



DANONE
ONE PLANET. ONE HEALTH

Q1 2019 SALES

April 17, 2019



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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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- Q3, Q4 and FY2018 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) changes, recurring operating margin and Recurring EPS correspond to financial indicators not defined in IFRS. Please refer to the FY2018 results press release issued on February 19, 2019 and to the Q1 2019 sales press release issued on April 17, 2019 for further details on IAS29, 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 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.

Q1 2019 delivery in line with expectations

Progress against priorities

1

Accelerate growth

- Strong underlying business fundamentals
- Quarterly growth impacted by base of comps
- Low start to the year as expected
- Set to accelerate from Q2

2

Maximize efficiencies

- Roll-out of Protein-efficiency plan on track, targeting ~€350m additional savings in 2019
- More agility from organization layering

3

Allocate capital with discipline

- Portfolio management: sale of *Earthbound Farm* contributing to recurring operating margin improvement
- SKUs rationalization: Premium Dairy portfolio pruning



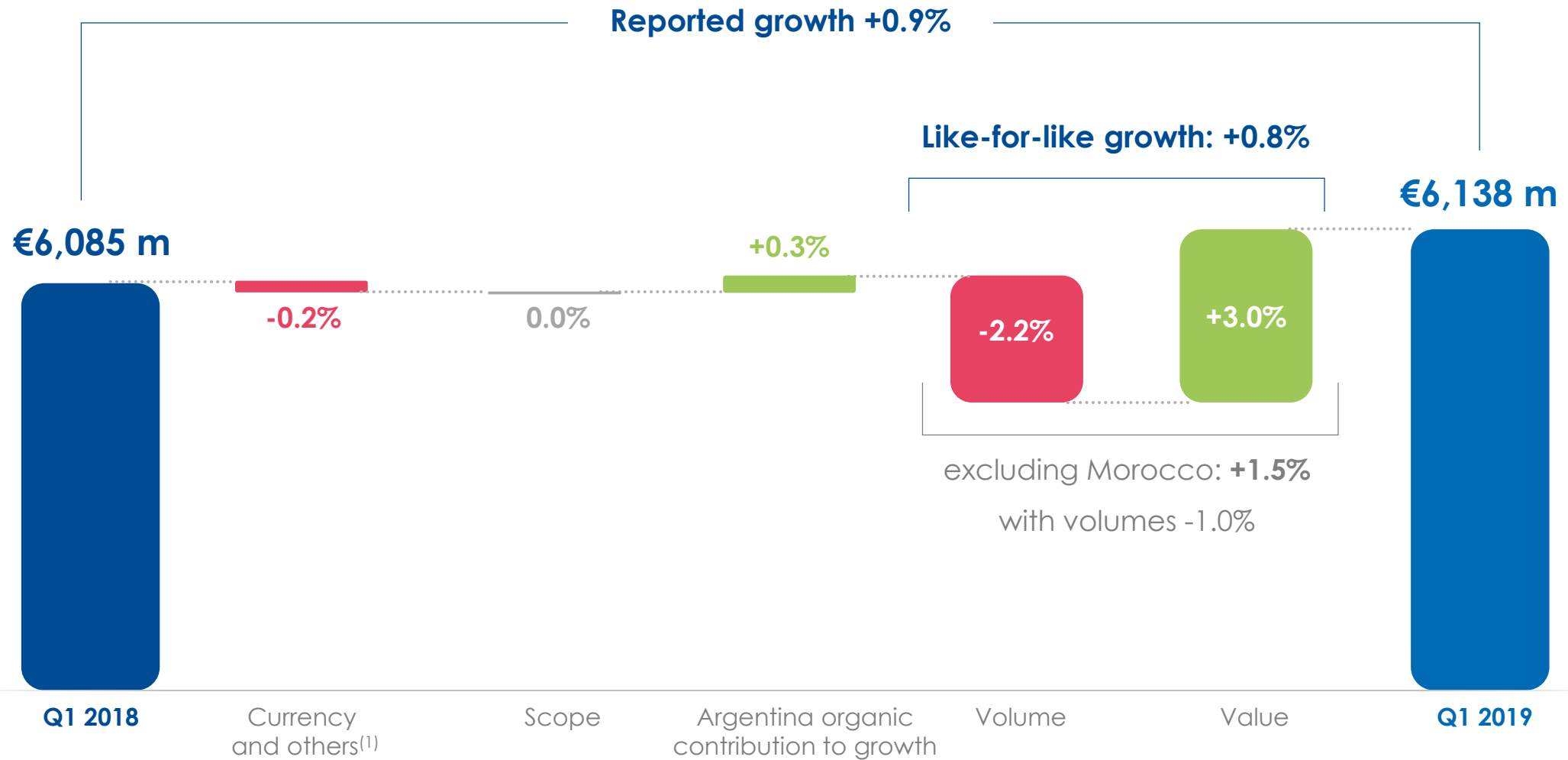
2019 full-year guidance confirmed

Like-for-like sales growth around 3%

Recurring operating margin >15%

Q1 2019 sales bridge

+0.8% like-for-like growth



(1) Including IAS 29

Q1 2019 performance by reporting entity

Valorization driven by premium innovations and resilient pricing

	Essential Dairy & Plant-based	Specialized Nutrition	Waters
			
Net sales	€3.3 bn	€1.8 bn	€1.0 bn
