FULL YEAR RESULTS
2018
February 19, 2019

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”, “convince” 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.

• Although Danone believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. For a detailed description of these risks and uncertainties, please refer to the “Risk Factor” section of Danone’s Registration Document (the current version of which is available on www.danone.com).

• 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.
2018: another year of delivery and transformation

Emmanuel Faber
Chairman and CEO
2018 performance aligned to long term goals
Leading the way to create and share sustainable value
2018: a year of delivery
Very strong recurring EPS growth at constant FX

2018 GUIDANCE

DOUBLE-DIGIT RECURRING EPS GROWTH
at constant exchange rate\(^{(1)}\)
excluding Yakult Transaction Impact

2018 RESULTS

Recurring EPS at constant FX\(^{(1)}\)
+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\(^{(1)}\)

Becoming a B Corp

~30%
of net sales

OUR BRAND MODEL

Brand transformation
20% of net sales in 2018 from Manifesto brands

Best-in-class in carbon reduction

A ranking for CDP Climate

OUR TRUST MODEL

Promoting diversity
50% women in management roles\(^{(2)}\)

Unlocking people power

>75% of Danoners contributing to 2030 goals consultation

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\(^{(1)}\) 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

2018 Actuals\(^{(1)}\)

- **Net sales growth**
  - +2.9%
  - +3.6%

- **Recurring operating margin**
  - +51 bps
  - +58 bps

excluding Morocco boycott

Accelerating Growth

Maximizing Efficiencies

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(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
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

~1/3 of probiotics
sales from innovation

87% of volumes
in line with 2020 targets\(^{(1)}\)

+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

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

MORE INNOVATIONS
~1/4 of net sales in 2018\(^{(1)}\)
+25% vs 2017

FASTER TIME TO MARKET
40% faster on recent innovations

DRIVING VALUE
+ 50% higher net sales/liter in Waters\(^{(2)}\)
+ 25% higher net sales/kg in EDP \(^{(2)}\)
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

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**2018**

**AGRICOOL**
Urban farming

**mitte**
Purified & Personalized mineral content home water

**YUMBLE**
Direct-to-consumer kids meal kits

**2019 ...**

**epigamia**
Creating a modern Greek Yogurt in India
2018 performance supported by successful digital activations
Building lifestyle brands with strong consumer connections

Higher engagement
20 times
more impressions
63 million consumers impacted
> 50 million views on YouTube
Driving returns from highest-growth channels
Accelerating in 2018 impulse and e-commerce, outperforming market

E-commerce

Impulse channels (1)

€1bn sales in 2018
+40% vs 2017

~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

SYNERGIES TO DATE

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

<sup>(1)</sup> 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

FY13 | FY14 | FY15 | FY16 | FY17
---|---|---|---|---
Q1’18 | Q2’18 | Q3’18 | Q4’18
Successful first year of Protein program
2018 efficiencies ahead of plan

2018
1st year of delivery

~€300m delivered

- Cross-category logistic network
- Integrated facility management
- Digital remote energy management
- Faster deployment in emerging markets\(^{(1)}\)

2020
Full delivery

€1bn 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

**One common Regional footprint:**
13 regions

**Business services:**
Next generation

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

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

**EFFICIENCY**
- Strengthen business services
- Enhance efficiencies
- Leverage data management
Entrust Danone’s people to create new futures
An innovative governance model

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

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

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

One Voice

- One Voice @ Board
- Danone Day
- Strat Plan down

Strat plan up

One Voice @ Board Shareholders’ meeting
Transformation and delivery towards 2030
Confirming 2020 objectives

- 2.9% Like-for-like sales growth
- 14.5% Recurring operating margin

- 4-5% Like-for-like sales growth
- >16% Recurring operating margin
- <3x Net debt/Ebitda

~12% ROIC

2018 2020 2022 2030 Goals
Guidance delivered, despite unexpected events
Another year strengthening our operating model

