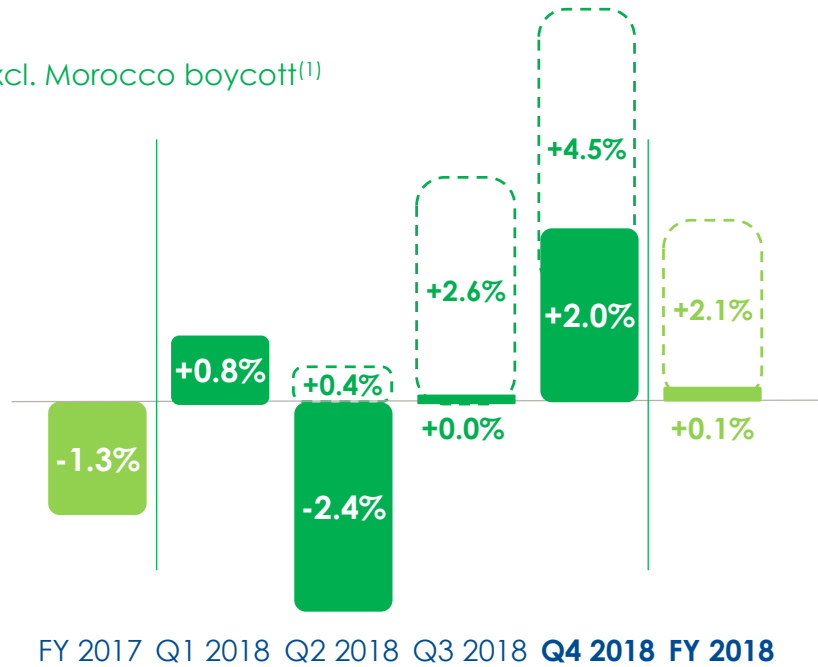


# EDP International: +2.0% in Q4

## Strong quarter: +4.5% excluding Morocco boycott

### Quarterly LFL sales growth

Excl. Morocco boycott<sup>(1)</sup>



### Europe: stabilized, poised for growth in 2019

- *Activia* stabilized
- *Danone* brand growing
- Double-digit growth of *Alpro*

### CIS: consistent strong growth

### Latam: strong growth

- Strong performance of Mexico
- Further progress in Brazil

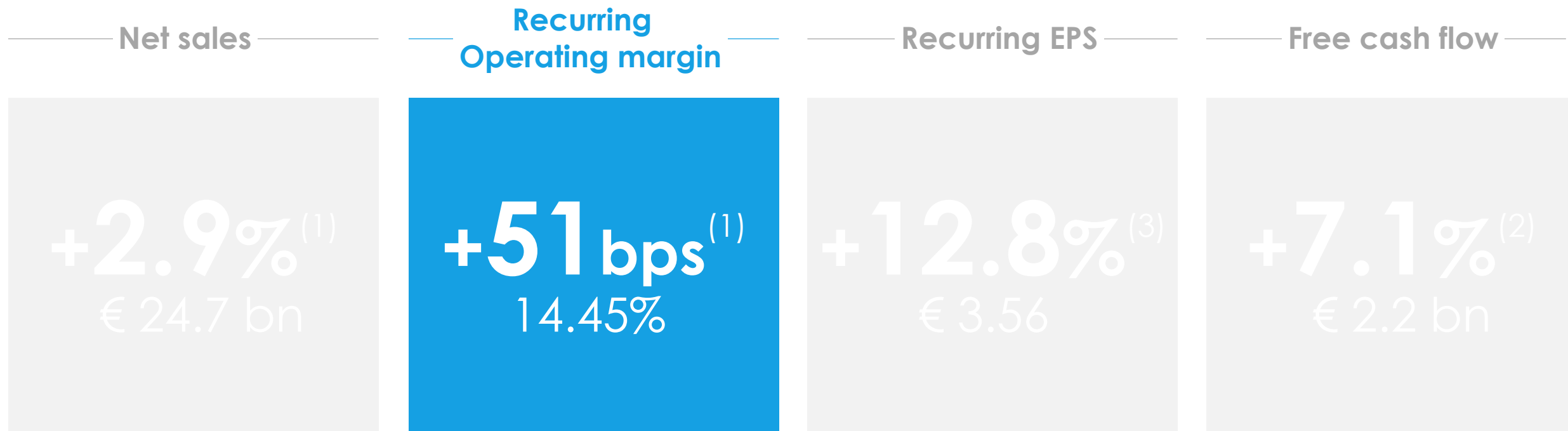
### Morocco : market share recovery underway



