



PRESS KIT

Even: A Fully Assumed Dairy Responsibility

2018 key figures:

- **stable turnover at €2.2 billion**
- **734** Even member farms
- **some thirty** young farmers starting up across the Cooperative
- **100 farm** start-ups since the end of the quotas
- **6,140** employees
- **600 permanent staff** recruited in 2018
- nearly **1,000 net jobs** created in 10 years
- an average milk price of **€330.49 per 1,000 litres**
- an average return on result of **€11.33 per 1,000 litres**, subject to approval at the Annual General Meeting of June 2019
- **€74 million** in tangible investments in 2018

Thanks to its health and vitality, the Even Group is able to fully assume its dairy responsibility towards the Cooperative's 734 member farms and, beyond this, the 3,070 farms which come under the umbrella of its subsidiary Laïta which is set to celebrate its 10-year anniversary.

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A fully assumed dairy responsibility

Thanks to its health and vitality, the Even Group is able to fully assume its dairy responsibility towards the Cooperative's 734 member farms and, beyond this, the 3,070 farms which come under the umbrella of its subsidiary Laïta which is set to celebrate its 10-year anniversary.

A balanced economic model

In 2018, Even held a steady course towards on a strategic bearing in choppy markets. In financial terms, against a disturbed backdrop, Even displayed remarkable stability with a **turnover of €2.2 billion**. In terms of its social performance, the Group continued to create jobs. **600 people** were **recruited on permanent contracts** in 2018 to offset retirements and to fill new positions. Even also injected **€74 million in tangible investments** into the local economy.

Despite very unsettled dairy market conditions, the Cooperative successfully stood its ground, confirming the pertinence of its economic model with:

- **a core business – milk** – subject to acute volatility,
- **a distribution division, one of the Group's keystones**, focused on snacking and independent dining
- **an upstream division which supplies expertise** to Breton farmers
- **a diversification division** which targets its development towards food practices of the future.

Thanks to the Cooperative's solid results, it was able to offer its member farmers an average milk price of **€342 per 1,000 litres**

Even's growth is exceptional against the French and in particular the Breton landscape. Over the past ten years, the Group has created nearly **1,000 net jobs** (new jobs excluding external growth) and supported **100 farmers who have started up** since the end of the quotas (on 1st April 2015). With its healthy financial status and its dynamism, the Group is able to honour its promise with respect to its cooperative mission: *"to grow in relation to the modern issues of milk, nutrition and services, by creating value to serve our milk producers, employees, clients and region."*

A new development phase for Laïta

Even's healthy situation and dairy expertise also meant that it was able to successfully support the growth of Laïta, of which it is the majority shareholder. Laïta – which encompasses the dairy activities of Even, Triskalia and Terrena – today processes the milk of **3,070 farms in north-west France**, amounting to nearly 1.5 billion litres of milk. Since the creation of Laïta, just 10 years ago, the **quantity of milk collected has risen sharply**, with a remarkable nearly **20 % increase**. The company invested **€400 million** in the regional economy, in particular in high-tech facilities such as the infant and premium milk powder manufacturing unit in Créhen, the spearhead of its international ambitions. The teams have honed their skills and swelled their ranks, reaching a workforce of 2,830 employees.

After a decade of construction, consolidation and acceleration, Laïta is entering a new development phase, in which innovation is promoted to support value creation and the internationalisation of its activities. The innovation challenge "Défi Inno", launched internally in 2018, has already resulted in the launch of some sixty new products.

In the field, Passion for Milk® is taking on a new dimension. Following the completion of an initial appraisal of farms' environmental and economic performance, this sustainable development initiative is poised to promote good animal welfare practices. By late 2019, 100 % of producers will have access, via their cooperative's extranet, to online courses on this issue. Laïta also intends to organise training courses on reducing energy consumption. Finally, the cooperative company plans to maintain its commitment to 100 % French fodder and 100 % palm oil-free complementation. Today 100 % of Laïta producers have signed up to this programme for excellence in a bid to fulfil societal expectations and ensure the sustainability of north-west France's milk production.