2018
OBJECTIVE

DOUBLE-DIGIT
RECURRING EPS
GROWTH
at constant exchange rate\(^{(1)}\)
excluding Yakult Transaction Impact

\[ \text{Recurring EPS} \]
\[ +12.8\% \]
\[ \text{excluding Yakult Transaction Impact} \]

\( (1) \) Excluding IAS 29 accounting treatment
Reinforcing resilience of earnings model
Navigating a volatile environment in 2018

Input costs inflation

- PET cost > +20%
- Logistic costs in the US ~+20%

Consumer boycott

Centrale Danone market share

Source: Nielsen

Recurring operating income impact

€43m

Currencies

1-year evolution vs EUR

-43%  -11%  -27%
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

<table>
<thead>
<tr>
<th>Net sales</th>
<th>Recurring Operating margin</th>
<th>Recurring EPS</th>
<th>Free cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>+2.9%&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>+51 bps&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>+12.8%&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>+7.1%&lt;sup&gt;(2)&lt;/sup&gt;</td>
</tr>
<tr>
<td>€ 24.7 bn</td>
<td>14.45%</td>
<td>€ 3.56</td>
<td>€ 2.2 bn</td>
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</tbody>
</table>

<sup>(1)</sup> Like-for-like New Danone  
<sup>(2)</sup> On a reported basis  
<sup>(3)</sup> 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

- Q4 2017 Restated: €6,140 m
  - Currency: -4.4%
  - Scope and Others: -0.1%
  - Volume: -1.4%

- Q4 2018 Report: €6,009 m
  - Like-for-like growth: +2.4%

Excluding Morocco boycott: +3.2% with volumes +0.2%

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

FY 2018 key figures

<table>
<thead>
<tr>
<th>Sales</th>
<th>€4.5bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change(^{(1)})</td>
<td>+5.3%</td>
</tr>
<tr>
<td>Volume / Price Mix</td>
<td>+2.1% / +3.2%</td>
</tr>
<tr>
<td>Recurring operating margin</td>
<td>10.8%</td>
</tr>
<tr>
<td>Change(^{(1)})</td>
<td>-82bps</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Like-for-like New Danone
Waters: +5.6% in Q4
Consistent strong growth

- **Europe: moderate growth**
  - Successful activation campaigns for evian
  - Very strong growth of local brands, notably Żywiec Zdrow

- **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
### FY 2018 key figures

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>€7.1bn</td>
</tr>
<tr>
<td>Change (1)</td>
<td>+5.9%</td>
</tr>
<tr>
<td>Volume / Price Mix</td>
<td>+1.2% / +4.7%</td>
</tr>
<tr>
<td>Recurring operating margin</td>
<td>24.8%</td>
</tr>
<tr>
<td>Change (1)</td>
<td>+139bps</td>
</tr>
</tbody>
</table>

(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

2016-18 CAGR ~+25%

China ELN quarterly net sales (m€)

Back to positive growth in H2 2019 as base of comps unwinds
FY 2018 key figures

Sales
€5.0bn

Change(1)
+1.5%

Volume / Price Mix
+2.5% / -1.0%

Recurring operating margin
11.7%

Change(1)
+25bps

(1) Like-for-like New Danone
EDP Noram: +2.2% in Q4
Confirming solid performance

Quarterly LFL sales growth

-2.0%  -0.2%  +1.4%  +2.7%  +2.2%  +1.5%
FY 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018 FY 2018

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
Like-for-like New Danone FY 2018 key figures

<table>
<thead>
<tr>
<th>Sales</th>
<th>€8.0bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change(^{(1)})</td>
<td>+0.1%</td>
</tr>
<tr>
<td>Volume / Price Mix</td>
<td>-5.5% / +5.6%</td>
</tr>
<tr>
<td>Recurring operating margin</td>
<td>9.1%</td>
</tr>
<tr>
<td>Change(^{(1)})</td>
<td>+29bps</td>
</tr>
</tbody>
</table>

\(^{(1)}\) 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(1)

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

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(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

