



**DANONE**  
ONE PLANET. ONE HEALTH

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# **FULL-YEAR 2022 RESULTS**

February 22, 2023

# 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”, “outlook”, “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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- All references in this presentation to Like-for-like (LFL) changes, recurring operating income, recurring operating margin, recurring net income, recurring income tax, recurring EPS, carbon-adjusted recurring EPS and free cash flow correspond to financial indicators not defined in IFRS. Please refer to the financial press releases issued by the Company for further details on IAS29 (Financial reporting in hyperinflationary economies), the definitions and reconciliation with financial statements of financial indicators not defined in IFRS. Finally, the calculation of ROIC and Net Debt/Ebitda is detailed in the 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.

# CEO INTRODUCTION

Antoine de Saint-Affrique  
Chief Executive Officer



OUR TURN  
TO PLAY!

DANONE, OFFICIAL PARTNER  
OF PARIS 2024

#CHAMPIONSFORLIFE



# CLOSING A YEAR OF SOLID GROWTH ACROSS REGIONS AND CATEGORIES



**+7.8%**

LFL sales growth in 2022

**North America**

**+8.9%**

**Europe**

**+5.2%**

**China, North Asia & Oceania**

**+6.7%**

**Rest of the World**

**+10.7%**



**+5.8%**



**+10.0%**



**+10.5%**

Note: all data in like-for-like

# CLOSING A YEAR OF STRONG PROGRESS ON MANY FRONTS

## GOVERNANCE AND LEADERSHIP

- Renewal of the Board of directors by the next AGM: composed of highly experienced members of which a majority of current and/or former CEO/CFO
- Refreshed Executive Committee with more focus and clearer accountabilities
- Better alignment of management incentives, both short and long-term

**90% of  
independence  
at the Board<sup>1</sup>**

## STRATEGY AND EXECUTION

- Closing a year of solid growth with all geographies and categories contributing
- Significant reinvestments behind our capabilities, products and brands
- Progress toward better execution, from R&I and Operations to Marketing and Sales

**105 bps of  
reinvestments  
in H2 22 vs LY**

## CAPITAL ALLOCATION

- Clear capital allocation priorities leading to more agile allocation and portfolio decisions
- Proactive closure or disposal when no credible turnaround plan



<sup>1</sup>Excluding Employee representatives, subject to the next AGM on April 27<sup>th</sup>, 2023

# WINNING WHERE WE ARE

DRIVING OUR CORE PORTFOLIO – RESILIENT AND COMPETITIVE GROWTH IN NORAM



## Delivering resilient and competitive growth

**+8.9%**

like-for-like  
sales growth vs LY

**+0.5%**

volume/mix  
vs LY

**+20bps**

total Noram  
market share vs LY

## Actively managing our P&L to fuel growth

Gross margin

A&P

H1 22



Targeted

H2 22



Stepped-up



Silk

OIKOS

ACTIVIA





# WINNING WHERE WE ARE

## DRIVING OUR CORE PORTFOLIO – STRONG PERFORMANCE IN IMF CHINA



### Sustaining growth and competitiveness

**Mid single-digit**  
like-for-like sales growth vs LY

**+60bps**  
total IMF market share vs LY

### Building further resilience into the model

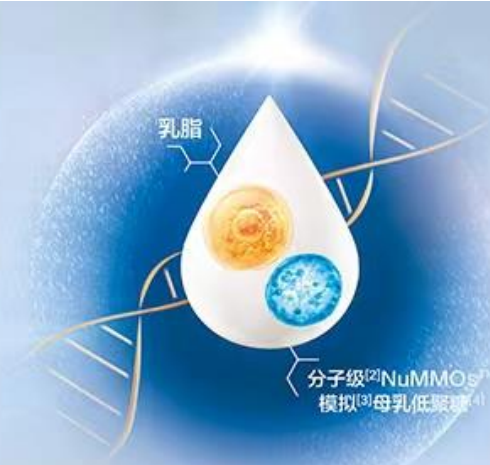


**New GB registration**

**2023/2024 innovation pipeline**

**爱他美®卓萃™3**  
帮助激发先锋「自护力」<sup>[1]</sup>

分子级<sup>[2]</sup>NuMMOs™模拟<sup>[3]</sup>母乳低聚糖<sup>[4]</sup>，帮助激发「自护因子」释放<sup>[5]</sup>  
更含天然来源的乳脂



先锋育儿  
你有你自由

[1] Moro G and Boehm G. Clinical Outcomes of Probiotic Intervention Trials during Infancy: A Review. Functional Food Reviews. 2012, 4(2): 101-111. [2] 分子级别的营养元素 3 的产研中: “NuMMOs 模拟母乳低聚糖”, 从分子级、多个精度的模拟母乳低聚糖, 从有到精而致物生态。 [3] a. Shari B, Thurl B, Zeng J.R, et al. Oligosaccharides from Human Milk as Revealed by Matrix-Assisted Laser Desorption/Ionization Mass Spectrometry. J. 1994, 22(2): 218-236; b. Boehm G, Fanaro S, Jelinek J, et al. Probiotic concept for infant nutrition. Acta Paediatr Scand. 2003; 92(4): 64-67. [4] 在母乳中, 低聚糖是母乳中仅次于乳糖和脂肪的第三大固体成分。NuMMOs 有 60GOS/100FOS 益生元组合, 可模拟母乳低聚糖大小分布 (范围: 供体以及母乳) [5] Scheldens PA, Alliet P, Rave M, et al. The effect of a probiotic on the immune system in healthy infants who receive a formula with short-chain galacto-oligosaccharides and long-chain fructo-oligosaccharides. J Nutr. (2008); 138(5): 1141-1147.

# WINNING WHERE WE ARE

## TRANSFORMING OUR EDP PORTFOLIO IN EUROPE

### Driving better activation and shelf execution

 Functionality-focused, consumer-centric activation



### Greater focus on functionality

 Benefit-driven portfolio



### Fibers range

Q4 2022 vs LY

Double-digit growth  
Positive volumes

### Streamlining and focusing our portfolio

 From 10+ to 5 brands in focus





# WINNING WHERE WE ARE

ACCELERATING WINNING PLATFORMS WITH DISPROPORTIONATE FOCUS AND INVESTMENTS



*Silk*



STÖK™

c. \$70m capex to expand capacities in winning mixes



Coffee creamers

RTD coffee

## Boosting Medical Nutrition

Clinical studies + Product development + Capacity expansion



# EXPANDING WHERE WE SHOULD BE AND SEEDING THE FUTURE

## BUILDING ON OUR STRENGTHS, WITH A FOCUS ON RETURNS AND VALUE CREATION

### Exploring new avenues of growth in Plant-based



Expanding the yogurt portfolio to Indulgence and functionality  
Combining Danone know-how with Plant-based expertise

### Increasing portfolio relevance and reach



Leveraging the Danacol engine  
Awareness against cardiovascular risks  
Launch of Danacol+ in Italian pharmacies end of 2022 under a new food form

### Expanding adult nutrition portfolio to new segments and occasions



Healthy ageing and adult nutrition expansion  
Post-hospital recovery, food supplements  
Leveraging Danone's capabilities in China: R&I, local manufacturing, digital and market access