FOCAL POINT ①: **2018, A COMPLEX YEAR:** **THE EVEN MODEL REAFFIRMS ITS RESISTANCE**

2018 key figures:

- **stable turnover at €2.2 billion**
- **€74 million** in tangible investments in 2018
- **6,140** employees
- **600 permanent staff** recruited in 2018
- nearly **1,000 net jobs** created in 10 years

Even took advantage of 2018 to strengthen its footholds on increasingly volatile and choppy markets. The Group, whose annual turnover reached €2.2 billion, recruited over 600 permanent staff and created around thirty net jobs, confirming its healthy and dynamic situation.

Although all the lights are green as the annual review is drawn up for Even, 2018 will remain nonetheless a pivotal year in the history of the dairy sector. The end of intervention definitively thrusts European dairy operators into the post-quota era with shorter volatility cycles as intervention stocks can no longer play their buffer role. The transition between “the old and the new world” was brutal. On the protein market, the depletion of “old world” European milk powder stocks dealt an unprecedented blow to prices. As for the milk fat market, it was slow to regain its balance. Yet a renewed appetite for butter and cream drove prices to step up a notch.

Holding a steady bearing

In this turbulent climate, the Group displayed its resistance. Turnover remained stable at €2.2 billion. As in previous years, Even created jobs in the regions in which it is based. Over the past ten years, no less than one thousand net jobs have been created. In 2009, the Group had 4,800 employees. Today this number has reached 6,140.

This momentum, boosting employment and the regional economy, is outstanding within the French agri-food landscape. This success can be explained to a great extent by the Group’s ability to keep its core priorities – Innovating, Investing, Internationalising and Being efficient – on course.

But what was the outcome of the reinforcement of the Group’s strategic plan in 2018?

Innovating with an open mindset

To stay apace with new food uses and at the cutting edge of nutrition science, in 2018 Even joined a new initiative to promote open and collaborative innovation.

In 2018, the partnership with the Village by CA in Brest, a business incubator providing office space and advice for start-ups, got into full swing.

The Group formalised its partnership with five start-ups, winners of the Even’Up innovation contest: Vitaline, FlyMenu, Kolectou, Cook&Be and Massaï.

French Food Capital, the independent investment fund which supports the innovate projects of food sector SMEs and of which Even is a founder, closed its fundraising campaign and launched its first operations. As a member of the investment committee, Even is examining additional joint investment opportunities.

Over and above external collaboration, Even has also launched internal training courses and initiatives to reinforce collaborative stances and procedures to accelerate its innovative momentum. The new reflex actions implemented include creative moments, innovation funnels, inno labs, and appraisals of the balance between risks, resources and pace.

Finally, to provide the material conditions to promote creative proximity, Even is on the brink of setting up two creative hubs in 2019, one focusing on property investments at the Group's headquarters in Ploudaniel (Finistère), and the other on digital investments at the Distribution division in Plouédern (Finistère).

To illustrate this commitment to innovation, value creation is gaining momentum at Laïta, of which Even is the majority shareholder. Innovation is organised into a global, collaborative approach, in the form of an innovation challenge "Défi Inno", in which all employees are encouraged to share their ideas about the food of the future. This reflective process has led to concrete actions: in 2018, Laïta launched 60 new products, all markets combined. These new products include: a fromage blanc and fruit puree tube with Nutri-score A, soft cheeses for cooking, as well as SoBenefik, a high protein yoghurt produced exclusively from ultrafiltered milk powders.

Investing to adapt and grow

In 2018, Even invested €74 million in the modernisation and diversification of its equipment. Numerous transformation projects were conducted by its teams and two major investments were launched:

- the construction of a new highly robotised line to expand the offering of packaged emmental (grated, portions), based in Ploudaniel, costing €25 million
- the creation of a new facility at Even Santé Industrie to increase the manufacturing and packaging capacities of bottled clinical and infant nutrition products, totalling €22 million.