Like-for-like New Danone: +51 bps
+58 bps excl. Morocco boycott

-72 bps
+79 bps
+45 bps
-10 bps
+6 bps

• ~7% inflation
• Portfolio valorization and efficiencies

Protein: ~€300m
WhiteWave synergies: ~€120m

FY 2017
Restated\(^{(1)}\)

14.26%

-28 bps

WhiteWave base effect\(^{(2)}\)

+6 bps

Scope (excl. WW)

-10 bps

Currency\(^{(3)}\)

Margin from operations

FY 2018
Recurring

14.45%
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

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<tr>
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(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

FY 2017 Restated\(^{(1)}\) Recurring EPS

\[ \text{€3.48} \]

-1.5%  
+1.0%  
+6.7%

At constant FX, excl. Yakult Transaction Impact

\[ +12.8\% \]

Total

\[ +2.2\% \]

+4.3%  
-0.3%  
+1.1%  
-9.2%

FY 2018 Recurring EPS

\[ \text{€3.56} \]

(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

<table>
<thead>
<tr>
<th></th>
<th>2017 recurring</th>
<th>2018 recurring</th>
<th>2018 Non-recurring items</th>
<th>Total FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurring operating income</td>
<td>3,537</td>
<td>3,562</td>
<td>-</td>
<td>3,562</td>
</tr>
<tr>
<td>Other operating income and expenses</td>
<td>-</td>
<td>-</td>
<td>(821)</td>
<td>(821)</td>
</tr>
<tr>
<td>Operating income</td>
<td>3,537</td>
<td>3,562</td>
<td>(821)</td>
<td>2,741</td>
</tr>
<tr>
<td>Total Financial expenses</td>
<td>(399)</td>
<td>(350)</td>
<td>2</td>
<td>(348)</td>
</tr>
<tr>
<td>Income tax</td>
<td>(953)</td>
<td>(895)</td>
<td>179</td>
<td>(716)</td>
</tr>
<tr>
<td>Net income from associates</td>
<td>111</td>
<td>79</td>
<td>683</td>
<td>762</td>
</tr>
<tr>
<td>Net income</td>
<td>2,297</td>
<td>2,397</td>
<td>43</td>
<td>2,440</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>111</td>
<td>93</td>
<td>(3)</td>
<td>90</td>
</tr>
<tr>
<td>Net income – Group share</td>
<td>2,186</td>
<td>2,304</td>
<td>46</td>
<td>2,349</td>
</tr>
<tr>
<td>EPS (€)</td>
<td>3.48</td>
<td>3.56</td>
<td>-</td>
<td>3.63</td>
</tr>
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A solid performance
Another year of strengthening our operating model

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(1) Like-for-like New Danone (2) On a reported basis (3) at constant exchange rate, excluding impact of Yakult Transaction and IAS29
Accelerated cash delivery: +7%
Solid cash conversion

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Capital / Net Sales (%)</td>
<td>-4.5%</td>
<td>-4.7%</td>
</tr>
<tr>
<td>CAPEX / Net Sales (%)</td>
<td>+3.9%</td>
<td>+3.8%</td>
</tr>
<tr>
<td>Free Cash Flow (€m)</td>
<td>2,083</td>
<td>2,232</td>
</tr>
<tr>
<td>FCF / Net Sales (%)</td>
<td>8.4%</td>
<td>9.1%</td>
</tr>
</tbody>
</table>
Change in net debt
Accelerated pace of deleverage

in € billion

Net debt 31/12/2017

15.4

(2.2)

FCF

(1.2)

M&A Puts

+0.5

Dividends

+0.3

Others

Net debt 31/12/2018

12.7

€ -2.6 bn

Net debt/EBITDA

3.9 x

31/12/2017

Net Debt/EBITDA excl. one-off items (1)

3.3 x

Net Debt/Reported EBITDA

2.9 x

31/12/2018

(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

- **Recurring operating margin**
  - +190 bps
  - 2014-18
  - 12.6% (2014) vs. 14.5% (2018)

- **Free cash flow**
  - +15%
  - 2014-18 CAGR
  - €1.3bn (2014) vs. €2.2bn (2018)