All data in like-for-like

# A solid performance

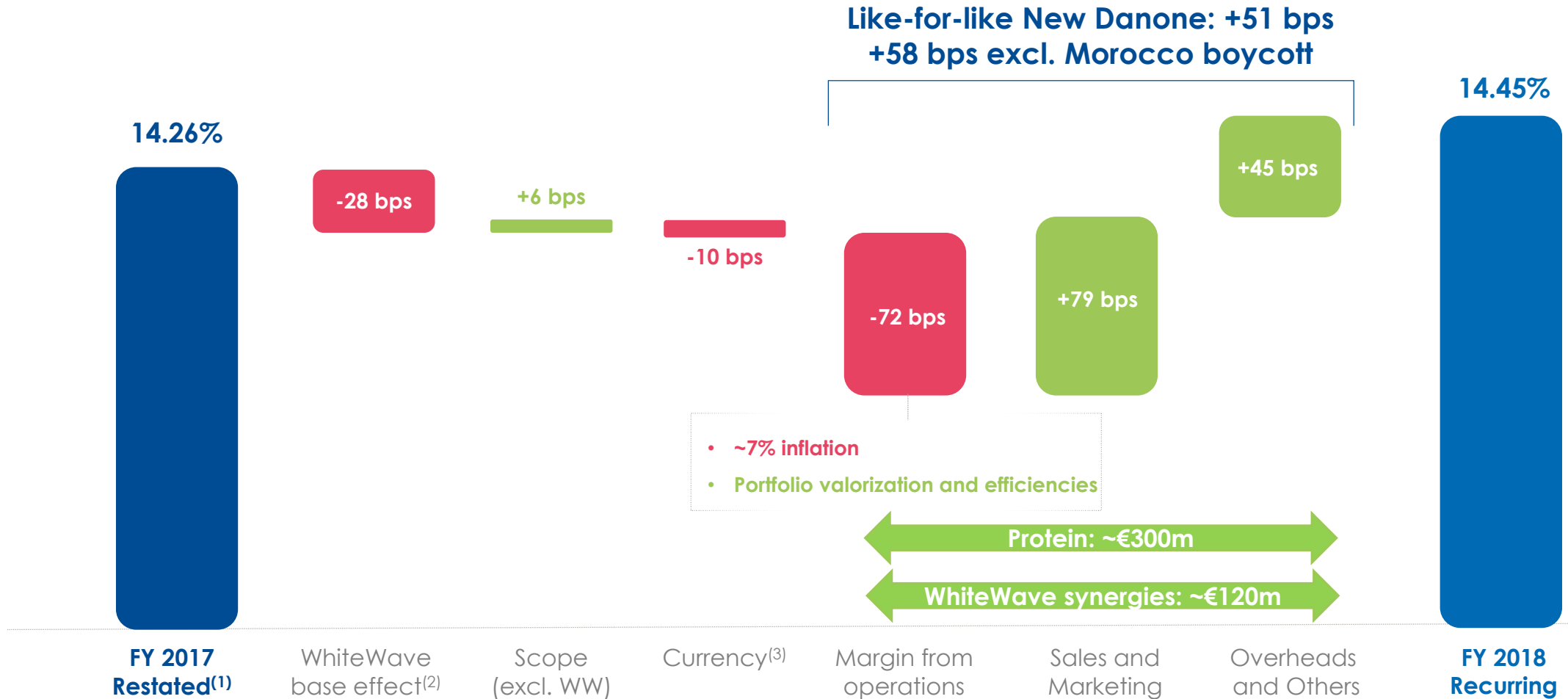
## Another year of strengthening our operating model



(1) Like-for-like New Danone (2) On a reported basis (3) at constant exchange rate, excluding impact of Yakult Transaction and IAS29

# Strong like-for-like improvement in recurring operating margin

## Portfolio valorization and efficiencies offsetting strong headwinds



(1) FY 2017 figures have been restated for IFRS 15;

(2) Corresponds to the contribution of WhiteWave over the period from January 1 to April 12, 2017

(3) Including IAS 29 impact (-9bps)