Like-for-like growth	+0.2% <i>excl. Morocco:</i> +1.4%	+0.4%	+3.9%
Volume	-3.8%	-0.9%	+1.0%
Value	+4.0%	+1.3%	+2.9%

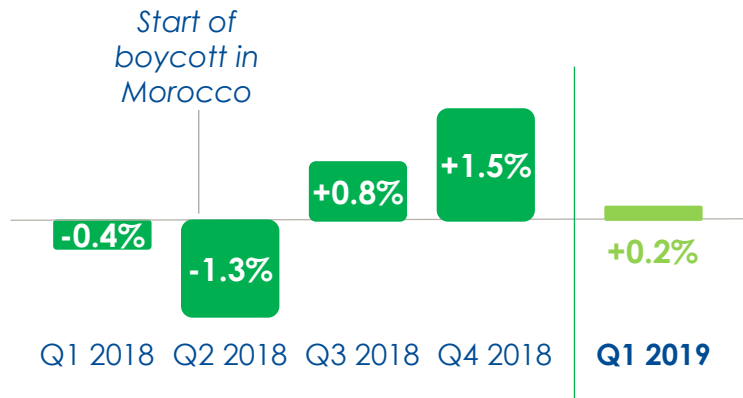


ESSENTIAL DAIRY & PLANT-BASED



Essential Dairy & Plant-based: +0.2% **Q1 impacted by phasing effects; set to rebound from Q2**

Quarterly LFL sales growth⁽¹⁾



- North America:** moderate growth
 - Portfolio management and valorization initiatives across segments
 - One-off impact from final stage of IT integration
 - Europe:** stabilization confirmed with some quarterly volume switches due to Easter
 - Leveraging 2018 innovation momentum, adapting to channel shifts
 - France still under pressure
 - CIS:** regional and product expansion driving solid growth
 - Latam:** solid growth supported by Mexico
 - Aspame:** growing outside Morocco
-
- Plant-based:** mid-to-high-single digit growth
 - Silk and So Delicious growing strongly
 - Vega impacted by previous reformulation
 - European leader Alpro growing double-digit



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

All data in like-for-like



SPECIALIZED NUTRITION

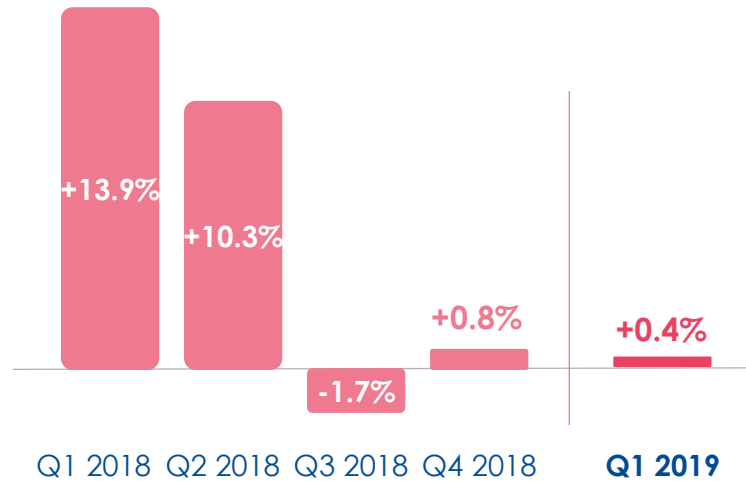




Specialized Nutrition: +0.4% in Q1

Strong growth of AMN and ELN outside China

Quarterly LFL sales growth⁽¹⁾



Advanced Medical Nutrition: mid-single digit growth

- Positive growth in Europe
- Double-digit growth in China



Early Life Nutrition: negative growth

- **Total China:** decreased sales as expected against tough comps
- **Other geographies:** mid-single digit growth
 - Very strong growth in rest of Asia and Americas
 - Domestic Europe still impacted by Aptamil in UK
 - Tailored nutrition leading growth
- **New plant opened in Cuijk (NL)** to meet growing global demand