- **Recurring EPS**
  - +8% (+11% at constant FX)
  - 2014-18 CAGR
  - €2.62 (2014) vs. €3.56 (2018)

- **Dividend**
  - +7%
  - 2014-18 CAGR
  - €1.50 (2014) vs. €1.94 (2018)
2019 context
Navigating a volatile environment

- Raw materials volatility and inflation
- ELN base of comps
- Boycott lapped on April 20th
- Brexit
2019 priorities
Growth and margin set to accelerate as base of comps unwinds

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

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

Allocate capital with discipline
- Disciplined investment to fuel growth and efficiencies
- Active portfolio management

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

Continuous recurring operating margin improvement in 2019
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

- **Like-for-like sales growth**: ~3%
- **Recurring operating margin**: >15%
- **Net debt/Ebitda**: <3x
- **ROIC**: ~12%

**2019**

**2020**

**2022**

**2030 Goals**

Consistent recurring EPS growth
## Q4 & FY 2018 impact of currencies & scope

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

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

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

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

<sup>(1)</sup> Like-for-like New Danone
Reported sales and margin with combined EDP

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

<table>
<thead>
<tr>
<th>Recurring operating margin (%)</th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>H1 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
<th>FY 2018⁽¹⁾</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDP</td>
<td>-</td>
<td>-</td>
<td>9.00%</td>
<td>-</td>
<td>-</td>
<td>10.09%</td>
</tr>
<tr>
<td>Waters</td>
<td>-</td>
<td>-</td>
<td>11.45%</td>
<td>-</td>
<td>-</td>
<td>10.79%</td>
</tr>
<tr>
<td>Specialized Nutrition</td>
<td>-</td>
<td>-</td>
<td>25.53%</td>
<td>-</td>
<td>-</td>
<td>24.77%</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
<td>14.27%</td>
<td>-</td>
<td>-</td>
<td>14.45%</td>
</tr>
</tbody>
</table>

⁽¹⁾ Including IAS 29
Like-for-like sales growth & margin improvement with combined EDP and excluding Argentina

### Like-for-like sales growth (%)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>H1 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDP</td>
<td>-0.4%</td>
<td>-1.3%</td>
<td>-0.8%</td>
<td>0.8%</td>
<td>1.5%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Waters</td>
<td>3.9%</td>
<td>4.9%</td>
<td>4.5%</td>
<td>6.9%</td>
<td>4.2%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Specialized Nutrition</td>
<td>13.9%</td>
<td>10.3%</td>
<td>12.1%</td>
<td>-1.7%</td>
<td>0.8%</td>
<td>5.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4.3%</strong></td>
<td><strong>3.1%</strong></td>
<td><strong>3.7%</strong></td>
<td><strong>1.2%</strong></td>
<td><strong>1.7%</strong></td>
<td><strong>2.6%</strong></td>
</tr>
</tbody>
</table>

### Like-for-like margin improvement (bps)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>H1 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDP</td>
<td>-</td>
<td>-</td>
<td>-1 bp</td>
<td>-</td>
<td>-</td>
<td>+51 bps</td>
</tr>
<tr>
<td>Waters</td>
<td>-</td>
<td>-</td>
<td>-73 bps</td>
<td>-</td>
<td>-</td>
<td>-59 bps</td>
</tr>
<tr>
<td>Specialized Nutrition</td>
<td>-</td>
<td>-</td>
<td>+110 bps</td>
<td>-</td>
<td>-</td>
<td>+136 bps</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td>+53 bps</td>
<td>-</td>
<td>-</td>
<td>+68 bps</td>
</tr>
</tbody>
</table>

All data in like-for-like New Danone
### Cash bridge

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>2,741</td>
</tr>
<tr>
<td>Depreciation/Amort</td>
<td>1,601</td>
</tr>
<tr>
<td>Taxes</td>
<td>716</td>
</tr>
<tr>
<td>Financial results</td>
<td>348</td>
</tr>
<tr>
<td>Others</td>
<td>108</td>
</tr>
<tr>
<td>Cash from operating activities</td>
<td>3,170</td>
</tr>
<tr>
<td>Working capital variation</td>
<td>59</td>
</tr>
<tr>
<td>Capex</td>
<td>941</td>
</tr>
<tr>
<td>Sale of assets and transaction Fees</td>
<td>61</td>
</tr>
<tr>
<td>Free cash-flow Reported</td>
<td>2,232</td>
</tr>
</tbody>
</table>