# MANAGING OUR PORTFOLIO

## COMMITTED TO OUR PORTFOLIO ROTATION PLAN

### PORTFOLIO ROTATION COMMITMENT

**MANAGE OUR PORTFOLIO**  
 ACTIVELY PRUNING AND STRENGTHENING OUR PORTFOLIO

**RECENT DISPOSALS**

**RECENT ACQUISITIONS**

Committed to all our categories

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Value creation imperative in everything we do (keep, buy or sell)

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We will keep pruning - No sacred cows

**SCOPE FOR PORTFOLIO ROTATION EQUIVALENT TO ~10% OF NET SALES**

Extract from March 2022 Capital Market Event



### PROGRESS TO DATE

**EDP Russia**

**Horizon Organic / Wallaby in the US**

**Argentina Waters business**

**Fresh Dairy JV in China**



# SEEDING THE FUTURE





# FINANCIAL REVIEW

Juergen Esser  
Chief Financial Officer



**“Keeping one feed a day is reassuring for both of us”**

**APTAMIL DUOBIOTIK 2** is designed especially for combination feeding of breast and bottle. It's our most advanced formula with our unique mix of Human Milk Oligosaccharide 2'-FL naturally found in breastmilk, Nutri Fibers\* and high quality milk fat. It also contains Immunonutrients\*\*. This can help keep you going for as long as you want with your choice of routine.

**Your Life,  
Our Science**

process.  
on of the immune system.  
wife about using follow-on milk.



# BROAD-BASED LFL GROWTH ACROSS CATEGORIES AND GEOGRAPHIES

Q4 2022 LFL SALES GROWTH REACHING +7.0%

Europe	+4.0%
North America	+9.7%
China, North Asia & Oceania	+3.4%
Rest of the World	+9.8%



+7.6%



+7.1%



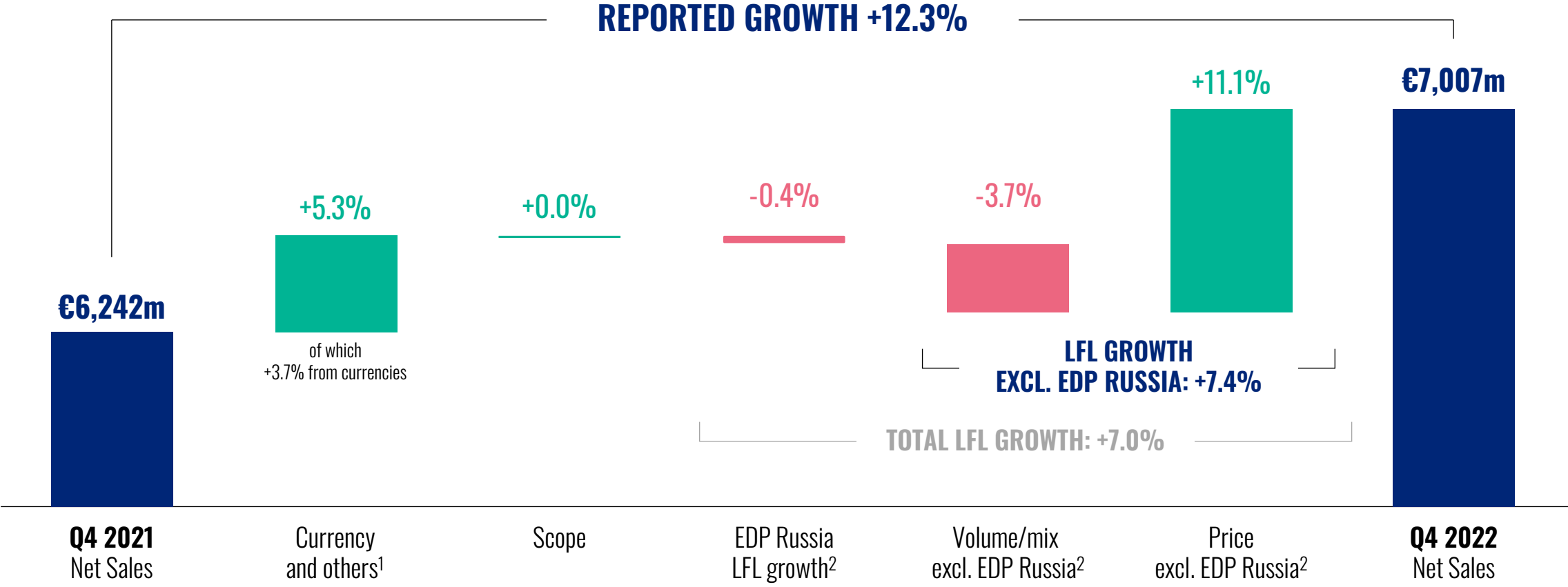
+4.4%

Note: all data in like-for-like



# Q4 SALES BRIDGE

STRONG REPORTED SALES GROWTH OF +12.3%



<sup>1</sup> Includes IAS 29 and contribution to growth from hyperinflation geographies; <sup>2</sup> incl. EDP Belarus

# EUROPE

## SOLID PRICE-LED GROWTH; PORTFOLIO CHOICES WEIGHING ON VOLUMES

### Q4 DEVELOPMENTS

- Mid to high-single digit growth in Specialized Nutrition driven by Aptamil in Infant Nutrition and Fortimel in Adult Nutrition
- Low single-digit growth in EDP amid continued portfolio transformation
- Portfolio choices and temporary delivery suspensions weigh on EDP and Waters volumes

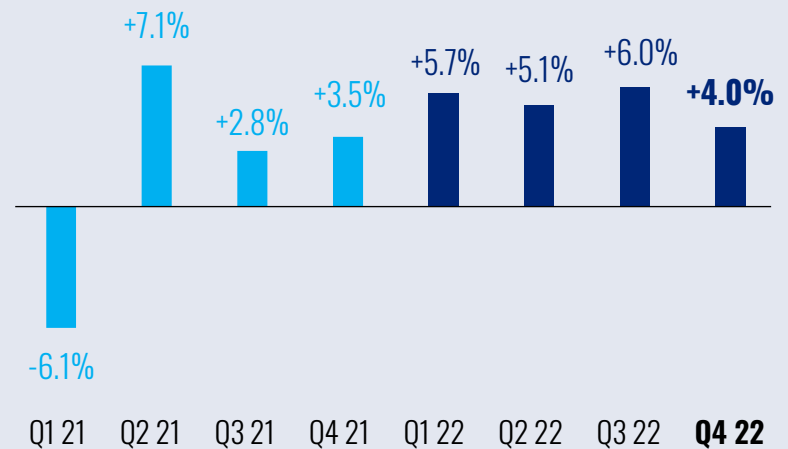


Note: all data in like-for-like

### FY 2022 KEY FIGURES

<b>FY 22 NET SALES</b>	<b>€8.8bn</b>
<b>LIKE-FOR-LIKE SALES GROWTH</b>	<b>+5.2%</b>
Volume-Mix / Price	-1.2% / +6.4%
<b>FY 22 RECURRING OPERATING MARGIN</b>	<b>12.4%</b>
Reported change	-307 bps