These investments are scheduled to enter into production in early 2020.

Meanwhile, the Group's Distribution division is adapting its offering of services and products to the digital era in response to the rise of e-commerce and to the end of impermeability between the three major distribution channels (supermarket sector, catering sector and the short food supply chain). The aim of these new digital tools is to foster proximity with its clients specialised in snacking and independent dining.

Internationalising to find growth drivers

The pursuit of the investment plan on theme of infant nutrition and protein attests to the Group's international aspirations.

The new infant and premium milk powder unit in Créhen was given the green light by the French Departmental Directorate for the Protection of the Population. It was certified in accordance with the international protocol FSSC 22000 which complements the ISO food safety standards. Approval to manufacture infant milk powders was obtained in May and kicked off production ramp-up. With these official guarantees, the first orders began to flood in. Nearly 3 million tins of infant formula were produced in 2018. International clients, based in the Middle East, Asia and South America, chose Laïta to manufacture their private label products. This first year also saw extensive collaboration with Régilait, a Laïta subsidiary already present in Africa and the Middle East with its brand France Lait. This contributed to the facility's ramp-up phase.

Being efficient for greater competitiveness and durability

In upstream activities (plant health, animal nutrition and genetics), ecological transition is no longer a necessity but rather a reality. All Even dairy farms have signed up to the low carbon dairy farm programme and have completed their Cap2ER* review. The average carbon footprint is 0.86 kg of CO₂ equivalent per litre of milk. Over half of producers have an energy saving system. 96% of farmers use palm oil-free dietary supplements for their dairy cows, and 100 % use cleaning products free of Quaternary Ammonium Compounds (QACs).

Technical partnerships to offer innovations in upstream activities illustrate these teams' quest for efficiency on a daily basis. An example of this is the technical and economic day on the benefits of grass, organised in May by the upstream teams in partnership with Semences de France, PâtureSens and the Water Agency. Through thematic workshops, the hundred-odd farmers present explored the question of how best to optimise their grazing potential, whatever their farming system, to boost their herd's self-sufficiency.

Again upstream, Tecnor-Sofac signed the Duralim charter, a sustainable development initiative shared and recognised across the entire dairy sector. Finally, Even Nutrition Animale, in partnership with Provimi, has developed a complete range of GMO-free dairy cow feeds manufactured at Cobrena's STNO-certified plant in Loperhet (Finistère).

Downstream, Even continued to structure its food distribution activities. The Group supported their growth and digitalisation. The year 2018 also saw the continued consolidation of Argel as a seafood specialist. Its offering now includes 125 fish and crustacean references, representing 25 % of the firm's total turnover. Partnerships are being pursued (with, in particular, the *Compagnie des Pêches de Saint-Malo*) with a marked interest in the protection of the seabed by sustainable and responsible fisheries.

Finally, particular emphasis was placed on occupational health and safety, with the first week organised on this theme at Group level. All employees received awareness training on the major risks, such as handling and traffic. Following the workshops, the participants made more than 11,500 commitments which contribute to workplace well-being and Even's overall performance.

* *Cap2ER: farm environmental performance measurement tool*

FOCAL POINT ②:

SUPPORTING OUR MEMBERS: SECURITY, DURABILITY, ADAPTABILITY

Key 2018 member statistics:

- **734** Even member farms
- **some thirty** young farmers starting up across the Cooperative
- **100** farm start-ups since the end of the quotas
- an average milk price of **€330.49 per 1,000 litres**
- an average return on result of **€11.33 per 1,000 litres**, subject to approval at the Annual General Meeting of June 2019

In its core business, Even is pursuing its value creation strategy to mitigate the effects of international market volatility. In the field, the generational renewal of farmers is on track, to guarantee the future of the farms and of the Group's dairy activities.