1. Excluding working capital variations
Balance sheet

in € million

Assets\(^{(1)}\)

<table>
<thead>
<tr>
<th></th>
<th>31/12/17 Restated(^{(3)})</th>
<th>31/12/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>24,945</td>
<td>24,445</td>
</tr>
<tr>
<td>Other assets</td>
<td>9,679</td>
<td>9,331</td>
</tr>
<tr>
<td>Working capital</td>
<td>5,499</td>
<td>5,256</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>40,123</strong></td>
<td><strong>39,032</strong></td>
</tr>
</tbody>
</table>

Liabilities

<table>
<thead>
<tr>
<th></th>
<th>31/12/17 Restated(^{(3)})</th>
<th>31/12/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ equity</td>
<td>14,529</td>
<td>16,475</td>
</tr>
<tr>
<td>Net debt(^{(2)})</td>
<td>15,372</td>
<td>12,744</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>3,554</td>
<td>3,395</td>
</tr>
<tr>
<td>Working capital</td>
<td>6,668</td>
<td>6,418</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>40,123</strong></td>
<td><strong>39,032</strong></td>
</tr>
</tbody>
</table>

\(^{(1)}\) 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

<table>
<thead>
<tr>
<th></th>
<th>2017 Restated(^{(1)})</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income tax (reported)</td>
<td>(842)</td>
<td>(716)</td>
</tr>
<tr>
<td>Reported tax rate</td>
<td>25.6%</td>
<td>29.9%</td>
</tr>
<tr>
<td>Non-current income tax(^{(2)})</td>
<td>111</td>
<td>179</td>
</tr>
<tr>
<td>Current income tax</td>
<td>(953)</td>
<td>(895)</td>
</tr>
<tr>
<td>Underlying tax rate</td>
<td>30.4%</td>
<td>27.9%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) FY 2017 figures have been restated for IFRS 15  
\(^{(2)}\) Tax related to non-current items
# Cash-flow statement

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

\(^{(1)}\) FY 2017 figures have been restated for IFRS 15
## Cash-flow statement

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

(1) FY 2017 figures have been restated for IFRS 15
### Cash-flow statement

<table>
<thead>
<tr>
<th>Cash flow used in investing activities and disposals</th>
<th>2017 Restated</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in capital and additional paid-in capital</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Purchases of treasury stock (net of disposal)</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td>Perpetual subordinated notes issued or repaid during the period</td>
<td>1,245</td>
<td>(14)</td>
</tr>
<tr>
<td>Dividends paid to Danone shareholders</td>
<td>(279)</td>
<td>(431)</td>
</tr>
<tr>
<td>Transactions with non controlling interests*</td>
<td>(193)</td>
<td>(199)</td>
</tr>
<tr>
<td>Net cash flows on hedging derivatives</td>
<td>(52)</td>
<td>(8)</td>
</tr>
<tr>
<td>Bonds issued or raised during the period</td>
<td>0</td>
<td>300</td>
</tr>
<tr>
<td>Bonds repaid during the period</td>
<td>(1,487)</td>
<td>(2157)</td>
</tr>
<tr>
<td>Increase (decrease) in other current and non-current financial debt</td>
<td>(564)</td>
<td>27</td>
</tr>
<tr>
<td>Increase (decrease) in other short-term investments</td>
<td>9,559</td>
<td>(815)</td>
</tr>
</tbody>
</table>

**Cash flow used in financing activities**

<table>
<thead>
<tr>
<th>2017 Restated</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>8,289</td>
<td>(3,251)</td>
</tr>
</tbody>
</table>

| Effect of exchange rate and other changes | 272 | 14 |

| Increase (decrease) in cash | 81 | 200 |

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

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