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### Danone Starts Search for New CEO as Faber to Give Up Role

- Faber will give up executive functions, become chairman
- Bluebell Capital says Danone should bring in CEO from outside

By Corinne Gretler

(Bloomberg) -- Danone said Emmanuel Faber will step down as chief executive officer in an attempt to alleviate pressure from shareholders who have called for management change at the world's largest yogurt maker.

Danone announced several steps toward investors' recent demands late Monday, such as separating the chairman and CEO positions, which Faber, 57, has held for the past three years. The company is starting a search for a new CEO, and once the position is filled, Faber will become non-executive chairman, limiting his power to a supervisory role.

Bluebell Capital Partners, one of the shareholders that campaigned for a management shake-up, said it's a step in the right direction, though what Danone really needs is an external CEO.

"We think there should be an outside candidate, somebody who is not connected to the past," said Bluebell Chief Investment Officer Giuseppe Bivona. "It's good to split the role of chairman and CEO, but obviously what we want, what the company deserves, is an independent chairman, which clearly is not going to be the case."

The company said the board unanimously supports Faber, who will continue managing Danone until a new CEO is in place.

A rising chorus of shareholders, including Artisan Partners Asset Management Inc. and Causeway Capital Management called for a management revamp in recent weeks. Danone's shares lost a quarter of their value in 2020 and sales fell for the first time in more than 30 years, increasing pressure on Faber.

Read more: [Danone Investor Artisan Seeks Urgent Change to Avoid Damage](#)

Danone's board also appointed Gilles Schnepf as vice chairman, alongside Cecile Cabanis, the company's former chief financial officer. Schnepf's role as lead independent director will be transferred to Jean-Michel Severino, who also acts as head of the governance committee.



Emmanuel Faber

Photographer: Christopher Goodney/Bloomberg

"Faber's presence as chair alongside former CFO Cecile Cabanis as vice-chair is likely to constrain the latitude of any new CEO," said Martin Deboo, an analyst at Jefferies.

Artisan Partners said it has taken note of the latest developments and will respond in due course.

The yogurt maker said Sunday it's preparing to sell its stake in a Chinese dairy company worth more than \$2 billion to fund stock buybacks in an attempt to boost shareholder returns.

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Danone has spent years trying to revive dairy sales, and in 2020 the pandemic hit it harder than rivals. The producer of Evian water started a strategic review in October and announced plans to cut as many as 2,000 jobs the following month.

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Since becoming CEO in 2014, Faber has tried to improve Danone's environmental and social credentials -- the company made its Evian bottled-water brand carbon neutral last year -- while also attempting to fix its ailing yogurt business.

After spending more than \$10 billion to buy nondairy producer WhiteWave in 2017, alternative products made from soy and oats have yet to offset a drop in demand for traditional dairy yogurt. Danone has also had a series of organizational changes in the last seven years, which Artisan Partners said is disruptive. The company has changed how it reports earnings on its categories and geographies several times, and replaced its chief financial officer in October.

(Updates with investor comment)

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--With assistance from Marthe Fourcade, Albertina Torsoli and Nishant Kumar.

To contact the reporter on this story:

Corinne Gretler in Zurich at [cgretler1@bloomberg.net](mailto:cgretler1@bloomberg.net)

To contact the editors responsible for this story:

Eric Pfanner at [epfanner1@bloomberg.net](mailto:epfanner1@bloomberg.net)

Thomas Mulier, Jonathan Roeder