In 2018, despite adverse market conditions, Even paid its 734 member farms a price level with that of the major French general dairy companies: €330.49 per 1000 litres. Better still, the Cooperative backs its farmers over and above the base price. Following the Annual General Meeting to be held in June 2019, farmers will receive an average of €11.33 per 1,000 litres, thanks to the Cooperative's return on result. Of this return, 50 % is due to the results of dairy activities and 50 % to the Group's other activities. This price supplement is welcome relief for farm cash flows. For the average Even farm (reference quantity of 580,000 litres), it represents an extra €6,500-cash flow cushion.

A glimmer of hope can be seen in the sector, with 2019 kicking off on a higher note. Milk fat prices remain high, while protein prices are on the rise thanks to the depletion of European milk powder stocks.

100 farm start-ups since the end of the quotas

During the past year, the Cooperative has supported some thirty young dairy farmers starting business. The renewal rate is picking up, with 50 % more start-ups in 2015 to 2018 compared to 2011 to 2014. Since the end of the quotas (April 2015), 100 young farmers have started up, 85 % of whom are men and 15 % women. The average age at start-up is 31 years.

Only 8% of Even's young members start up individually. The mean reference quantity of farms with a young farmer starting out is just short of the million litre mark (970,000 litres on average). Young farmers starting up are allocated a reference quantity of 225,000 litres of milk by the Cooperative. They also benefit from financial support and personalised guidance to ensure a successful start.

Even's young farmer aid totals €13,500 and is broken down as follows: a €7,500 fixed-amount grant and technical and financial support by Écolait, fully covered by the Cooperative for the first three years following start-up, then 50 % covered during the fourth and fifth year, for a total of €6,000.

Better farm management against a shifting backdrop

The Ecolait initiative concerns young farms joining the Cooperative, but also members seeking to adapt and develop their practices consistently with their changing environment. 75 farmers, i.e. just over 10 % of Even member farms, have signed up. Ecolait helps farmers to optimise their dairy farm management through the regular analysis of financial and production indicators. Meanwhile, the farmers also attend technical workshop days in small groups (four such meetings were organised in 2018), defined according to their production system. In 2019, the Cooperative continues to roll out this initiative, hoping to double the uptake by dairy farmers.

FOCAL POINT ③:

10-YEAR MILESTONE FOR LAÏTA: SOLID GROUNDWORK FOR HEALTHY GROWTH

Laïta key figures:

- **1.5 billion litres of milk** collected in 2018
- **+20 %** collected in 10 years
- a turnover of **€1.3 billion** in 2018, also up 20 %
- **€400 million** in investments in 10 years
- a flagship brand, Paysan Breton, ranked among France's 30 most popular food brands
- a progress initiative **Passion for Milk®**, involving the 3,070 farms which deliver their milk to Laïta:
 - . a farm carbon footprint of 0.86 kg of CO₂ equivalent per litre of milk
 - . an average of over 180 grazing days per year.

Thanks to the Even Group's vitality, it is able to fully assume its dairy responsibility, not only towards its members, but also towards all the dairy producers of north-west France who decided to throw their lot in together under Laïta 10 years ago.

By becoming the majority shareholder of Laïta, the Even Group was entrusted by its two partners, Terrena and Triskalia, 10 years ago, with the reins of this major dairy initiative which today embraces 3,070 farms across north-west France. This undertaking entails a demanding social and economic responsibility, but we may rest assured, looking back at the ground covered, that Even has fully assumed this duty.

Onwards and upwards

Since the creation of Laïta, the quantity of milk collected has increased by almost 20 %. It is now touching on 1.5 billion litres. Meanwhile, Laïta has injected more than €400 million into the regional economy. These investments have boosted production capacities and continued to improve the product mix in order to heighten the company's resistance on open, unstable markets. Cheese production alone has risen 25 % since 2009. To underpin these developments, the teams have improved their skills through numerous professional training plans and have swelled their ranks, reaching a workforce of 2,830 employees, compared to 2,000 in 2009.

