



2024 Third-Quarter Sales
Press release – Paris, October 24, 2024

Continued strong momentum in Q3 Consistently delivering quality growth

- Sales reached €6,826m in Q3 2024, up **+4.2% on a like-for-like (LFL) basis**
- **Strong volume/mix, up +3.6%, and price up +0.7%**; volume/mix and price positive in all categories
- Continued strong performance in North America driven by High Protein, Coffee Creations and Waters
- Further acceleration in Europe volume/mix, driven by EDP
- Another quarter of strong competitive momentum in China, North Asia & Oceania, led by all categories
- **2024 guidance confirmed:** like-for-like sales growth expected between +3% and +5%, with moderate improvement in recurring operating margin

€ million except %	Q3 2023	Q3 2024	Reported change	LFL sales growth	Volume/mix growth	9M 2023	9M 2024	Reported change	LFL sales growth	Volume/mix growth
BY GEOGRAPHICAL ZONE										
Europe	2,392	2,427	+1.5%	+1.4%	+2.4%	7,069	7,210	+2.0%	+1.6%	+0.9%
North America	1,747	1,611	-7.7%	+5.8%	+4.9%	5,164	4,943	-4.3%	+4.4%	+3.5%
China, North Asia & Oceania	896	967	+7.9%	+8.0%	+10.2%	2,674	2,808	+5.0%	+8.4%	+8.9%
Latin America	771	706	-8.5%	+2.7%	-0.7%	2,233	2,265	+1.4%	+4.0%	-0.4%
Rest of the World	1,100	1,115	+1.4%	+6.0%	+1.2%	3,977	3,350	-15.8%	+5.8%	+1.4%
BY CATEGORY										
EDP	3,474	3,283	-5.5%	+4.1%	+3.8%	10,973	10,066	-8.3%	+3.5%	+2.4%
Specialized Nutrition	2,070	2,189	+5.7%	+5.2%	+4.1%	6,369	6,599	+3.6%	+4.6%	+2.7%
Waters	1,362	1,354	-0.6%	+3.2%	+2.3%	3,775	3,910	+3.6%	+5.0%	+2.9%
TOTAL	6,906	6,826	-1.2%	+4.2%	+3.6%	21,118	20,575	-2.6%	+4.1%	+2.6%

Antoine de Saint-Affrique: CEO statement

With like-for-like sales growth of +4.2% in Q3, driven by +3.6% volume/mix, we continue to deliver broad-based quality growth, with both volume/mix and price positive in all categories.

Our consistent focus on science based and consumer and patient centric innovation, combined with strong in-market execution keeps paying off, as demonstrated by the continued good performance of our winning platforms such as High Protein, Coffee Creations and Medical Nutrition. We have also improved competitiveness within our Core portfolio across many geographies.

In what remains a challenging environment, we view our future with confidence, further leveraging the fundamentals we reestablished with Renew Danone.

All references in this document to Like-for-like (LFL) changes, and Recurring operating income and margin, correspond to alternative performance measures not defined by IFRS. Their definitions and their reconciliation with financial statements, as well as the definitions of geographical zones, are listed on pages 3 and 4.

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I. THIRD QUARTER SALES

In Q3 2024, consolidated sales stood at €6,826m, up +4.2% on a like-for-like basis, led by an increase of +3.6% from volume/mix and +0.7% from price. On a reported basis, sales decreased by -1.2%, notably due to the negative impact from scope (-3.1%), resulting predominantly from the deconsolidation of Horizon Organic and Wallaby. Reported sales were also negatively impacted by forex (-3.2%), reflecting the depreciation of several currencies against the euro, notably the Argentine Peso, the Mexican Peso, the Brazilian Real and the Turkish Lira. In addition, hyperinflation contributed positively to reported sales (+1.5%).

Sales by operating segment

In the third quarter, **Europe** sales were up +1.4% on a like-for-like basis, led by further acceleration of volume/mix, up +2.4%, while price stood at -1.0%. EDP made additional progress in its transformation, notably led by the strong competitive performance of YoPro, Actimel and Alpro, while Waters posted solid growth, despite adverse weather conditions in the region.

In **North America**, sales were up +5.8% on a like-for-like basis, led by strong volume/mix, up +4.9%, while price was resilient at +0.9%. The strong performance was driven by Coffee Creations, growing double-digits, Yogurt, accelerating in a very dynamic category, and Waters, with evian posting strong performance and continued market share gains.

