



DANONE
ONE PLANET. ONE HEALTH

Q3 2019 SALES

**Continued growth
acceleration**

October 18, 2019



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CFO



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

Q3 2019 highlights

+3.0%
LFL sales growth



Around double-digit growth led by Asia



Continued growth in Europe partly offset by US yogurt softness



Category weakness in Europe due to weather comp

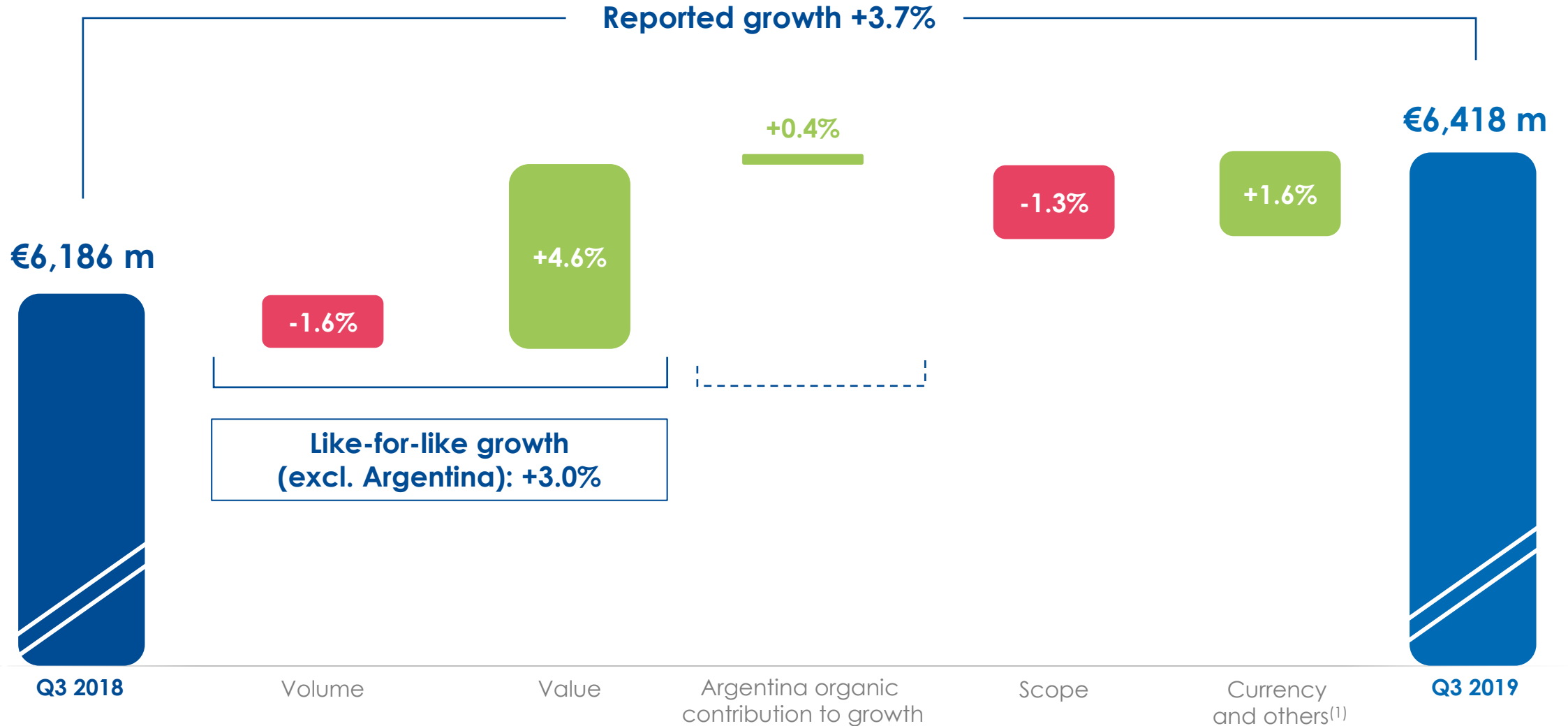


Innovation, mix and portfolio management

All data in like-for-like

Q3 2019 sales bridge





Positive mix driving sales growth; volumes impacted by Waters decline



(1) Including IAS 29

Q3 2019 performance by business

Strong acceleration of Specialized Nutrition offsets soft Waters

	Total Company	Specialized Nutrition	Essential Dairy & Plant-based	Waters
				
Net sales	€6.4 bn	€1.9 bn	€3.2 bn	€1.3 bn
Like-for-like growth	+3.0%	+9.8%	+0.7%	-0.9%
<i>Volume</i>	-1.6%	+0.8%	-2.7%	-2.5%
<i>Value</i>	+4.6%	+9.0%	+3.4%	+1.6%