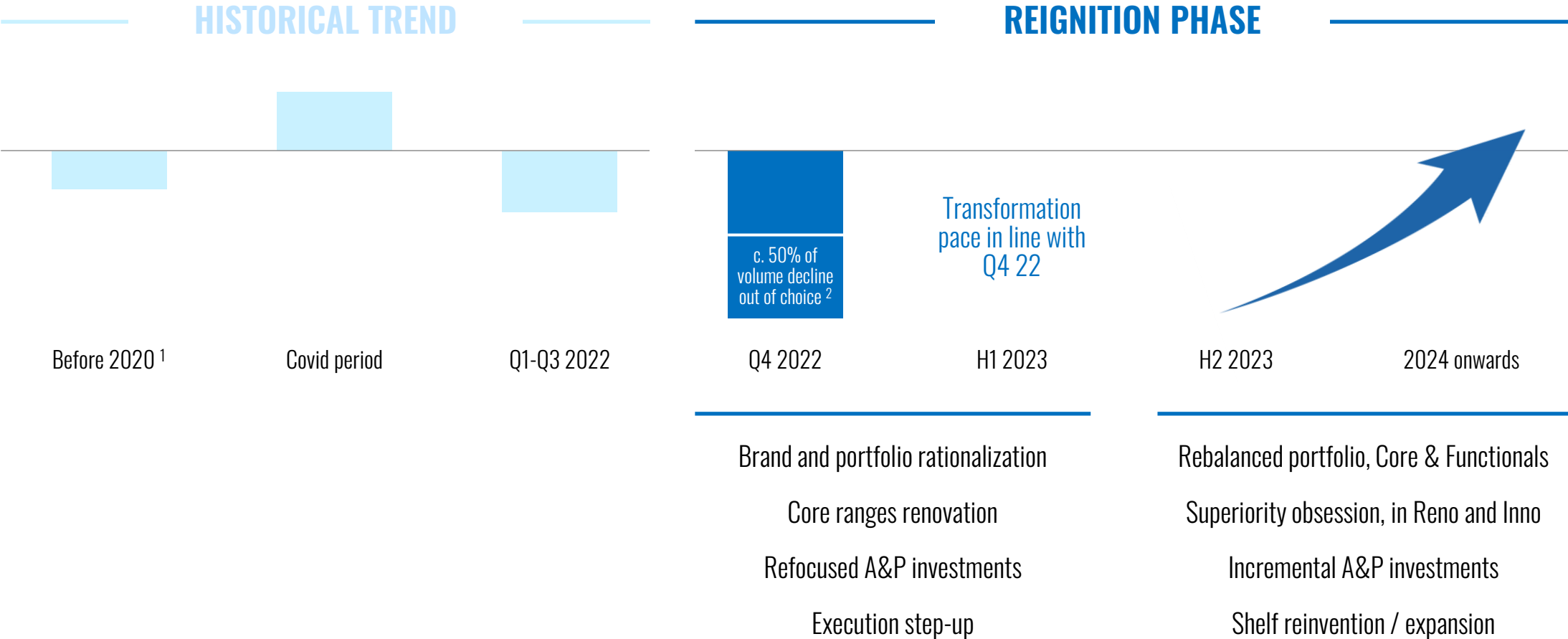
### LFL SALES GROWTH BY QUARTER



# EUROPE – FOCUS ON EDP VOLUMES

ACTIVELY TRANSFORMING OUR PORTFOLIO TO RECONNECT WITH VALUE CREATION

EDP EUROPE – VOLUME/MIX HISTORICAL EVOLUTION



1. 2017-2019 period; 2. Linked to portfolio choices and temporary delivery suspensions

# NORTH AMERICA

## CONTINUED STRONG AND COMPETITIVE GROWTH MOMENTUM

### Q4 DEVELOPMENTS

- Double-digit growth in EDP led by Coffee creations and Yogurt
- Top brands International Delight, Activia, Oikos and Silk continue to drive performance
- Double-digit growth in Waters; normalization in Specialized Nutrition



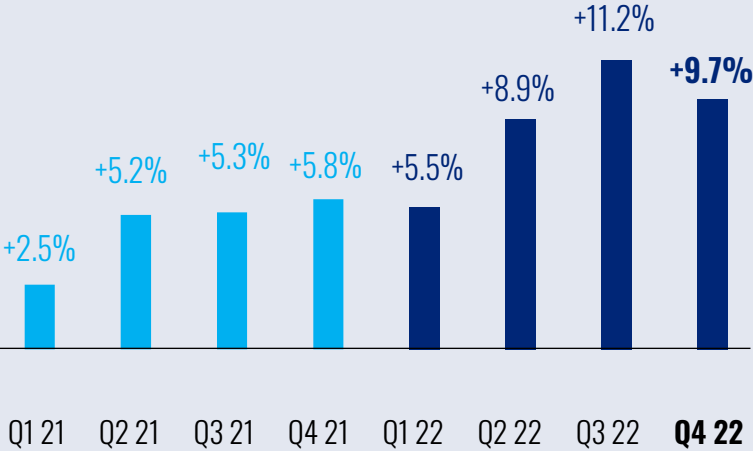
FRIENDS and all related characters and elements © & ™ Warner Bros. Entertainment Inc.

Note: all data in like-for-like

### FY 2022 KEY FIGURES

<b>FY 22 NET SALES</b>	<b>€6.7bn</b>
<b>LIKE-FOR-LIKE SALES GROWTH</b>	<b>+8.9%</b>
Volume-Mix / Price	+0.5% / +8.3%
<b>FY 22 RECURRING OPERATING MARGIN</b>	<b>10.1%</b>
Reported change	-72 bps

### LFL SALES GROWTH BY QUARTER





# CHINA, NORTH ASIA AND OCEANIA

CONTINUED SOLID GROWTH LED BY SPECIALIZED NUTRITION AND EDP

## Q4 DEVELOPMENTS

- Continued competitive growth in IMF China on a high base, led by Aptamil; continued good momentum in Adult and Pediatric Specialties
- Mizone still penalized by covid-related mobility restrictions
- Double-digit growth in Japan, led by Activia, Danone and Oikos

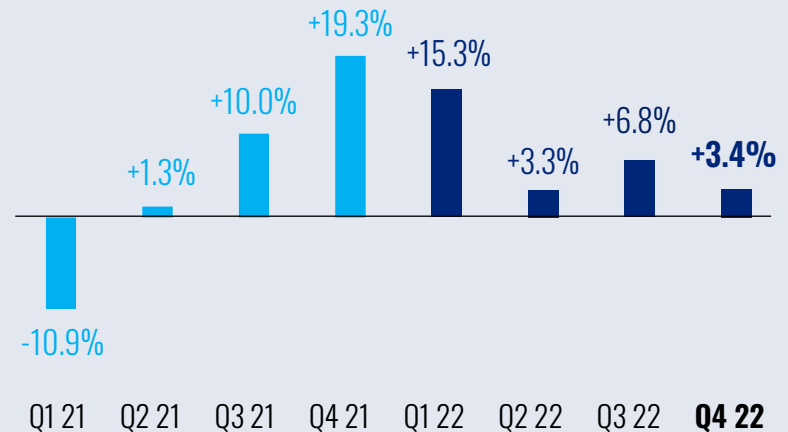


Note: all data in like-for-like

## FY 2022 KEY FIGURES

<b>FY 22 NET SALES</b>	<b>€3.4bn</b>
<b>LIKE-FOR-LIKE SALES GROWTH</b>	<b>+6.7%</b>
Volume-Mix / Price	+4.9% / +1.8%
<b>FY 22 RECURRING OPERATING MARGIN</b>	<b>30.2%</b>
Reported change	-99 bps