# Step change in efficiencies

## More than €900m savings delivered in 2018

### Productivity



~€500m

- Procurement organization
- Product re-engineering
- Supply-chain optimization

### Protein program



~€300m

- Professional Services
- Operations
- Sales&marketing

### Whitewave synergies



~€120m

- Shared services
- Sales force
- Procurement

PROTEIN TARGET EXCEEDED IN FIRST YEAR

# A solid performance

## Another year of strengthening our operating model

Net sales

**+2.9%**<sup>(1)</sup>  
€ 24.7 bn

Recurring  
Operating margin

**+51 bps**<sup>(1)</sup>  
14.45%

Recurring EPS

**+12.8%**<sup>(3)</sup>  
€ 3.56

Free cash flow

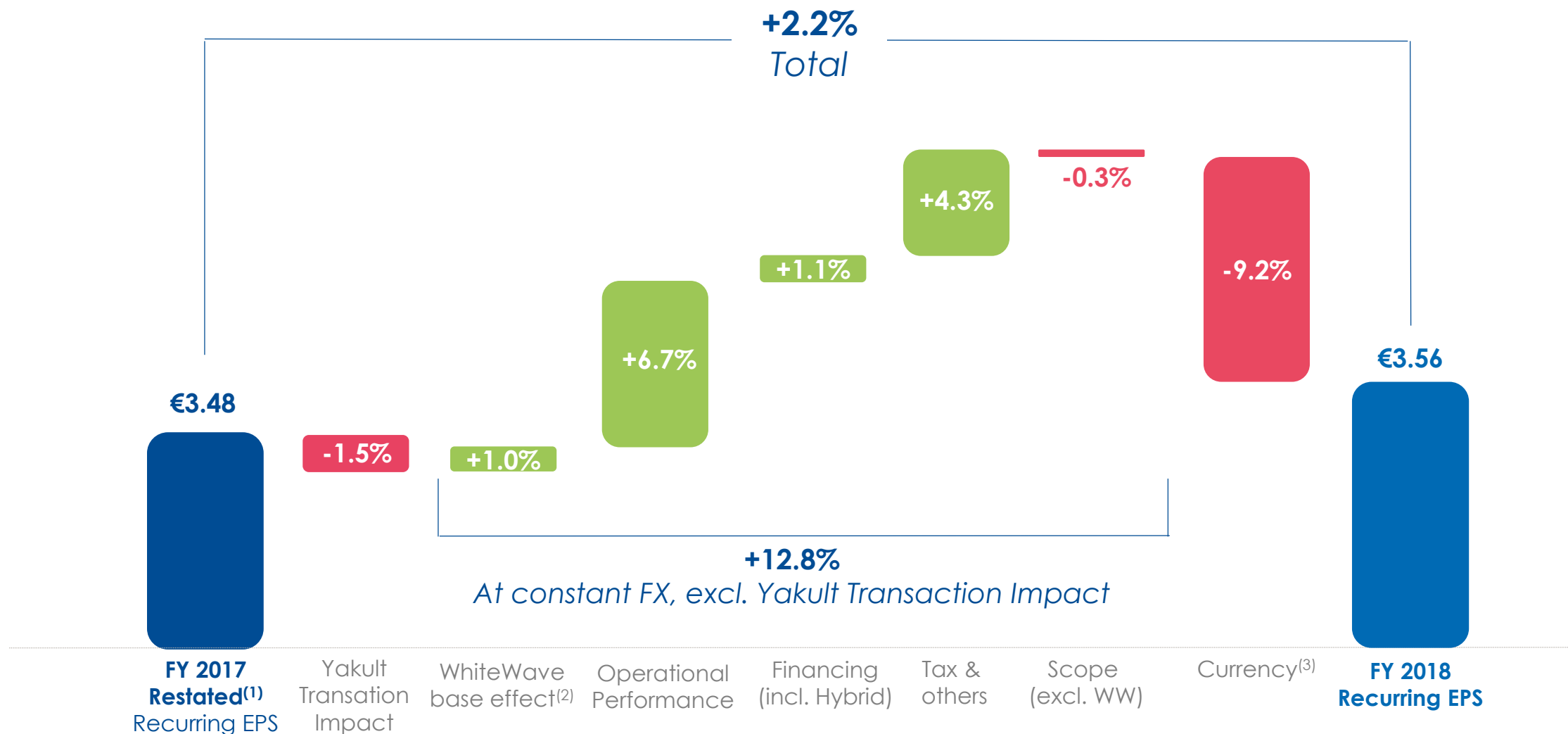
**+7.1%**<sup>(2)</sup>  
€ 2.2 bn

(1) Like-for-like New Danone (2) On a reported basis (3) at constant exchange rate, excluding impact of Yakult Transaction and IAS29



# EPS bridge

## Double-digit growth at constant exchange rate



(1) FY 2017 figures have been restated for IFRS 15; (2) Corresponds to the contribution of WhiteWave over the period from January 1 to April 12, 2017; (3) Including IAS 29 impact (-2.0%)

# From Recurring operating income to Net income

in € millions except if stated otherwise	2017 recurring	2018 recurring	2018 Non-recurring items	Total FY 2018
<b>Recurring operating income</b>	<b>3,537</b>	<b>3,562</b>	-	<b>3,562</b>
Other operating income and expenses	-	-	<b>(821)</b>	(821)
<b>Operating income</b>	<b>3,537</b>	<b>3,562</b>	<b>(821)</b>	<b>2,741</b>
Total Financial expenses	(399)	(350)	<b>2</b>	(348)
Income tax	(953)	(895)	<b>179</b>	(716)
Net income from associates	111	79	<b>683</b>	762
Net income	2,297	2,397	<b>43</b>	2,440
Non-controlling interests	111	93	<b>(3)</b>	90
<b>Net income – Group share</b>	<b>2,186</b>	<b>2,304</b>	<b>46</b>	<b>2,349</b>
<b>EPS (€)</b>	<b>3.48</b>	<b>3.56</b>	-	<b>3.63</b>