China, North Asia & Oceania delivered +8.0% like-for-like sales growth, with volume/mix accelerating to +10.2% and price down -2.2%. In Specialized Nutrition, Infant Milk Formula posted solid competitive growth, in a category showing first signs of growth recovery, and Medical Nutrition sustained its good momentum. In Waters, Mizone pursued its strong performance, while EDP delivered another quarter of strong growth in Japan.

In **Latin America**, sales were up +2.7% on a like-for-like basis, with volume/mix slightly down -0.7% and price up +3.5%. While the performance was impacted by the licensing out of milk business in Brazil and poor weather conditions in Mexico, Aptamil, Danone and YoPro brands pursued their solid momentum.

In the **Rest of the World**, sales increased by +6.0% on a like-for-like basis, with volume/mix up +1.2% and price up +4.7%, notably led by the strong performance of Specialized Nutrition across the region, and the solid growth of Africa, where the dairy portfolio transformation starts to yield results.

Sales by geography by category

Q3 2024	Europe		North America		China/North Asia/Oceania		AMEA, CIS & Latin America		Total	
	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)
EDP	1,069	+0.9%	1,438	+6.2%	95	+9.3%	683	+4.1%	3,283	+4.1%
Specialized Nutrition	770	0.0%	96	-2.6%	620	+7.7%	704	+10.3%	2,189	+5.2%
Waters	589	+4.3%	78	+9.6%	252	+8.3%	435	-1.7%	1,354	+3.2%
Total Company	2,427	+1.4%	1,611	+5.8%	967	+8.0%	1,821	+4.8%	6,826	+4.2%

9M 2024	Europe		North America		China/North Asia/Oceania		AMEA, CIS & Latin America		Total	
	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)	Sales (€m)	LFL sales growth (%)
EDP	3,243	+1.2%	4,448	+4.6%	278	+12.8%	2,097	+3.3%	10,066	+3.5%
Specialized Nutrition	2,335	+1.2%	263	-4.8%	1,857	+6.2%	2,144	+8.5%	6,599	+4.6%
Waters	1,632	+3.1%	231	+10.5%	673	+12.9%	1,374	+2.9%	3,910	+5.0%
Total Company	7,210	+1.6%	4,943	+4.4%	2,808	+8.4%	5,615	+5.1%	20,575	+4.1%

II. 2024 GUIDANCE

2024 guidance confirmed: Like-for-like sales growth between +3% and +5% with moderate improvement in recurring operating margin.

III. MAJOR DEVELOPMENTS OVER THE PERIOD

- **September 5, 2024:** Danone successfully issued a €700 million bond with a 7-year maturity and a 3.20% coupon. The settlement took place on September 12, 2024 and the bonds are listed on Euronext Paris.

IV. ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED BY IFRS

IAS 29: impact on reported data

Danone has applied IAS 29 in hyperinflation countries, as defined in IFRS. Adoption of IAS 29 in hyperinflationary countries requires their non-monetary assets and liabilities and their income statement to be restated to reflect the changes in the general purchasing power of their functional currency, leading to a gain or loss on the net monetary position, recorded in net income. Moreover, their financial statements are converted into euros using the closing exchange rate of the relevant period.

IAS 29: impact on reported data	Q3 2024
Sales (€ million)	-5.0
Sales growth (%)	-0.07%

Breakdown by quarter of 9M 2024 sales after application of IAS 29

9M 2024 sales correspond to the addition of:

- Q3 2024 reported sales;
- Q1 and Q2 2024 sales resulting from the application of IAS 29 until September 30, 2024, to sales of entities in hyperinflation countries (application of the inflation rate until September 30, 2024, and translation into euros using the September 30, 2024, closing rate) and provided in the table below for information (unaudited data)

Sales after application of IAS 29 (€ million)	Q1 2024 ¹	Q2 2024 ²	Q3 2024	9M 2024
BY GEOGRAPHICAL ZONE				
Europe	2,336	2,447	2,427	7,210
North America	1,737	1,595	1,611	4,943
China, North Asia & Oceania	840	1,001	967	2,808
Latin America	746	812	706	2,265
Rest of the World	1,156	1,079	1,115	3,350
BY CATEGORY				
EDP	3,489	3,294	3,283	10,066
Specialized Nutrition	2,193	2,217	2,189	6,599
Waters	1,133	1,423	1,354	3,910
Total	6,815	6,934	6,826	20,575

¹Results from the application of IAS 29 until September 30, 2024, to Q1 sales of entities of hyperinflation countries.

²Results from the application of IAS 29 until September 30, 2024, to Q2 sales of entities of hyperinflation countries.

Definitions of geographical zones

Europe refers to European countries including Ukraine.

North America refers to United States and Canada.

China, North Asia & Oceania refers to China, Japan, Australia and New-Zealand.