Another source of pride for Even: Paysan Breton continues to rank among France's top 30 brands (29th in the 2018 listing for 2017 sales). The number of households which buy Paysan Breton products is constantly growing. The client base is developing particularly in the butter and fermented milk segments. While butter remains Paysan Breton's mainstay with a 14 % market share by volume (41.8 % for moulded butter), Madame Loïk's whipped cheese is now very much in the running with a 10 % market share, mainly down to its plain variety.

A new development phase

With its first decade under its belt, Laïta is entering a new development phase. Innovation is at the heart of the process, as illustrated by the manifesto published by Laïta's Management Committee: "Our mission is to create value to serve our milk producers, employees and our clients (...) We are convinced that innovation holds the key to value creation in the future and that dairy activities offer a high innovation potential. We believe that innovation builds first and foremost on the talents of the men and women of Laïta. Innovation is a mindset, an ethos of openness, pleasure, sharing, empathy, risk-taking and tolerance for failure. It is an overarching concept which of course concerns products but also stretches far beyond, covering each and every aspect of the company."

Strategic innovation priorities were identified: developing differentiated milks (grazing cow milk, GMO-free milk, organic milk...), offering fermented products, meeting new consumption trends (healthy snacking, on-the-go eating, sociable concepts...), adapting products for the export market, developing eco-packaging, enhancing the value of dairy protein.

Without delay, the teams set to work implementing this roadmap by launching the 2018 innovation challenge “Défi Inno”, through which the employees shared their ideas on the food of the future to meet customer expectations. Thanks to this initiative, some sixty new products were launched in 2018 in consumer goods, health nutrition and dairy ingredients. Laïta plans to release at least as many again in 2019.

2019 is also set to be the year of the expansion of the health nutrition market, in particular thanks to the new organisation implemented by Laïta. The company has grouped together all of its health, infant and adult nutrition activities under a new banner: ESI Nutrition. This fledgling entity benefits from the Ploudaniel site’s 30 years of experience in clinical nutrition and in ready-to-eat products, the Laïta Ancenis site’s 20 years of know-how in infant formula, as well as the outstanding potential of the brand new high-tech infant milk powder facility in Créhen, deemed by our clients to be of the highest international food safety standards. ESI Nutrition’s mission is to cater for all individuals, taking account of their personal specificities, at each stage of their life, from premature newborns to seniors, not forgetting nursing mothers or that person who simply wants a high protein diet before the summer. All this, while innovating and fostering long-term partnerships in close proximity with increasingly international clients.

Stepping up a gear on the international scene

Internationalisation is picking up pace across the board. In health nutrition, Laïta is seeking to strengthen its presence in Europe, Asia, the Middle East and South America, developing B-to-B and working with major international groups. In consumer goods, the company is structuring its sales network and adapting its ranges with the target of expanding into two new countries each year. The target is to increase international exports by 30 % by 2025. In dairy ingredients, Laïta is seeking to reinforced its European presence, but also hopes to continue to progress on the Asian market, which is a booming market for powdered milk. The export market is also targeted for young mammal feeds and the first successes have been secured in Great Britain and South America.

Going above and beyond with Passion for Milk®

In the field, Passion for Milk® is taking on a new dimension. The majority of farms have joined the low carbon dairy farm programme by completing their Cap2ER review. This means that over a quarter of French producers are involved in this environmental initiative. The average carbon footprint of these farms is 0.86 kg of CO₂ equivalent per litre of milk, which is lower than the national average (1.0 kg of CO₂ equivalent per litre of milk according to a survey conducted in 2016 among 3,135 project partner farms – 81 % of which were in north-west France). Laïta herds graze for more than 180 days per year while the major northern European groups have a target of 120 days. They are mainly fed French fodder, for which the farms are 64 % self-sufficient. More than three quarters of producers have received awareness training in good animal welfare practices. Other significant indicators: 96% of farmers use palm oil-free dietary supplements, and 100 % use cleaning products free of Quaternary Ammonium Compounds (QACs).