# A solid performance

## Another year of strengthening our operating model

Net sales

**+2.9%**<sup>(1)</sup>  
€ 24.7 bn

Recurring  
Operating margin

**+51 bps**<sup>(1)</sup>  
14.45%

Recurring EPS

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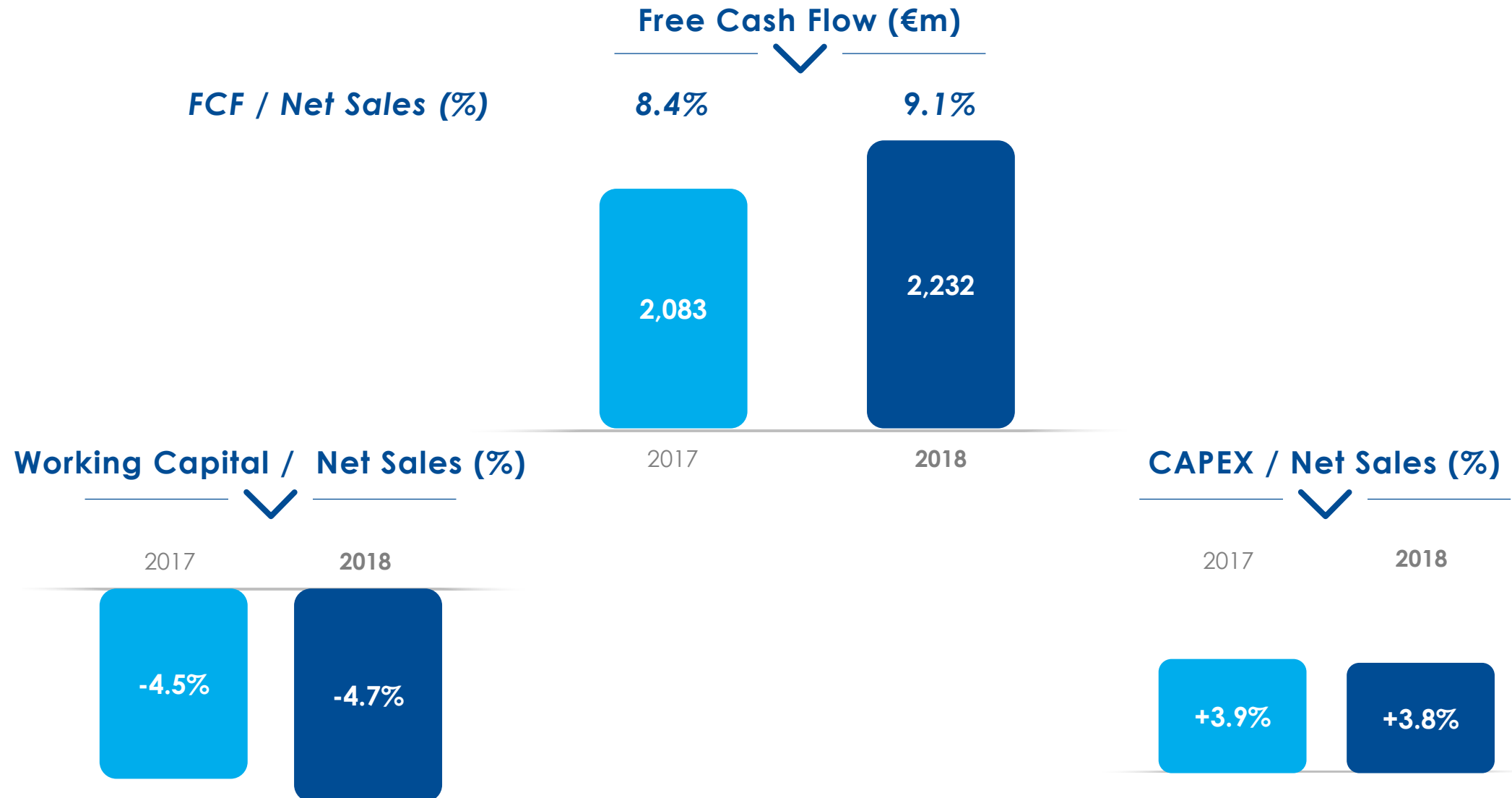
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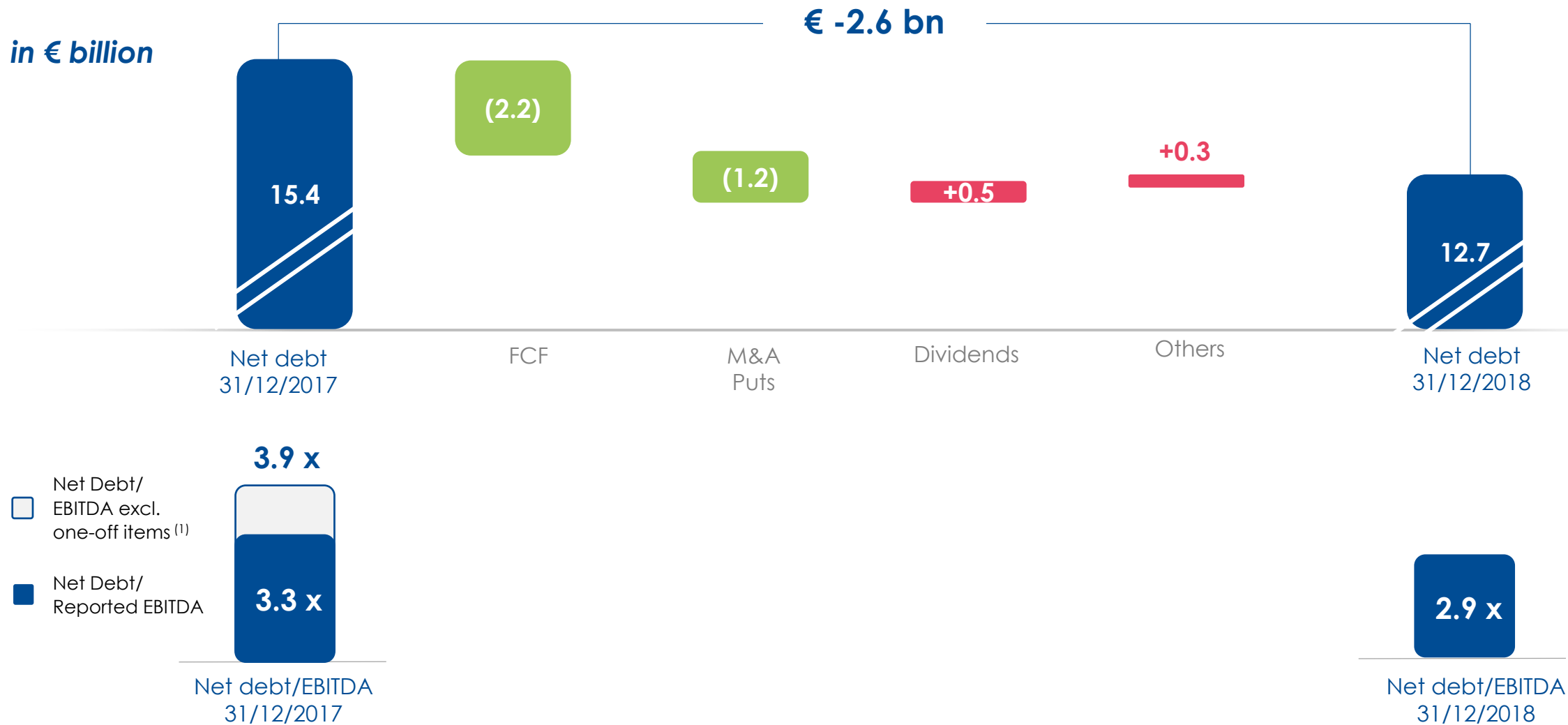
# Accelerated cash delivery: +7%

## Solid cash conversion



# Change in net debt

## Accelerated pace of deleverage



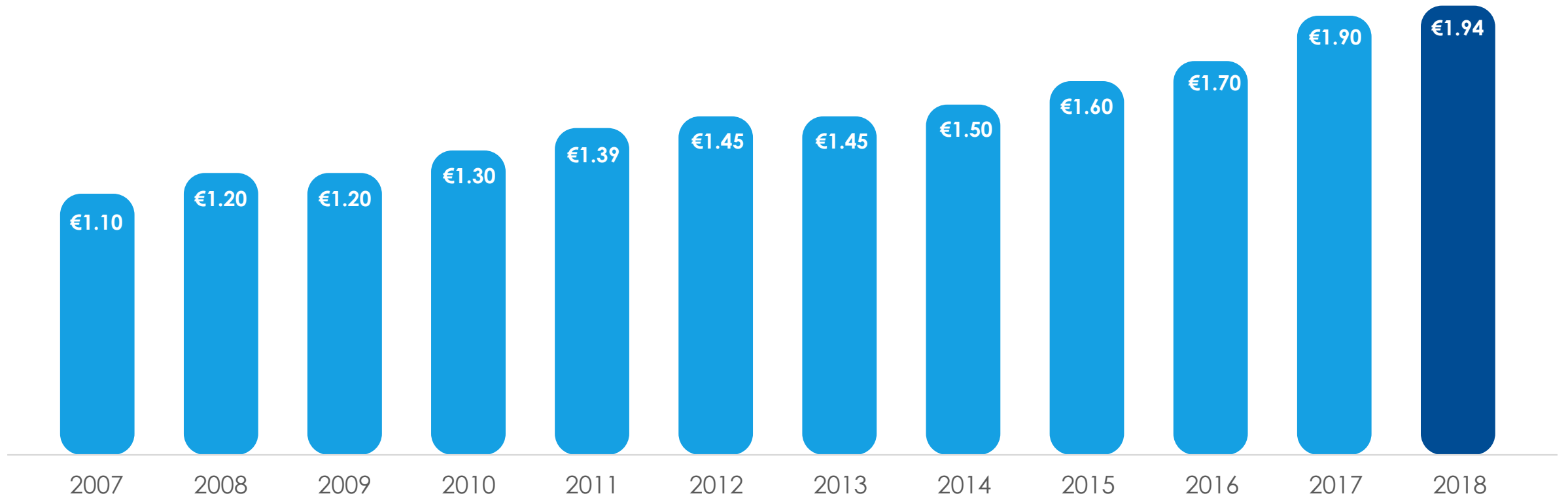
(1) Capital gain from Stonyfield sale and Fonterra reimbursement