Latin America refers to Mexico, Brazil, Argentina and Uruguay.

Rest of the World refers to Asia, Middle East including Turkey, Africa and CIS.

Financial indicators not defined in IFRS

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

Like-for-like changes in sales reflect Danone's organic performance and essentially exclude the impact of:

- Changes in consolidation scope, with indicators related to a given fiscal year calculated on the basis of the previous year's scope;
- Changes in applicable accounting principles;
- Changes in exchange rates, with both previous-year and current-year indicators calculated using the same exchange rate (the exchange rate used is a projected annual rate determined by Danone for the current year and applied to both previous and current years).

Since January 1, 2023, all countries with hyperinflationary economies are taken into account in like-for-like changes as follows: sales growth in excess of around 26% per year (a three-year average at 26% would generally trigger the application of hyperinflationary accounting as defined in IFRS) is now excluded from the like-for-like sales growth calculation.

Bridge from like-for-like data to reported data

(€ million except %)	2023 sales	Like-for-like change	Impact of changes in scope of consolidation	Impact of changes in exchange rates & others incl. IAS 29	Contribution of hyperinflation	Reported change	2024 sales
Q3	6,906	+4.2%	-3.1%	-3.8%	+1.5%	-1.2%	6,826
9M	21,118	+4.1%	-5.2%	-3.1%	+1.6%	-2.6%	20,575

Recurring operating income is defined as Danone's operating income excluding Other operating income and expenses. Other operating income and expenses comprise items that, because of their significant or unusual nature, cannot be viewed as inherent to Danone's recurring activity and have limited predictive value, thus distorting the assessment of its recurring operating performance and its evolution. These mainly include:

- Capital gains and losses on disposals of businesses and fully consolidated companies;
- Impairment charges on intangible assets with indefinite useful lives;
- Costs related to strategic restructuring operations or transformation plans;
- Costs related to major external growth transactions;
- Costs related to crises and major disputes;
- In connection with IFRS 3 and IFRS 10, (i) acquisition costs related to acquisitions of companies resulting in control, (ii) revaluation gains or losses accounted for following a loss of control, and (iii) changes in earnings subsequent to acquisitions resulting in control.

Recurring operating margin is defined as the Recurring operating income over Sales ratio.



FORWARD-LOOKING STATEMENTS

This press release 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.

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 Universal Registration Document (the current version of which is available at 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.

The presentation to analysts and investors will be broadcast live today from 8:15 a.m. (Paris time) on Danone’s website (www.danone.com).
Related slides will also be available on the website in the Investors section.

APPENDIX – Sales by geographical zone and by category (in € million)

	First quarter		Second quarter		Third quarter	
	2023	2024	2023	2024	2023	2024
BY GEOGRAPHICAL ZONE						
Europe	2,248	2,336	2,429	2,447	2,392	2,427
North America	1,714	1,737	1,704	1,595	1,747	1,611
China, North Asia & Oceania	824	840	954	1,001	896	967
Latin America	689	727	779	810	771	706
Rest of the World	1,486	1,150	1,369	1,084	1,100	1,115
BY CATEGORY						
EDP	3,768	3,474	3,731	3,298	3,474	3,283
Specialized Nutrition	2,143	2,183	2,142	2,213	2,070	2,189
Waters	1,051	1,132	1,362	1,426	1,362	1,354
TOTAL	6,962	6,789	7,235	6,938	6,906	6,826

	First quarter 2024		Second quarter 2024		Third quarter 2024	
	Reported change	LFL change	Reported change	LFL change	Reported change	LFL change
BY GEOGRAPHICAL ZONE						
Europe	+3.9%	+2.8%	+0.7%	+0.7%	+1.5%	+1.4%
North America	+1.3%	+2.5%	-6.4%	+5.0%	-7.7%	+5.8%
China, North Asia & Oceania	+1.9%	+8.9%	+5.0%	+8.4%	+7.9%	+8.0%
Latin America	+5.4%	+4.1%	+4.0%	+5.0%	-8.5%	+2.7%
Rest of the World	-22.7%	+6.0%	-20.8%	+5.3%	+1.4%	+6.0%
BY CATEGORY						
EDP	-7.8%	+3.0%	-11.6%	+3.3%	-5.5%	+4.1%
Specialized Nutrition	+1.9%	+3.8%	+3.3%	+4.7%	+5.7%	+5.2%
Waters	+7.6%	+8.1%	+4.7%	+4.4%	-0.6%	+3.2%
TOTAL	-2.5%	+4.1%	-4.1%	+4.0%	-1.2%	+4.2%