## LFL SALES GROWTH BY QUARTER



# REST OF THE WORLD

## STRONG PRICE-LED GROWTH ACROSS GEOGRAPHIES

### Q4 DEVELOPMENTS

- Resilient volume/mix despite strong pricing: -0.7% in FY22 excl. EDP Russia
- Double-digit growth in Latin America with all categories contributing
- Strong competitive growth in Indonesia driven by both Aqua and SGM
- Actively fixing underperforming platforms

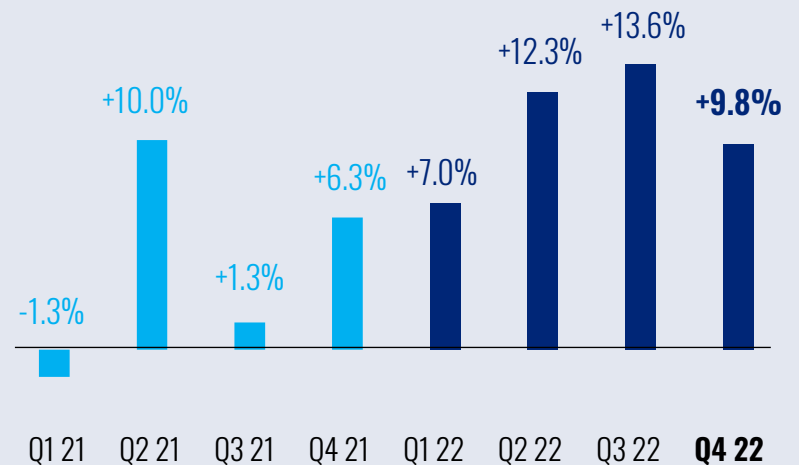


Note: all data in like-for-like

### FY 2022 KEY FIGURES

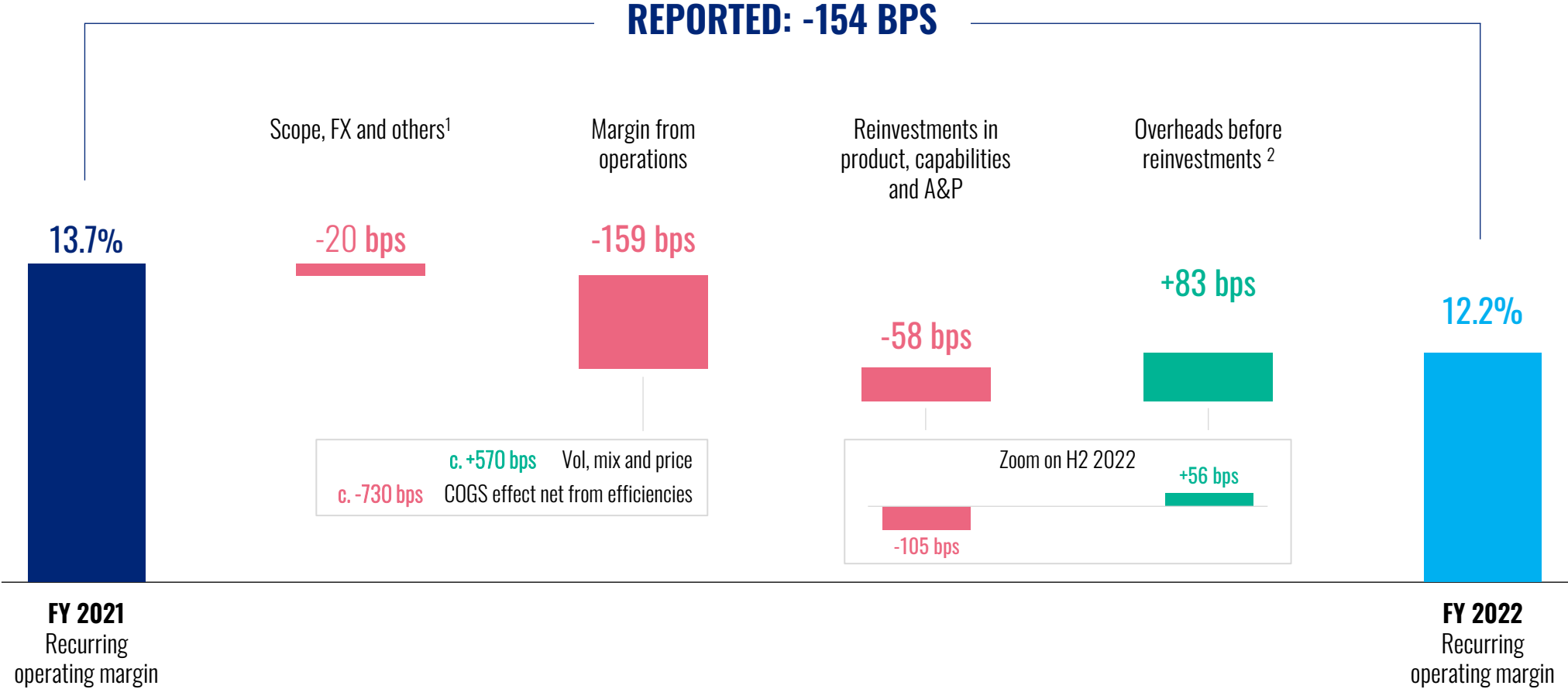
<b>FY 22 NET SALES</b>	<b>€8.7bn</b>
<b>LIKE-FOR-LIKE SALES GROWTH</b>	<b>+10.7%</b>
Volume-Mix / Price	-4.1% / +14.8%
<b>FY 22 RECURRING OPERATING MARGIN</b>	<b>6.6%</b>
Reported change	-29 bps