# 2018 dividend: €1.94 in cash

## Growing in line with recurring EPS

Dividend proposed at the next AGM on April 25, 2019

€1.94 per share (+4 cts vs. 2017)



# Allocating capital with discipline

## Commitment to delivering long-term shareholder value

### Deleverage

- FCF improvement
- Continued active portfolio management
- M&A focused on DMV investments and targeted bolt-on acquisitions

### Invest for organic growth and efficiency

- Sustained level of capex:  
targeting high-end of 4-5% of sales

### Shareholder returns and dividends

- Sustained dividend policy

# Strong financial track record since 2014

## Consistently delivering against our agenda of strong sustainable profitable growth

### Reported sales

+4%

2014-18 CAGR

€21.1bn



2014

€24.7bn



2018

### Recurring operating margin

+190 bps

2014-18

12.6%



2014

14.5%



2018

### Free cash flow

+15%

2014-18 CAGR

€1.3 bn



2014

€2.2 bn



2018

### Recurring EPS

+8% (+11% at constant FX)

2014-18 CAGR

€2.62



2014

€3.56



2018

### Dividend

+7%

2014-18 CAGR

€1.50



2014

€1.94



2018



# 2019 context

## Navigating a volatile environment



Raw materials  
volatility and inflation



ELN base of comps



Boycott lapped  
on April 20<sup>th</sup>



Brexit

# 2019 priorities

## Growth and margin set to accelerate as base of comps unwinds

1

### Accelerate growth

- Accelerate innovation pipeline
- Push plant-based opportunity to the max
- Accelerate presence in fast-growing channels



Low start to the year  
Exiting 2019 with a Q4  
consistent with 2020 objectives

2

### Maximize efficiencies

- Drive value growth through pricing, mix and innovation
- Optimize trade terms
- Further deliver savings from Protein and WW integration
- Continuously adapt the organization



Continuous  
recurring operating margin  
improvement in 2019

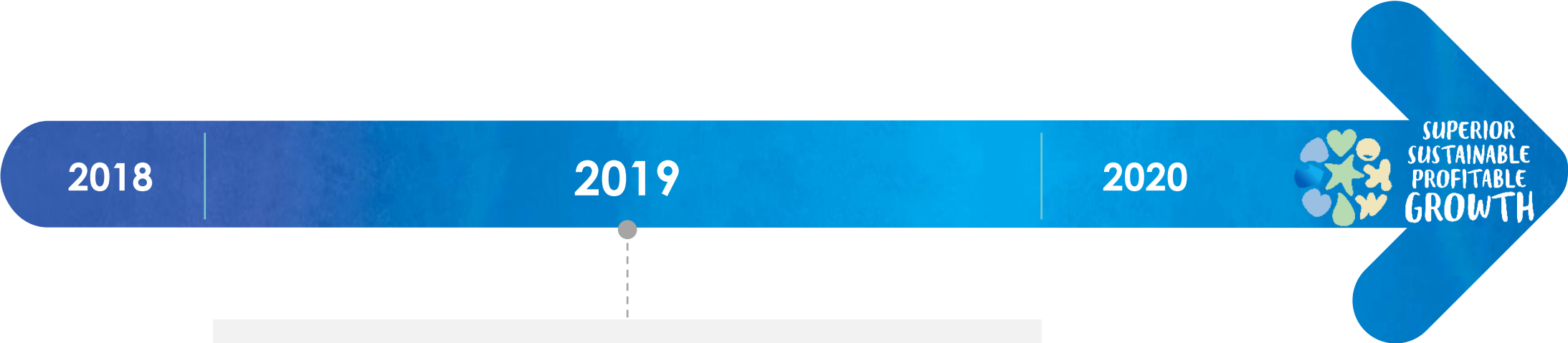
3

### Allocate capital with discipline

- Disciplined investment to fuel growth and efficiencies
- Active portfolio management