Following this review phase, Passion for Milk® is evolving towards a progress strategy. By late 2019, 100 % of producers will have access, via their cooperative’s extranet, to MOOCs (massive open online courses) on animal welfare. The first training videos will focus on the prevention of lameness and mastitis, as well as on pain management. Laïta also plans to maintain its commitment to 100 % French fodder and 100 % palm oil-free complementation.

Alongside efforts to reinforce upstream actions, groundwork will be implemented for factories and support services so as, in the same way, to set targets with harmonised figures across the different sites.

WHAT THEY SAY...

“A new, strong innovation policy has been launched, a policy illustrated by numerous external agreements and internal actions: a start-up village, an innovation contest, investment funds, creative hubs and a crash course in innovation for our teams. These novel tools are aimed at harnessing new food uses, and staying at the cutting edge of nutrition science in general, and protein science in particular.”

Christian Couilleau, Chief Executive Officer of the Even group

“2019 is kicking off on a higher note for our dairy sector. Milk fat remains at a high level and protein is definitively on the rise thanks to the depletion of European stocks. Against this backdrop, our cooperative Group aims to continue to create value for our members through ongoing work on innovation, investments in our tools and by seeking out international markets.”

Guy Le Bars, President of the Boards of Governors of the Even group and of Laita



www.even.fr

Even, Breton cooperative agri-food group,

expresses **its vitality** and displays **its stability through its firm position** as a **European dairy producer**, a **specialised French distributor**, and an **operator of the Breton agricultural upstream sector**.

- **6,140** employees
- **1,320** member farmers
- **€2.2 billion** turnover

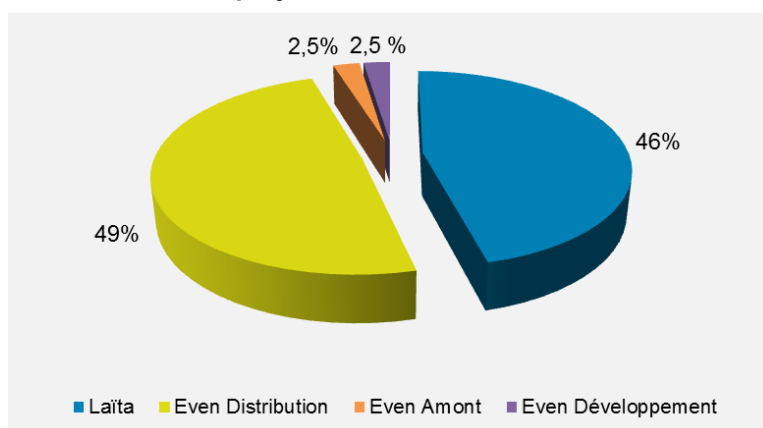
KEY FIGURES



Even consolidated key figures

	2018	2017	2016	2015
- Turnover (millions of euros)	2,165	2,176	2,096	2,100
<i>Laïta</i>	59 %	58 %	58 %	61 %
<i>Even Distribution</i>	29 %	30 %	29 %	25 %
<i>Even Upstream</i>	10 %	11 %	12 %	13 %
<i>Even Development</i>	2 %	1 %	1 %	1 %
- Employees	6,140	6,110	6,020	5,640
<i>Laïta</i>	2,830	2,800	2,750	2,670
<i>Even Distribution</i>	3,010	3,010	2,980	2,680
<i>Even Upstream</i>	150	160	190	190
<i>Even Development</i>	150	140	100	100

Distribution of employees between activities



Key figures for the Even Cooperative, the Group's parent company

(in millions of euros)	2018	2017	2016	2015
- Turnover	265.0	262.7	240.6	272.2
- Result	13.4	12.0	15.9	15.4
- Return on result	4.8	4.1	7.8	5.0
<i>which represents</i>	+€11 / 1,000 L	+€10 / 1,000 L	+€19 / 1,000 L	+€12 / 1,000 L