### LFL SALES GROWTH BY QUARTER



# FY 2022 RECURRING OPERATING MARGIN

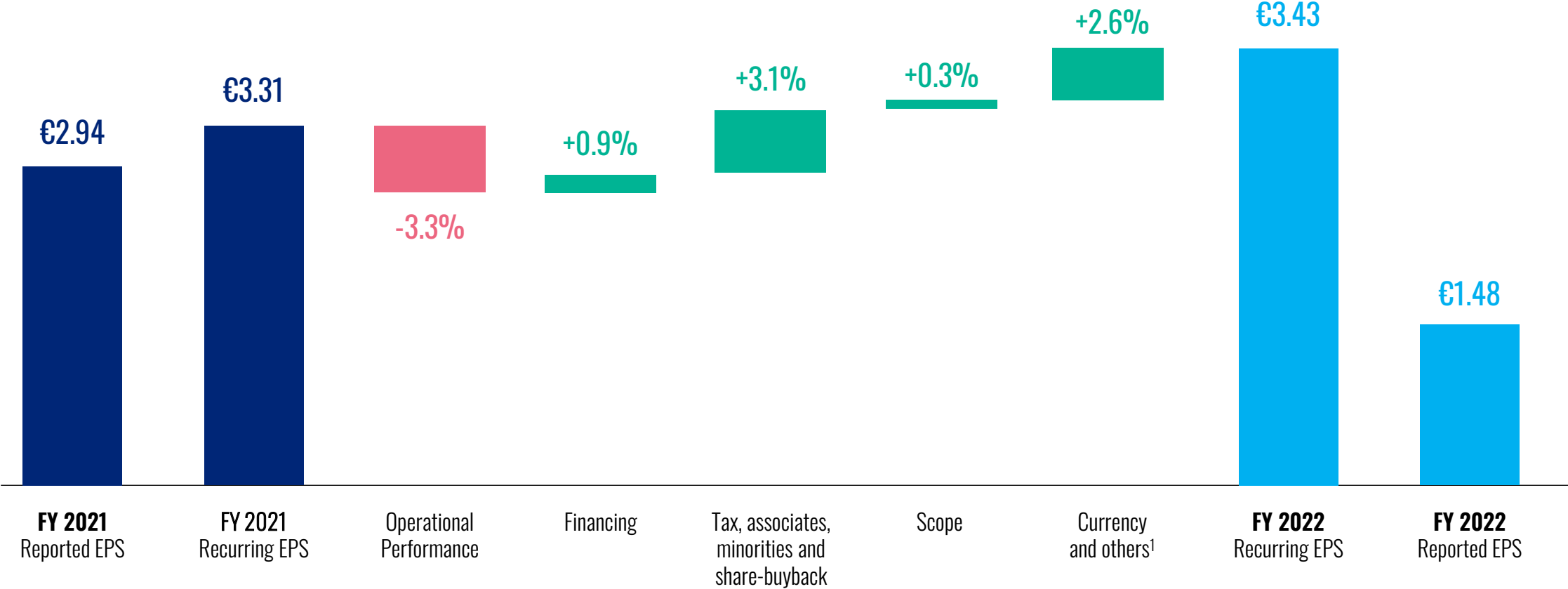
RESILIENT OPERATING MARGIN IN A HIGHLY INFLATIONARY ENVIRONMENT; 58BPS REINVESTED



<sup>1</sup>Includes IAS 29 and contribution to growth from hyperinflation geographies and effects from other income and expenses; <sup>2</sup>Mostly driven by Local First savings