# Guidance

## A key milestone towards 2020



**2019 guidance**

**Like-for-like sales growth around 3%**

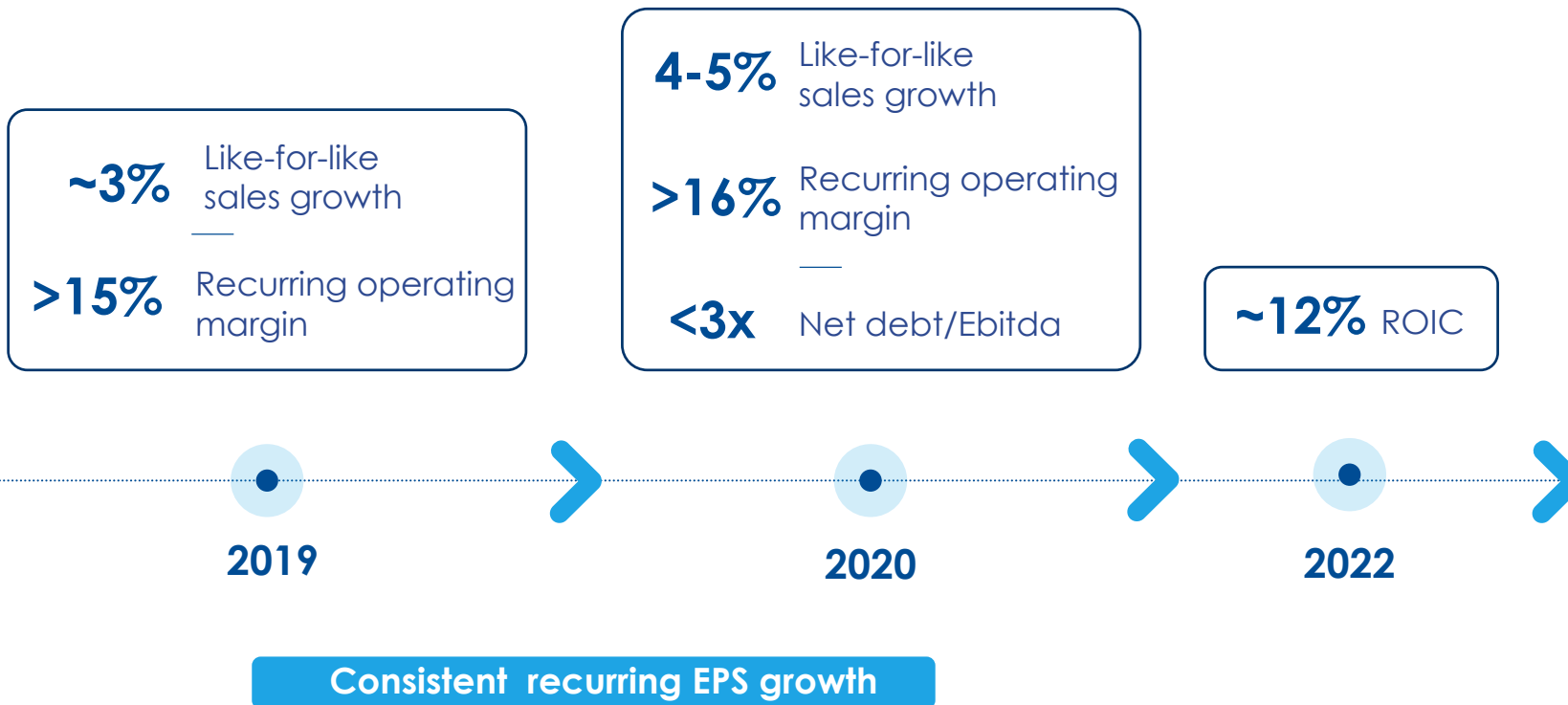
**Recurring operating margin >15%**

# Transformation and delivery towards 2030

## Confirming 2020 objectives



**SUPERIOR  
SUSTAINABLE  
PROFITABLE  
GROWTH**





**DANONE**  
ONE PLANET. ONE HEALTH

## Appendix



## Q4 & FY 2018 impact of currencies & scope

Q4 2018	EDP International	EDP Noram	Specialized Nutrition	Waters	Total
Reported sales growth	(5.7%)	+5.1%	(2.1%)	(3.7%)	(2.1%)
Currency	(7.8%)	+2.8%	(3.2%)	(8.2%)	(4.4%)
IAS 29 impact	+0.2%	-	+0.1%	(0.5%)	+0.0%
Scope and Others	(0.2%)	+0.1%	(0.0%)	(0.6%)	(0.1%)
Like-for-like sales growth	<b>+2.0%</b>	<b>+2.2%</b>	<b>+1.1%</b>	<b>+5.6%</b>	<b>+2.4%</b>

FY 2018	EDP International	EDP Noram	Specialized Nutrition	Waters	Total
Reported sales growth	(6.9%)	+12.2%	+0.5%	(3.2%)	(0.7%)
Currency	(8.4%)	(4.5%)	(5.0%)	(7.7%)	(6.6%)
IAS 29 impact	(0.3%)	-	(0.1%)	(0.4%)	(0.2%)
WhiteWave base effect	+1.6%	+19.7%	(0.2%)	(0.1%)	+4.0%
Scope and Others	+0.1%	(4.5%)	(0.0%)	(0.5%)	(0.8%)
« Like-for-like New Danone » sales growth	<b>+0.1%</b>	<b>+1.5%</b>	<b>+5.9%</b>	<b>+5.3</b>	<b>+2.9%</b>

## Changes in exchange rates

	% total FY 2018	FY 18 vs FY 17 (avg)	Q4 18 vs Q4 17 (avg)
United States Dollar	20.9%	-4.3%	+3.1%
Chinese Renminbi	7.1%	-2.2%	-1.3%
Russian Ruble	6.5%	-10.9%	-9.4%
Indonesian Rupiah	5.3%	-10.0%	-5.6%
British Pound	5.2%	-0.9%	+0.1%
Mexican Peso	4.3%	-6.0%	-1.3%
Brazilian Real	3.0%	-16.3%	-12.2%
Argentine Peso	2.6%	-43.0%	-51.3%
Hong Kong Dollar	1.9%	-4.8%	+2.9%
Australian Dollar	1.8%	-6.7%	-3.6%
Canadian Dollar	1.8%	-4.3%	-0.7%
Moroccan Dirham	1.7%	-1.2%	+2.5%
Turkish Lira	1.6%	-27.2%	-28.8%

# Recurring operating margin

	FY 2017	FY 2018	Like-for-like change <sup>(1)</sup>
EDP International	8.81%	9.06%	<b>+29 bps</b>
EDP Noram	12.31%	11.71%	<b>+25 bps</b>
Specialized Nutrition	23.82%	24.77%	<b>+139 bps</b>
Waters	11.66%	10.79%	<b>-82 bps</b>
Europe & Noram	15.45%	14.12%	<b>-55 bps</b>
Rest of the world	12.90%	14.86%	<b>+182 bps</b>
<b>Total</b>	<b>14.26%</b>	<b>14.45%</b>	<b>+51 bps</b>

(1) Like-for-like New Danone



# Reported sales and margin with combined EDP

Net Sales (m€)	Q1 2018	Q2 2018	H1 2018	Q3 2018 <sup>(1)</sup>	Q4 2018 <sup>(1)</sup>	FY 2018 <sup>(1)</sup>
EDP	3 296	3 257	6 554	3 214	3 316	13 056
Waters	976	1 325	2 301	1 248	939	4 480
Specialized Nutrition	1 812	1 831	3 644	1 723	1 754	7 115
<b>Total</b>	<b>6 085</b>	<b>6 414</b>	<b>12 498</b>	<b>6 186</b>	<b>6 009</b>	<b>24 651</b>