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

All data in like-for-like



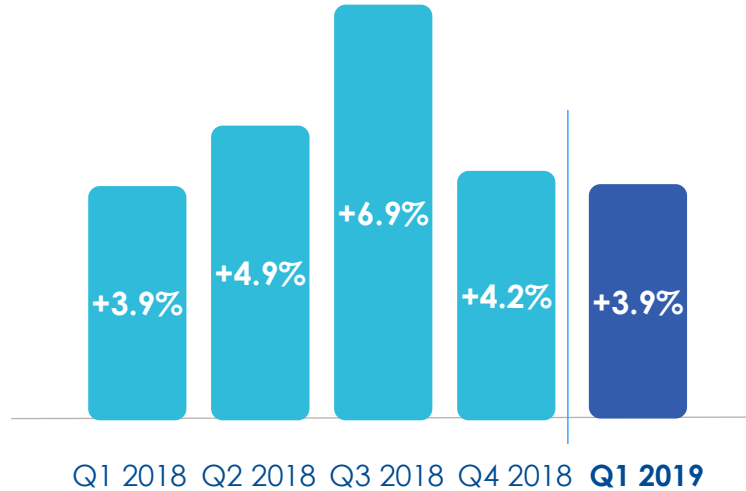
WATERS



Waters: +3.9% in Q1

Broad-based growth supported by positive consumer trends

Quarterly LFL sales growth⁽¹⁾



Europe: moderate growth

- Continuous strong performance of local brands

Noram: strong growth

- evian distribution expansion supported by KDP agreement

Asia: solid growth

- Growth led by Indonesia and Turkey
- Launch of vitamin-enhanced Mizone+ ahead of summer season

Latam: solid growth in all countries

- Strong category dynamics in Mexico; successful gender-equality activation for Manifesto-brand Bonafont

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

All data in like-for-like

2019 guidance confirmed

Growth and margin set to accelerate through 2019

1

Unwinding of base of comps

- Morocco back to growth from Q2
- ELN China back to positive growth from Q3

2

Profitable growth model focus

- Value growth through pricing, mix and innovation
- Further savings from Protein and WhiteWave integration
- Organization adaptation

3

Active portfolio management

- Sale of Earthbound Farm closed
- Accretive from 2019 on recurring operating margin

4

Accounting factors

- H1-weighted currency impact on margin (including IAS29)