# EPS BRIDGE

RECURRING EPS UP +3.6% VS. LY



<sup>1</sup>Including IAS 29

# DISCIPLINED CAPITAL ALLOCATION

FOCUS ON HEALTHY BALANCE SHEET, SUSTAINABLE VALUE CREATION AND SHAREHOLDER RETURNS

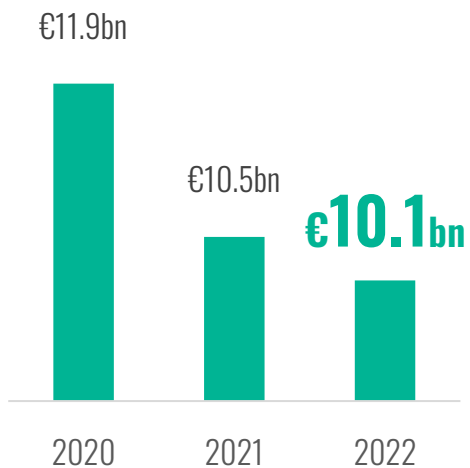
## FREE CASH FLOW

€2.1bn

Disciplined, growth-oriented capital allocation

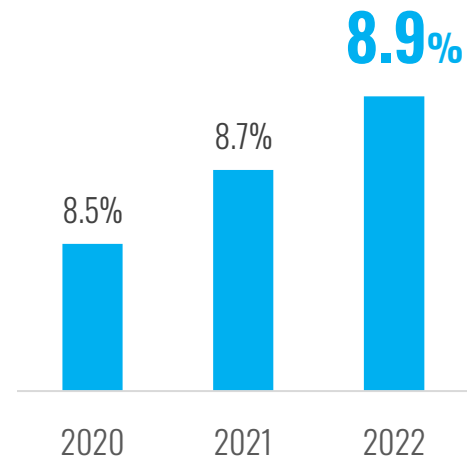
€0.9bn capex

## NET DEBT



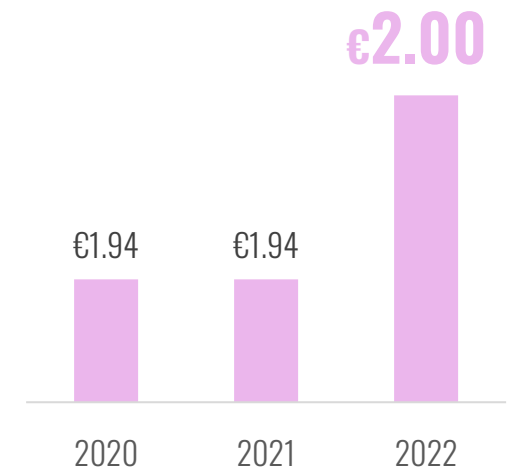
2.5x Net debt / EBITDA

## ROIC



Disciplined resource allocation and returns mindset

## PROPOSED DIVIDEND<sup>1</sup>



58% Stable pay-out ratio

<sup>1</sup>Subject to the next AGM on April 27<sup>th</sup>, 2023



# 2023 GUIDANCE IN LINE WITH MID-TERM TARGETS

LFL Sales Growth  
**+3 to +5%**

Recurring Operating Margin  
**Moderate improvement**



# CEO CONCLUSION

Antoine de Saint-Affrique  
CEO



# ACCELERATING THE PACE OF TRANSFORMATION

## FOUR STRATEGIC PILLARS

**01**

Win where we are

**02**

Expand where we should be

**03**

Seed the future

**04**

Manage our portfolio

## FOUR KEY ENABLERS

**CULTURE**

**CAPABILITIES**

**SUSTAINABILITY**

**COST COMPETITIVENESS**

**DO IT THE  
DANONE WAY**



Certified

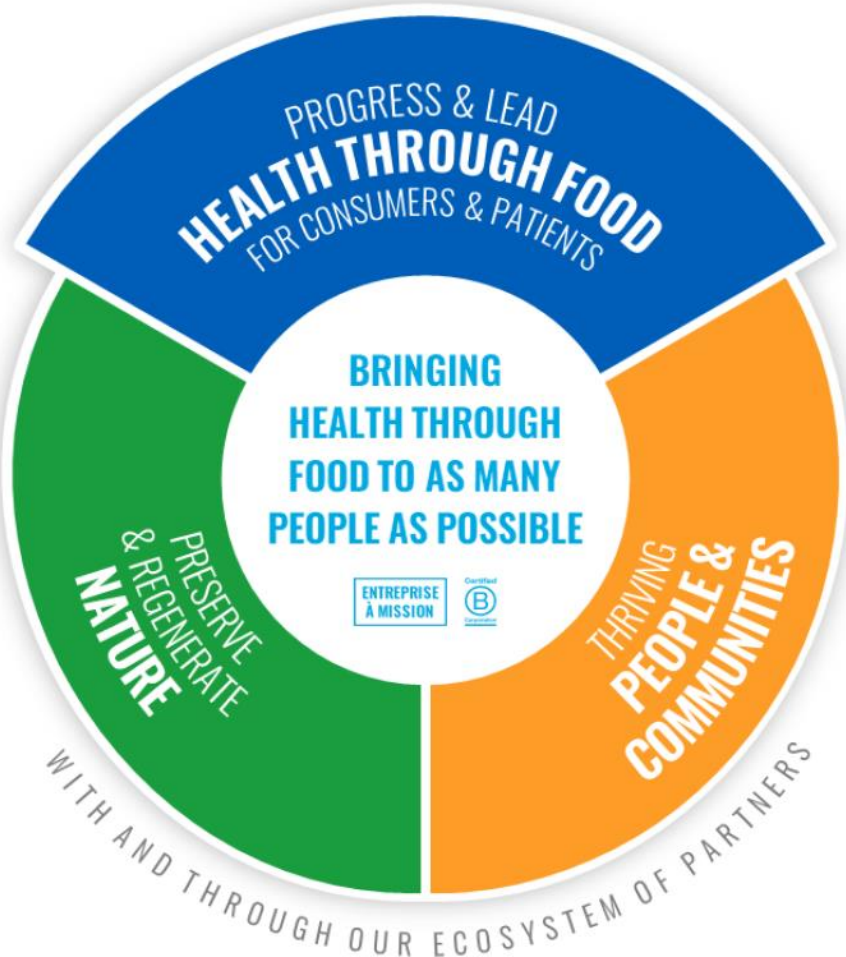


**ENTREPRISE À MISSION,**

# RECONNECTING SUSTAINABILITY AND BUSINESS PERFORMANCE

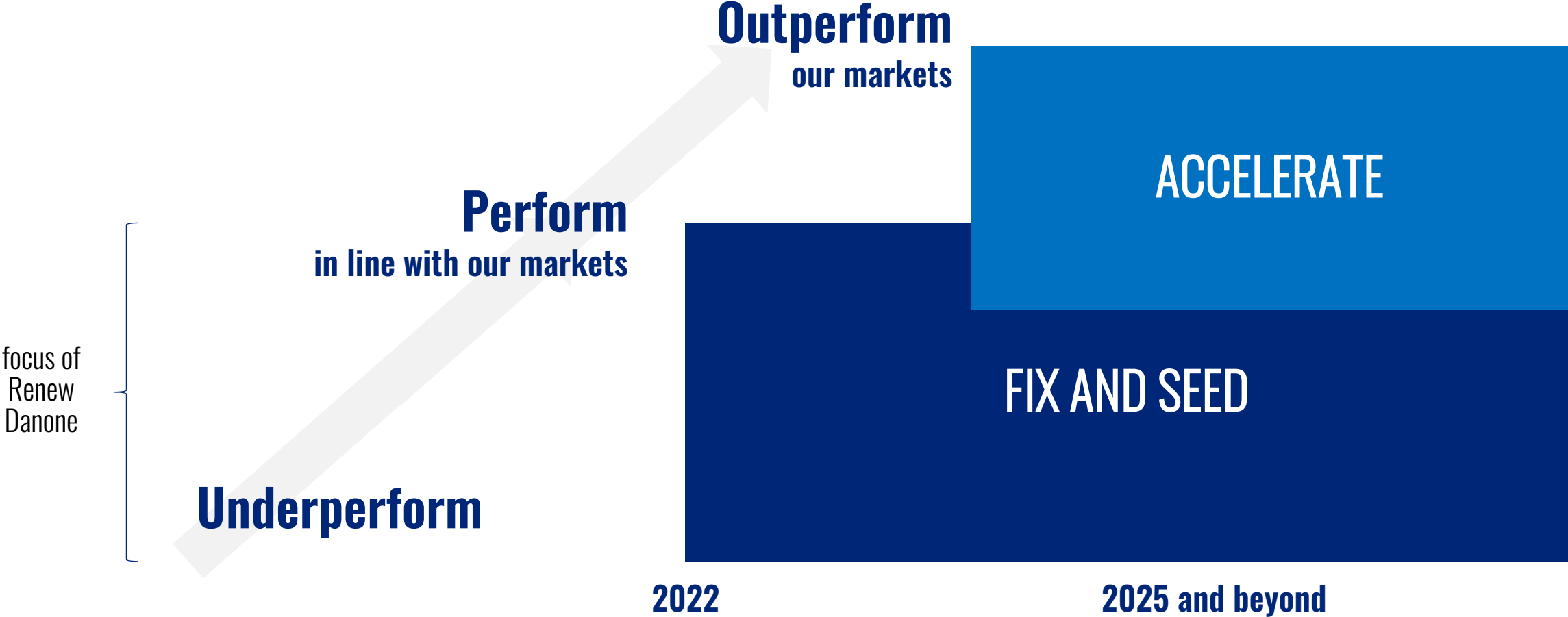
MORE FOCUSED COMMITMENTS ON HEALTH, NATURE, PEOPLE & COMMUNITIES

**AN UPDATED SUSTAINABILITY  
COMPASS FOCUSING ON  
IMPACT, SERVING OUR  
MISSION AND  
PERFORMANCE**



# MOVING TO THE FRONT FOOT

2023, A YEAR OF ACCELERATION





# APPENDIX






**DANONE**  
ONE PLANET. ONE HEALTH







# Q4 2022 SALES BY GEOGRAPHICAL ZONE

	EUROPE	NORTH AMERICA	CHINA, NORTH ASIA & OCEANIA	REST OF THE WORLD	COMPANY
<b>Q4 net sales</b>	€2,145m	€1,759m	€817m	€2,285m	€7,007m
<b>Like-for-like growth</b>	+4.0%	+9.7%	+3.4%	+9.8%	+7.0%
Volume/Mix	-5.9%	-2.1%	+2.1%	-7.2%	-4.4%
Price	+9.9%	+11.8%	+1.3%	+17.0%	+11.3%

# Q4 2022 SALES BY CATEGORY

				COMPANY
Q4 net sales	€3,887m	€2,147m	€972m	€7,007m
Like-for-like growth	+7.6%	+7.1%	+4.4%	+7.0%
Volume/Mix	-6.5%	-0.3%	-5.0%	-4.4%
Price	+14.1%	+7.5%	+9.4%	+11.3%




# Q4 2022 SALES BY GEOGRAPHICAL ZONE BY CATEGORY

	EUROPE	NORTH AMERICA	CHINA, NORTH ASIA & OCEANIA	REST OF THE WORLD	COMPANY
 <b>EDP</b> <b>Sales</b> LFL growth	<b>€1,014m</b> +2.2%	<b>€1,624m</b> +11.1%	<b>€85m</b> +15.5%	<b>€1,163m</b> +7.6%	<b>€3,887m</b> +7.6%
 <b>SPECIALIZED NUTRITION</b> <b>Sales</b> LFL growth	<b>€749m</b> +7.8%	<b>€72m</b> -17.6%	<b>€659m</b> +3.7%	<b>€668m</b> +13.9%	<b>€2,147m</b> +7.1%
 <b>WATERS</b> <b>Sales</b> LFL growth	<b>€382m</b> +1.5%	<b>€64m</b> +12.8%	<b>€72m</b> -10.3%	<b>€454m</b> +9.4%	<b>€972m</b> +4.4%
 <b>COMPANY</b> <b>Sales</b> LFL growth	<b>€2,145m</b> +4.0%	<b>€1,759m</b> +9.7%	<b>€817m</b> +3.4%	<b>€2,285m</b> +9.8%	<b>€7,007m</b> +7.0%