Recurring operating margin (%)	Q1 2018	Q2 2018	H1 2018	Q3 2018	Q4 2018	FY 2018 <sup>(1)</sup>
EDP	-	-	9.00%	-	-	10.09%
Waters	-	-	11.45%	-	-	10.79%
Specialized Nutrition	-	-	25.53%	-	-	24.77%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>14.27%</b>	<b>-</b>	<b>-</b>	<b>14.45%</b>

(1) Including IAS 29

# Like-for-like sales growth & margin improvement with combined EDP and excluding Argentina

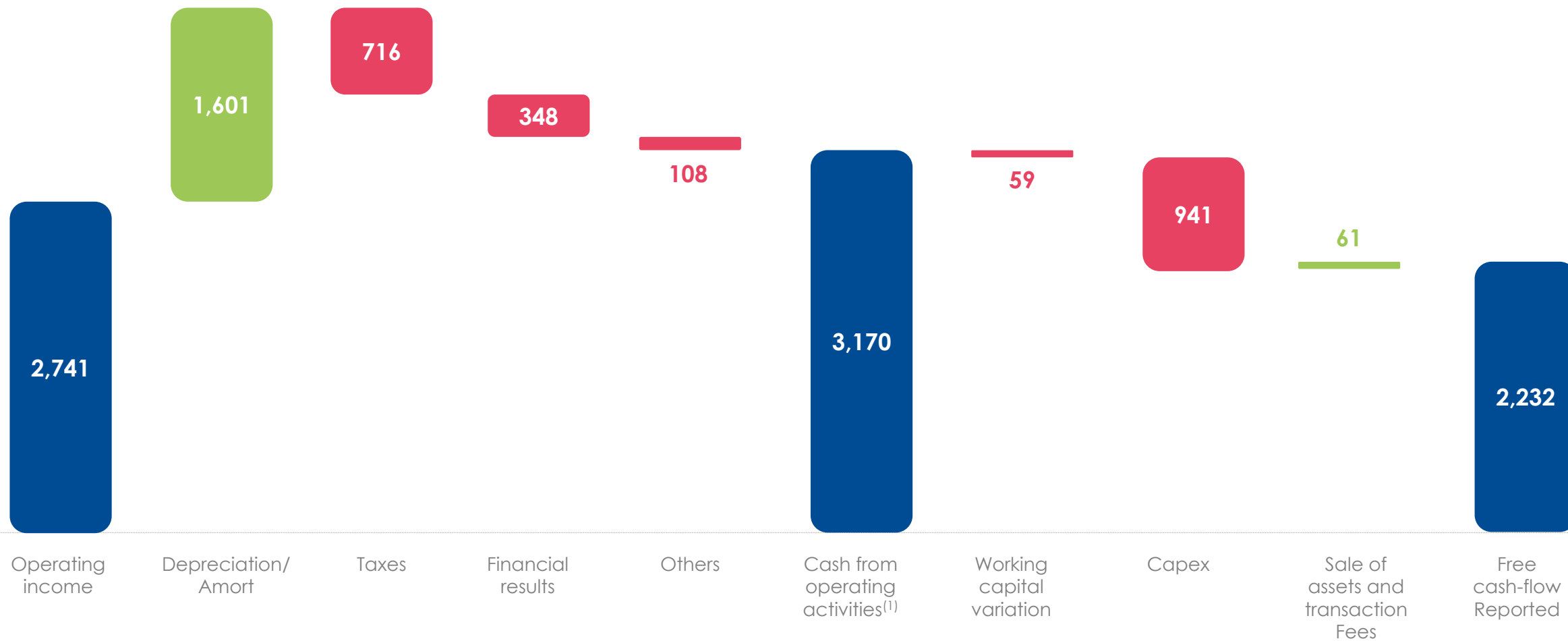
Like-for-like sales growth (%)	Q1 2018	Q2 2018	H1 2018	Q3 2018	Q4 2018	FY 2018
EDP	-0.4%	-1.3%	-0.8%	0.8%	1.5%	0.1%
Waters	3.9%	4.9%	4.5%	6.9%	4.2%	5.1%
Specialized Nutrition	13.9%	10.3%	12.1%	-1.7%	0.8%	5.5%
<b>Total</b>	<b>4.3%</b>	<b>3.1%</b>	<b>3.7%</b>	<b>1.2%</b>	<b>1.7%</b>	<b>2.6%</b>

Like-for-like margin improvement (bps)	Q1 2018	Q2 2018	H1 2018	Q3 2018	Q4 2018	FY 2018
EDP	-	-	-1 bp	-	-	+51 bps
Waters	-	-	-73 bps	-	-	-59 bps
Specialized Nutrition	-	-	+110 bps	-	-	+136 bps
<b>Total</b>	<b>-</b>	<b>-</b>	<b>+53 bps</b>	<b>-</b>	<b>-</b>	<b>+68 bps</b>