SPECIALIZED NUTRITION

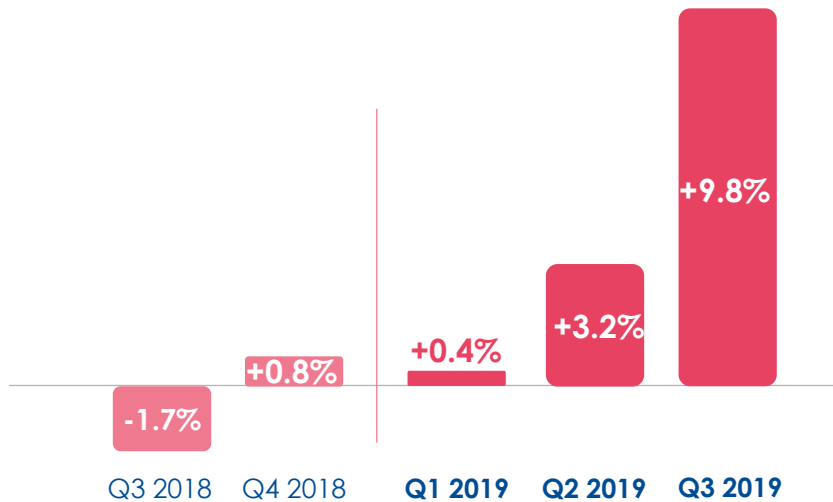




Specialized Nutrition: +9.8% in Q3

ELN China driving strong acceleration with positive mix

Quarterly LFL sales growth⁽¹⁾



AMN: further mid-single digit growth led by pediatric segment



Early Life Nutrition: >10% sales growth

- **Total China: >20% sales growth** on a low base
 - Category growing at mid-single digit as expected
 - Further growth led by direct channels, now 75% of sales
- **Other geographies: continuing solid growth**



(1) Like-for-like sales growth excluding Argentina



100% Pflanzlich
100% Geschmack

100% Pflanzlich
Heidelbeere

Milliarden natürlicher
Bifidus Kulturen

natürliche Bifidus Kulturen
ACTIVIA

Soja



ESSENTIAL DAIRY & PLANT-BASED

alpro
LAIT D'AMANDE
100% végétal, à vous faire plaisir

alpro
NATURE NOIX DE COCO

C'EST
BON ÇA !

alpro

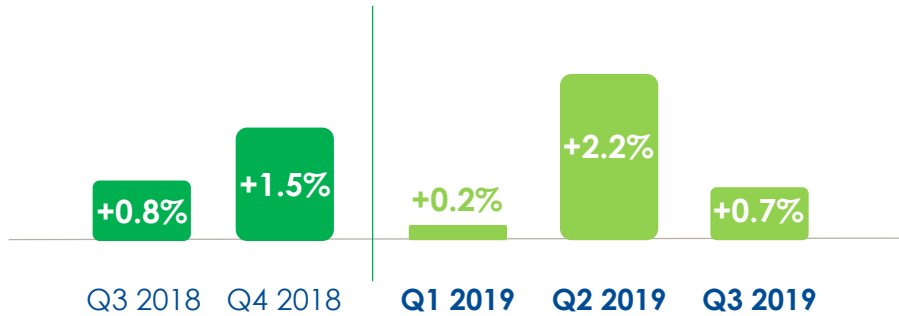




Essential Dairy & Plant-based: +0.7% in Q3

Continued growth in Europe partly offset by US yogurt softness

Quarterly LFL sales growth⁽¹⁾



- **Europe:** sustained slightly positive growth
- **North America:** flat sales with mixed segment performance
 - Plant-based and Coffee Creamers continue to grow
 - Negative Yogurt and Premium Dairy though good results of *Horizon*
- **Rest of the world**
 - **CIS:** low single-digit negative growth in Russia
 - **Latam:** moderate growth
 - **Morocco:** double-digit growth
- **Plant-based:** consistent strong growth
 - *Alpro:* double-digit growth, accelerating in new geographies