# FY 2022 SALES BY GEOGRAPHICAL ZONE





	EUROPE	NORTH AMERICA	CHINA, NORTH ASIA & OCEANIA	REST OF THE WORLD	COMPANY
<b>FY net sales</b>	<b>€8,773m</b>	<b>€6,712m</b>	<b>€3,428m</b>	<b>€8,748m</b>	<b>€27,661m</b>
<b>Like-for-like growth</b>	<b>+5.2%</b>	<b>+8.9%</b>	<b>+6.7%</b>	<b>+10.7%</b>	<b>+7.8%</b>
Volume/Mix	-1.2%	+0.5%	+4.9%	-4.1%	-0.8%
Price	+6.4%	+8.3%	+1.8%	+14.8%	+8.7%

# FY 2022 SALES BY CATEGORY

				COMPANY
<b>FY net sales</b>	<b>€14,799m</b>	<b>€8,319m</b>	<b>€4,543m</b>	<b>€27,661m</b>
<b>Like-for-like growth</b>	<b>+5.8%</b>	<b>+10.0%</b>	<b>+10.5%</b>	<b>+7.8%</b>
Volume/Mix	-4.3%	+3.8%	+2.2%	-0.8%
Price	+10.2%	+6.2%	+8.4%	+8.7%



# FY 2022 SALES BY GEOGRAPHICAL ZONE BY CATEGORY














	EUROPE	NORTH AMERICA	CHINA, NORTH ASIA & OCEANIA	REST OF THE WORLD	COMPANY
 <b>EDP</b> <b>Sales</b> LFL growth	<b>€4,058m</b> +1.6%	<b>€6,085m</b> +8.1%	<b>€340m</b> +12.4%	<b>€4,316m</b> +6.8%	<b>€14,799m</b> +5.8%
 <b>SPECIALIZED NUTRITION</b> <b>Sales</b> LFL growth	<b>€2,958m</b> +8.6%	<b>€376m</b> +15.6%	<b>€2,431m</b> +9.3%	<b>€2,554m</b> +11.8%	<b>€8,319m</b> +10.0%
 <b>WATERS</b> <b>Sales</b> LFL growth	<b>€1,757m</b> +8.5%	<b>€251m</b> +19.0%	<b>€656m</b> -4.4%	<b>€1,879m</b> +18.6%	<b>€4,543m</b> +10.5%
 <b>COMPANY</b> <b>Sales</b> LFL growth	<b>€8,773m</b> +5.2%	<b>€6,712m</b> +8.9%	<b>€3,428m</b> +6.7%	<b>€8,748m</b> +10.7%	<b>€27,661m</b> +7.8%

# Q4 AND FY 2022 SALES BY GEOGRAPHICAL ZONE

	EUROPE	NORTH AMERICA	CHINA, NORTH ASIA & OCEANIA	REST OF THE WORLD	TOTAL
<b>Q4 2022</b>					
<b>Like-for-like sales growth</b>	<b>+4.0%</b>	<b>+9.7%</b>	<b>+3.4%</b>	<b>+9.8%</b>	<b>+7.0%</b>
Contribution to growth from hyperinflation geographies	+0.0%	+0.0%	+0.0%	+5.3%	+1.7%
Currency and others <sup>1</sup>	-0.7%	+12.2%	+1.6%	+3.4%	+3.9%
IAS 29 impact	+0.0%	-0.0%	+0.0%	-1.0%	-0.3%
Scope	-0.0%	+0.0%	+0.1%	-0.0%	+0.0%
<b>Reported sales growth</b>	<b>+3.3%</b>	<b>+21.9%</b>	<b>+5.2%</b>	<b>+17.5%</b>	<b>+12.3%</b>
<b>FY 2022</b>					
<b>Like-for-like sales growth</b>	<b>+5.2%</b>	<b>+8.9%</b>	<b>+6.7%</b>	<b>+10.7%</b>	<b>+7.8%</b>
Contribution to growth from hyperinflation geographies	+0.0%	+0.0%	+0.0%	+4.0%	+1.2%
Currency and others <sup>1</sup>	-0.1%	+12.8%	+7.1%	+5.0%	+5.4%
IAS 29 impact	+0.0%	+0.0%	+0.0%	-0.9%	-0.3%
Scope	+0.0%	-1.0%	+0.2%	-0.1%	-0.2%
<b>Reported sales growth</b>	<b>+5.2%</b>	<b>+20.6%</b>	<b>+14.0%</b>	<b>+18.7%</b>	<b>+13.9%</b>

<sup>1</sup> Excluding IAS 29

# CHANGES IN EXCHANGE RATES

	% total FY 2022	FY 22 vs FY 21 (avg)	Q4 22 vs Q4 21 (avg)
 <b>United States</b> Dollar	21.5%	+12.3%	+12.1%
 <b>Chinese</b> Renminbi	7.3%	+7.7%	-0.1%
 <b>Indonesian</b> Rupiah	5.8%	+8.1%	+2.7%
 <b>Russian</b> Ruble	5.6%	+19.9%	+29.5%
 <b>British</b> Pound	5.4%	+0.8%	-2.3%
 <b>Mexican</b> Peso	4.3%	+13.2%	+18.2%
 <b>Hong Kong</b> Dollar	2.7%	+11.6%	+11.9%
 <b>Argentine</b> Peso	2.5%	-17.9%	-26.8%
 <b>Canadian</b> Dollar	2.5%	+8.3%	+4.4%
 <b>Polish</b> Zloty	2.4%	-2.6%	-2.3%
 <b>Brazilian</b> Real	2.4%	+17.2%	+18.4%
 <b>Turkish</b> Lira	2.3%	-39.6%	-22.7%
 <b>Japanese</b> Yen	1.4%	-5.9%	-9.7%

# RECURRING OPERATING MARGIN

€ million

	FY 2021		FY 2022		Change	
	€m	Margin (%)	€m	Margin (%)	Reported	Like-for-like
Europe	1,291	15.5%	1,088	12.4%	-307 bps	-297 bps
North America	603	10.8%	679	10.1%	-72 bps	-73 bps
China, North Asia & Oceania	940	31.2%	1,037	30.2%	-99 bps	-121 bps
Rest of the World	504	6.8%	573	6.6%	-29 bps	-61 bps
Essential Dairy & Plant-based	1,355	10.4%	1,207	8.2%	-219 bps	-229 bps
Specialized Nutrition	1,634	22.6%	1,799	21.6%	-97 bps	-84 bps
Waters	348	8.8%	370	8.2%	-63 bps	-128 bps
<b>Total</b>	<b>3,337</b>	<b>13.7%</b>	<b>3,377</b>	<b>12.2%</b>	<b>-154 bps</b>	<b>-161 bps</b>