All data in like-for-like New Danone

# Cash bridge

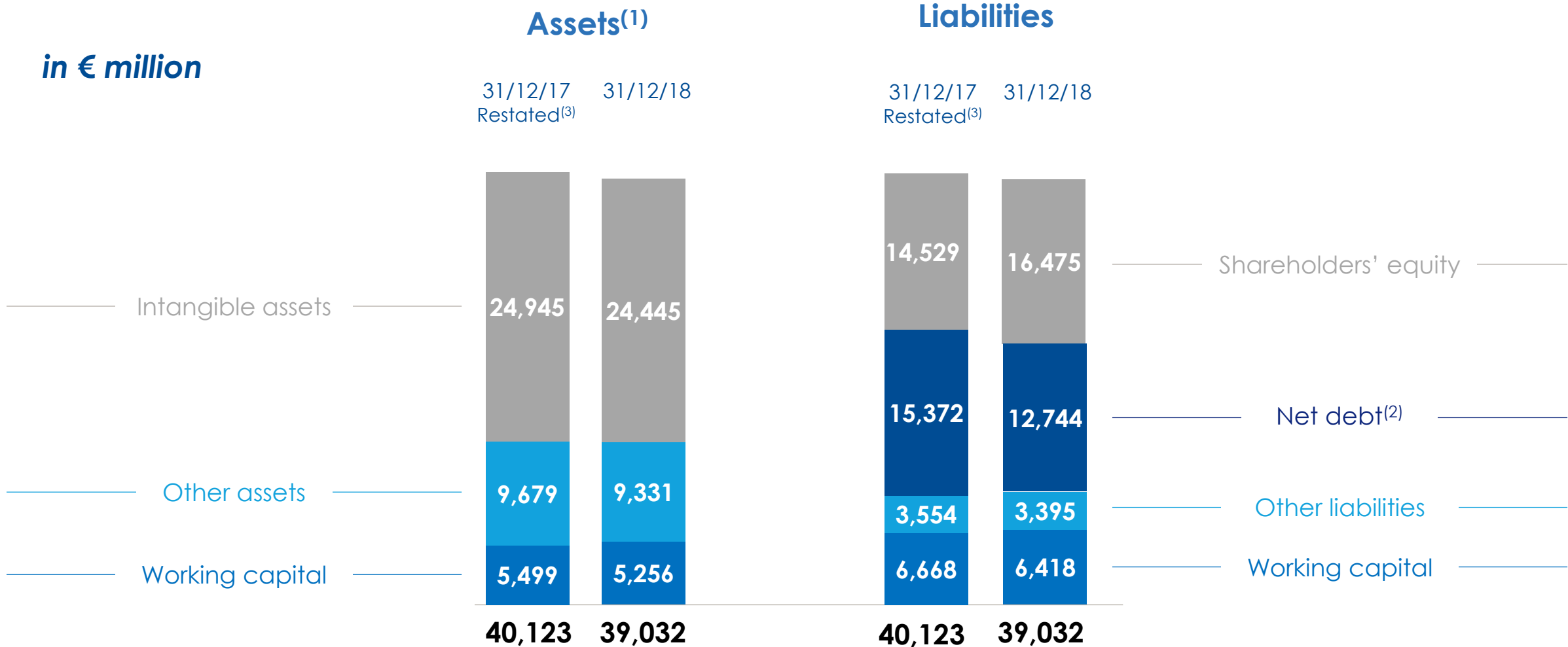
in € million



(1) Excluding working capital variations

# Balance sheet

in € million



(1) Excluding assets included in net debt

(2) Net of cash, cash equivalents, marketable securities, other short-term investments and financial instrument asset

(3) 2017 figures have been restated for IFRS 15

# Tax rate development

€ mln	2017 Restated <sup>(1)</sup>	2018
Total income tax (reported)	(842)	<b>(716)</b>
Reported tax rate	25.6%	<b>29.9%</b>
Non-current income tax <sup>(2)</sup>	111	<b>179</b>
Current income tax	<b>(953)</b>	<b>(895)</b>
Underlying tax rate	30.4%	<b>27.9%</b>

(1) FY 2017 figures have been restated for IFRS 15

(2) Tax related to non-current items

# Cash-flow statement

	2017 Restated <sup>(1)</sup>	2018
Operating income	3,539	3,562
Financial income	(400)	(350)
Income tax on operating and financial income	(953)	(895)
Non-current income net of tax	264	(640)
Depreciation and amortization	974	1 601
Net change in provisions / Deferred taxes	(200)	(122)
Dividend received from equity accounted affiliates	55	33
Net change in interest income (expense)	80	13
Expense related to stock options and GPS	22	24
(Gains) losses on disposal of property, plant and equipment and financial investments	(284)	(12)
Other components of net income with no cash impact	(15)	(44)
<b>Cash flow provided by operating activities, excluding changes in net working capital</b>	<b>3,081</b>	<b>3,170</b>

(1) FY 2017 figures have been restated for IFRS 15

# Cash-flow statement

	2017 Restated(1)	2018
<b>Cash flow provided by operating activities, excluding changes in net working capital</b>	<b>3,081</b>	<b>3,170</b>
Change in working capital	(123)	(59)
<b>Cash flow from operations</b>	<b>2,958</b>	<b>3,111</b>
Capital expenditure	(969)	(941)
Proceeds from the sale of industrial assets	45	22
Business acquisitions and other investments, net of cash and cash equivalent acquired	(10,949)	(52)
Proceeds from the sale of business	441	1,305
Change in long-term loans and other long-term assets	(4)	(9)
<b>Cash flow used in investing activities and disposals</b>	<b>(11,437)</b>	<b>326</b>

(1) FY 2017 figures have been restated for IFRS 15

# Cash-flow statement

	2017 Restated(1)	2018
<b>Cash flow used in investing activities and disposals</b>	<b>(11,437)</b>	<b>326</b>
Increase in capital and additional paid-in capital	47	47
Purchases of treasury stock (net of disposal)	13	-
Perpetual subordinated notes issued or repaid during the period	1,245	(14)
Dividends paid to Danone shareholders	(279)	(431)
Transactions with non controlling interests*	(193)	(199)
Net cash flows on hedging derivatives	(52)	(8)
Bonds issued or raised during the period	0	300
Bonds repaid during the period	(1,487)	(2157)
Increase (decrease) in other current and non-current financial debt	(564)	27
Increase (decrease) in other short-term investments	9,559	(815)
<b>Cash flow used in financing activities</b>	<b>8,289</b>	<b>(3,251)</b>
Effect of exchange rate and other changes	272	14
<b>Increase (decrease) in cash</b>	<b>81</b>	<b>200</b>

\* Including dividends and capital increase (1) FY 2017 figures have been restated for IFRS 15



# EBITDA calculation

	2017	2018
<b>Operating income</b>	<b>3,729</b>	<b>2,741</b>
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	974	1,601
<b>EBITDA</b>	<b>4,703</b>	<b>4,342</b>