(1) Like-for-like sales growth excluding Argentina

HAYAT'TA HEP İYİSİ VAR



Ella Chen

I WANNA BE WHAT I WANNA

I wanna #liveyoung



KOLABORASI UNTUK BALI YANG LEBIH BERSIH

Yuk, jaga kebersihan lingkungan dengan ikutan #BijakBerplastik dan dapatkan AQUA LIFE dengan menukarkan kemasan plastik bekas ke Bank Sampah!

Selengkapnya:

SehatAQUA.co.id/AQUA-life



Jeg er...

#PROUDTOPANT



WATERS



OB DAS SCHMECKT? CHILL.



#TEAMLOVE OR #TEAMHATE



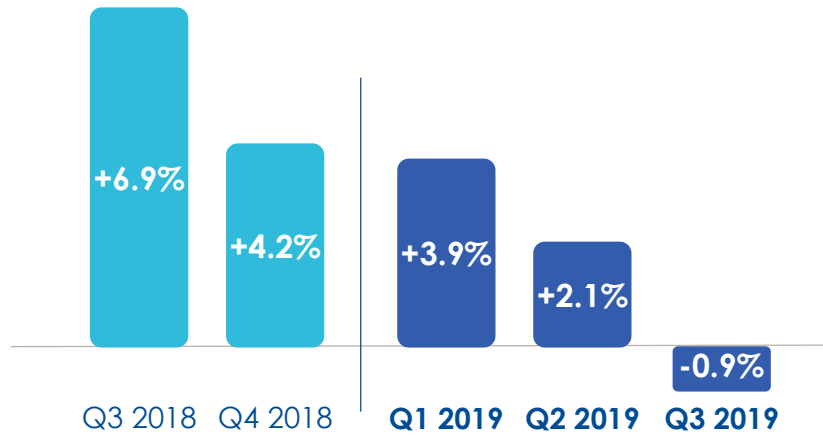
Wenig Zucker & wenig Kalorien



Waters: -0.9% in Q3

Category weakness in Europe due to weather comp

Quarterly LFL sales growth⁽¹⁾



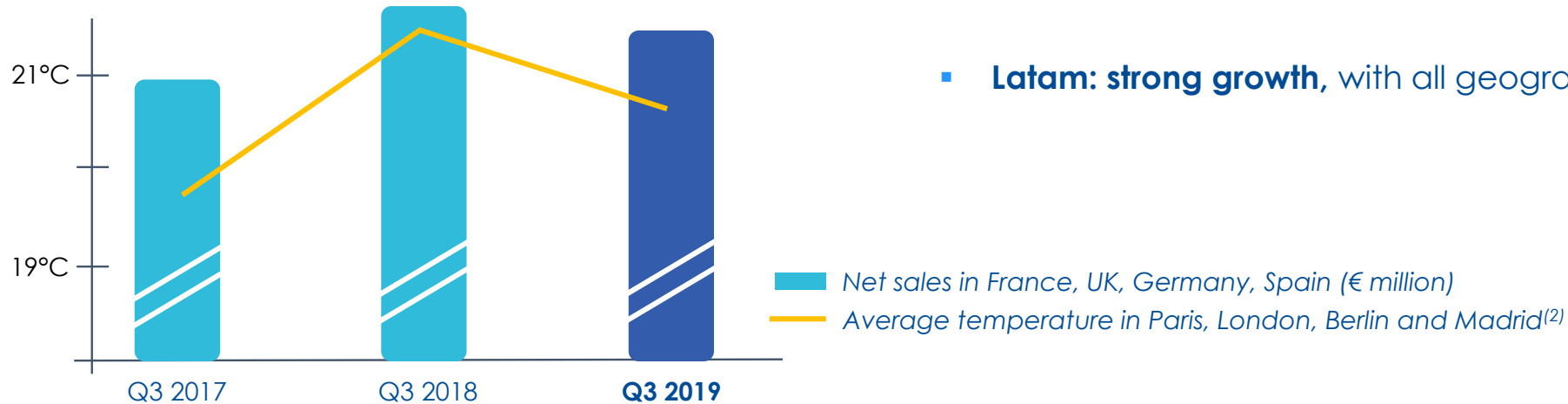
- Europe: low-single digit negative growth
 - Exceptional weather comp last year
 - Maintaining levels of market share
 - Steep decline in August, back to growth in September