# NON-RECURRING NET INCOME

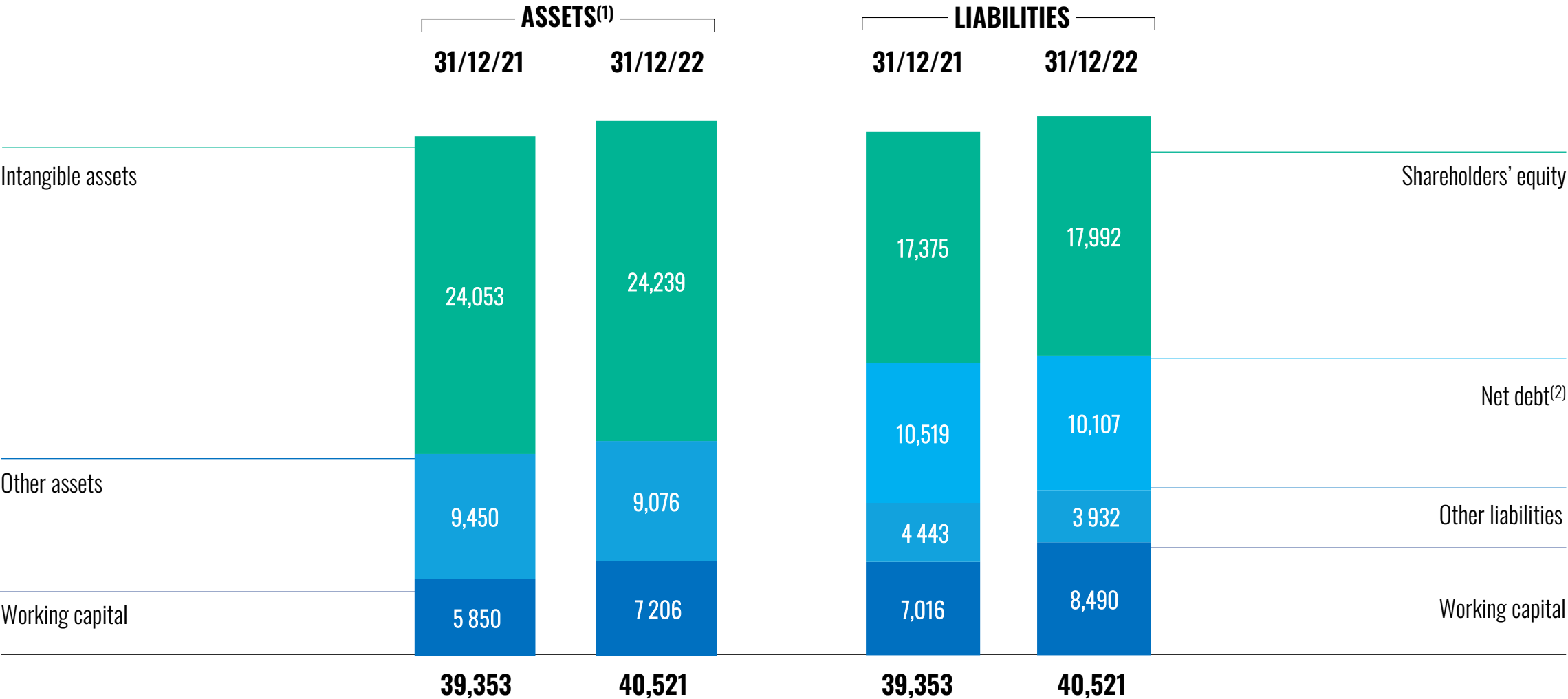
€ million

	FY 2021	FY 2022	Change 2022 vs 2021	
<b>Recurring net income</b>	<b>3,337</b>	<b>3,377</b>	<b>+40</b>	
<b>NON-RECURRING ITEMS</b>				
<b>Non-recurring net income</b>	<b>(241)</b>	<b>(1,246)</b>	<b>(1,005)</b>	
Operating income	(1,080)	(1,234)	(154)	Costs related to Local First and Russia impairments
Total Financial expenses	5	(20)	(25)	
Income tax	252	64	(189)	
Net income from associates	578	(63)	(641)	Mengniu disposal in 2021 and unwinding of remaining minority investments in 2022
Non-controlling interests	(3)	(6)	(3)	
<b>Reported net income</b>	<b>1,924</b>	<b>959</b>	<b>(965)</b>	

Note: Net income group share

# BALANCE SHEET

€ million



<sup>(1)</sup> Excluding assets included in net debt | <sup>(2)</sup> Net of cash, cash equivalents, marketable securities, other short-term investments and financial instrument asset



# TAX RATE DEVELOPMENT

€ million

	2021	2022
Total income tax (reported)	(589)	(778)
Reported tax rate	29.5%	42.4%
Non-current income tax <sup>(1)</sup>	252	64
<b>Current income tax</b>	<b>(841)</b>	<b>(841)</b>
Underlying tax rate	27.4%	27.3%

<sup>(1)</sup> Tax related to non-current items

# CASH-FLOW STATEMENT

€ million

	2021	2022
Recurring operating income	3,337	3,377
Financial income	(267)	(291)
Income tax on operating and financial income	(841)	(841)
Non-current income net of tax	(824)	(1,190)
Depreciation and amortization	1,265	1,863
Net change in provisions / Deferred taxes	419	(201)
Dividend received from equity accounted affiliates	23	21
Net change in interest income (expense)	(1)	2
Expense related to stock options and GPS	12	25
(Gains) losses on disposal of property, plant and equipment and financial investments	(31)	78
Other components of net income with no cash impact	31	44
<b>Cash flows provided by operating activities, excluding changes in net working capital</b>	<b>3,123</b>	<b>2,886</b>

# CASH-FLOW STATEMENT

€ million

	2021	2022
<b>Cash flows provided by operating activities, excluding changes in net working capital</b>	<b>3,123</b>	<b>2,886</b>
Change in working capital	351	77
<b>Cash flows from operations</b>	<b>3,474</b>	<b>2,964</b>
Capital expenditure	(1,043)	(873)
Proceeds from the sale of industrial assets	46	30
Business acquisitions and other investments, net of cash and cash equivalent acquired	(300)	(100)
Proceeds from the sale of business	1,834	206
Change in long-term loans and other long-term assets	24	(12)
<b>Cash flows used in investing activities and disposals</b>	<b>561</b>	<b>(749)</b>

# CASH-FLOW STATEMENT

€ million

	2021	2022
<b>Cash flows used in investing activities and disposals</b>	<b>561</b>	<b>(749)</b>
Increase in capital and additional paid-in capital	46	51
Purchases of treasury stock (net of disposal)	(801)	0
Perpetual subordinated notes issued or repaid during the period	(43)	(18)
Dividends paid to Danone shareholders	(1,261)	(1,238)
Transactions with non controlling interests*	(136)	(153)
Net cash flows on hedging derivatives	2	4
Bonds issued or raised during the period	1,700	600
Bonds repaid during the period	(1,919)	(1,682)
Increase (decrease) in other current and non-current financial debt	(124)	(1,032)
Increase (decrease) in other short-term investments	(1,492)	1,535
<b>Cash flows used in financing activities</b>	<b>(4,027)</b>	<b>(1,934)</b>
Effect of exchange rate and other changes	58	112
<b>Increase (decrease) in cash</b>	<b>66</b>	<b>392</b>

\*Including dividends and capital increase

# EBITDA CALCULATION

€ million

	2021	2022
<b>Operating income</b>	<b>2,257</b>	<b>2,143</b>
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	1,265	1,863
<b>EBITDA</b>	<b>3,522</b>	<b>4,006</b>