2019 outlook confirmed

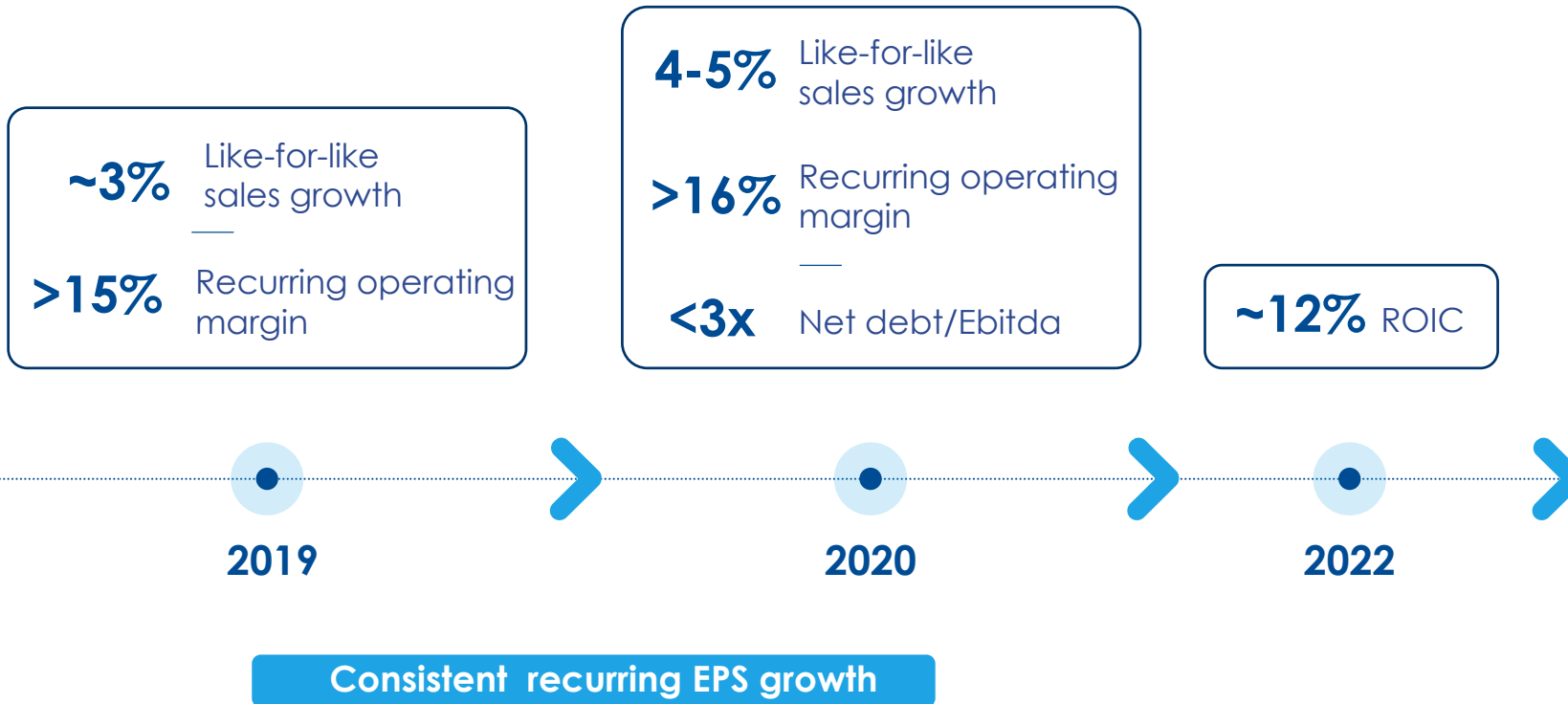
- Exiting the year with Q4 sales growth consistent with 2020 objectives
- Unbalanced recurring operating margin expansion: stronger in H2

Transformation in progress towards 2030 goals

2020 objectives confirmed

2030
GOALS

SUPERIOR
SUSTAINABLE
PROFITABLE
GROWTH





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Appendix



Q1 2019 sales by reporting entity and by geographical area

	 Essential Dairy & Plant-based	 Specialized Nutrition	 Waters	 Company
 Europe and Noram				
Sales	€2,231m	€760m	€390m	€3,381m
LFL growth	+0.7%	-5.7%	+1.4%	-0.8%
 Rest of the world				
Sales	€1,077m	€1,068m	€612m	€2,757m
LFL growth	-1.0%	+5.6%	+5.7%	+3.0%
 Company				
Sales	€3,308m	€1,828m	€1,002m	€6,138m
LFL growth	+0.2%	+0.4%	+3.9%	+0.8%

Q1 2019 impact of currencies and scope

	Essential Dairy & Plant-based	Specialized Nutrition	Waters	Total
Reported sales growth	+0.4%	+0.9%	+2.7%	+0.9%
Argentina organic contribution to growth	+0.3%	+0.3%	+0.3%	+0.3%
Currency and others	+0.1%	+0.3%	(1.3%)	(0.1%)
IAS 29 impact	(0.2%)	(0.1%)	(0.2%)	(0.1%)
Scope	0.0%	0.0%	0.0%	0.0%
« Like-for-like » sales growth	+0.2%	+0.4%	+3.9%	+0.8%



Changes in exchange rates

	% total Q1 2019	Q1 19 vs Q1 18 (avg)
United States Dollar	21.6%	+8.2%
Chinese Renminbi	6.4%	+1.9%
Russian Ruble	6.5%	-6.6%
British Pound	5.3%	+1.3%
Indonesian Rupiah	5.7%	+4.0%
Mexican Peso	4.4%	+5.7%
Brazilian Real	2.9%	-6.9%
Polish Zlot	2.5%	-2.8%
Argentine Peso	2.4%	-45.2%
Hong Kong Dollar	2.1%	+7.9%
Turkish Lira	1.7%	-23.1%
Moroccan Dirham	1.6%	+4.3%
Japanese Yen	1.0%	+6.3%