Asia:

- Strong growth in Indonesia and Turkey
- Mizone: negative summer season; preparing RTM and brand repositioning

- Latam: strong growth, with all geographies rising

Focus on Europe



(1) Like-for-like sales growth excluding Argentina
 (2) Source: CustomWeather

Q4 outlook

Poised for further like-for-like sales growth acceleration



Strong growth to be led by China and South-East Asia



Acceleration from regained distribution in US yogurts and further plant-based expansion



Set to improve through continued focus on valorized innovations

Unchanged priorities, unchanged trajectory

Sales guidance narrowed, margin guidance confirmed

Strategic priorities

1

LFL sales growth acceleration throughout the year

- 9M 2019 delivery: +2.1%
- Q4 2019 consistent with 2020 objectives

2

Efficiency maximization on track

3

Disciplined capital allocation



2019 full-year guidance

LFL sales growth: 2.5% to 3%

vs. previous around 3%

Recurring operating margin: >15%

unchanged

2020 objectives reaffirmed

Driving long-term transformation for a unique investment proposition

Lead the way to create and share sustainable value

2030
GOALS

OUR BRAND MODEL



OUR BUSINESS MODEL

OUR TRUST MODEL

Healthier



Local



Leads



Responsible



Agile



Purpose












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Appendix



Q3 2019 sales by reporting entity and by geographical area















	 Essential Dairy & Plant-based	 Specialized Nutrition	 Waters	 Company
 Europe and Noram Sales <i>LFL growth</i>	€2,165m +0.2%	€772m +2.9%	€515m -2.7%	€3,451m +0.3%
 Rest of the world Sales <i>LFL growth</i>	€1,075m +1.9%	€1,148m +15.3%	€743m +0.5%	€2,966m +6.5%
 Company Sales <i>LFL growth</i>	€3,240m +0.7%	€1,920m +9.8%	€1,258m -0.9%	€6,418m +3.0%

Q3 2019 impact of currencies & scope

	Essential Dairy & Plant-based	Specialized Nutrition	Waters	Total
Reported sales growth	+0.8%	+11.4%	+0.7%	+3.7%
Argentina organic contribution to growth	+0.5%	+0.5%	+0.4%	+0.4%
Currency and others ⁽¹⁾	+2.1%	+1.1%	+1.1%	+1.6%
IAS 29 impact	+0.0%	+0.0%	+0.1%	+0.0%
Scope	-2.5%	+0.0%	+0.0%	-1.3%
Like-for-like sales growth	+0.7%	+9.8%	-0.9%	+3.0%

(1) Excluding IAS29 impact

Changes in exchange rates

	% total Q3 2019	Q3 19 vs Q3 18 (avg)
 United States Dollar	19.8%	+4.6%
 Chinese Renminbi	7.9%	+1.4%
 Russian Ruble	6.0%	+6.1%
 Indonesian Rupiah	6.0%	+8.2%
 British Pound	5.0%	-1.1%
 Mexican Peso	4.5%	+2.1%
 Brazilian Real	3.0%	+4.1%
 Hong Kong Dollar	2.8%	+4.8%
 Polish Zloty	2.5%	-0.3%
 Turkish Lira	1.9%	+3.2%
 Argentine Peso	1.9%	-33.6%
 Canadian Dollar	1.8%	+3.6%
 Moroccan Dirham	1.7%	+2.7%
 Australian Dollar	1.7%	-1.9%