



PRESS RELEASE

Even Section Meetings “All set to bounce back”

The regional section meetings of the Even Cooperative (Ploudaniel, 29), held from 24 June to 2 July, provided an opportunity for the Board of Directors to speak directly to members, with discussions centred on the Group’s position following four months of the current health crisis, as well as on recovery prospects. Despite present difficulties, the overall approach was one of pragmatism along with the desire to progress in, and for, the post-pandemic world. ”

President of the Board of Directors Guy Le Bars and the Even directors have been eagerly awaiting this moment! The six regional section meetings of the Even Cooperative, postponed due to the long period of lockdown, were attended in person, in compliance with social distancing and safety protocols. Following a brief assessment of 2019, discussions turned to the unprecedented situation we have just lived through and to recovery prospects.

2019: consolidation, transformation, a good financial year

In 2019, Even’s strengths of agility, stability, pragmatism and preparation for the future shone through. The year was marked by an upturn in the dairy markets in the second half of the year, which enabled the Group to consolidate its turnover at 2.3 billion euros, up nearly 100 million euros in relation to FY 2018, and an increase of 4.4% at constant scope.

In a favourable context for all of its activities, Even put its energy into making changes in order to uphold its strategy to “develop in modern fields such as dairy, nutrition and services through Innovation, Internationalisation, Investment and Efficacy. ” Three main projects were decided upon: creation of a clinical nutrition bottles unit, implementation of the new pre-packaging workshop for Emmental-type cheeses (Ploudaniel - 29), continuation of the digitalisation of the Distribution Division. The Group’s tangible investments in 2019 amounted to almost 60 million Euros.

First half of year 2020: adapting across the board

The Covid-19 health crisis stopped this momentum dramatically in its tracks, forcing teams to rethink priorities, and to adapt their organisation and tools accordingly. Aided by the safety department, the purchasing team managed to procure more than one million masks and several tens of tonnes of hand sanitiser to ensure the safety of its employees. The information systems team made sure that around 2,000 employees were able to work from home. Working alongside social partners, the human resources team initiated measures to reconcile flexible working and social protection.

In these difficult times, the Upstream unit continued to provide a service to farmers, keeping up, in particular, with deliveries of livestock feed.

Laïta, the Group’s dairy subsidiary, managed to collect and process 100% of milk from member farmers, by focusing on what was essential and keeping the products in its ranges to a minimum. Having said that, in terms of consumer products, the strong increase in demand from supermarkets during lockdown (+20% on cheeses, butters and crepes) is not sufficient to offset the significant decline in exports and the suspension of Food Service Sector activity. The dairy ingredients market suffered a 20 to 30% drop in prices and in volume due to the wait-and-see mentality adopted by customers and to export restrictions. Health nutrition benefited from a very high demand from hospitals but had to contend with logistical problems.

The Covid-19 crisis has taken a heavy toll on the Distribution Division due to the closure of schools and restaurants. The division's Food Service Sector activities experienced a decline of 80%, resulting in 1600 employees being put on short-time working. In contrast, the division's home delivery activity, which only represents a relative share of its business, experienced a resurgence in activity of 50%. The French population was very satisfied with the practicality of both home delivery and frozen products.

Moving forwards: emerging from Covid stronger than ever

The Group is expanding its customer base and geographical presence in four complementary units: Even Amont, Laïta, Even Distribution, Even Développement. This balanced distribution of its activity portfolio makes the Group relatively stable. Its values – the sharing of responsibilities, team spirit and simplicity – should enable it to emerge from this crisis with “agility instead of agitation, strength instead of inflexibility”, states Group CEO Christian Couilleau.

In concrete terms, to accelerate recovery, Laïta continues to explore all of the ways it can process dairy protein: development of cheeses, growth of milk powders in line with specifications, gaining of stable health nutrition markets showing little volatility, processing of powder in young mammal milk replacers. Having been forced to put a temporary stop to activities, Even Distribution is now working overtime. To meet the needs of customers, support them, and provide them with a responsive service to ensure a successful summer season, it has been all hands on deck since restaurants reopened their doors in mid June. At the same time, the division is ramping up the digitalisation of its activities with, in particular, the launch of the Réseau Krill e-commerce site.

Increase in discounts for member farmers and enhancement of the CSR policy: distribution of profits dependent on CSR practices

This period will also have demonstrated to teams and member farmers the vital role that Corporate Social Responsibility (CSR) plays in reassuring our fellow citizens. To accelerate its deployment in the field, the Board of Directors decided to create the Even CSR fund to promote sustainable practices among member producers: actions to reduce the carbon footprint of their farms, to ensure the well-being of both members (help with holiday cover, training, etc.) and animals. Members able to prove that they have implemented CSR projects can receive an additional return on investment through this fund. To our knowledge, this initiative is the first of its kind to be introduced in the French agricultural cooperation. The Cooperative's General Assembly, scheduled to take place on 18 September, is expected to approve an exceptional return on investment to producers of €16 per 1,000 litres of milk, on average, of which a third will be allocated from the new CSR fund. **In light of the Covid situation, the eligibility criteria for the CSR fund have been waived this year to enable all producers to immediately benefit from this additional cash support.** The price supplement paid to member farmers will be the highest it has been since 2016. This will be added to the €349 per 1,000 litres already received by member farmers as part of the 2019 campaign, a milk price up +5.4% on 2018. Overall, this gives an average milk price of €365 per 1,000 litres. The Even Cooperative collection was up 1.5% in 2019 on 2018.

All of these initiatives led to some very constructive discussions at the 2020 section meetings. Young farmers were well represented at the meetings, showing an interest in the operation and prospects of their Cooperative. Since quotas ended, Even has helped 117 young member farmers to become established, including twenty in 2019.

TESTIMONIES

Careful management and a long-term vision

“Throughout this pandemic, the French population saw just how adaptable its farmers and agri-food industry employees could be, with their combined efforts keeping shelves stocked. In a globalised economy pushed to its limits, our citizens realised the importance of having access to sufficient amounts of quality local produce. We hope they will remember this over the coming months, when their consumer choices will be crucial in helping the economy get back on its feet. I strongly believe that our cooperative values and our strategic approach, allying careful management and a long-term vision, will see us emerge the other side of this crisis. The development of our financial regrowth policy through the creation of the CSR fund, which recognises the sustainable practices of members, clearly demonstrates the true value of our cooperative.”

Guy Le Bars, President of the Even Group Board of Directors

Resolutely focused on the future

“As the crisis continues, and we are preparing to kick-start each of our activities, we are focusing in particular on the time factor. We need to accept that the future may be very different to the one we imagined, and to think long term without overlooking day-to-day matters and teams in the present. The acceleration of our CSR policy illustrated by our distribution of profits determined by sustainable practices enables us to establish an even more ethical cooperative model, which is a symbol of pride internally and portrays good sense externally. ”

Christian Couilleau, Even Group CEO

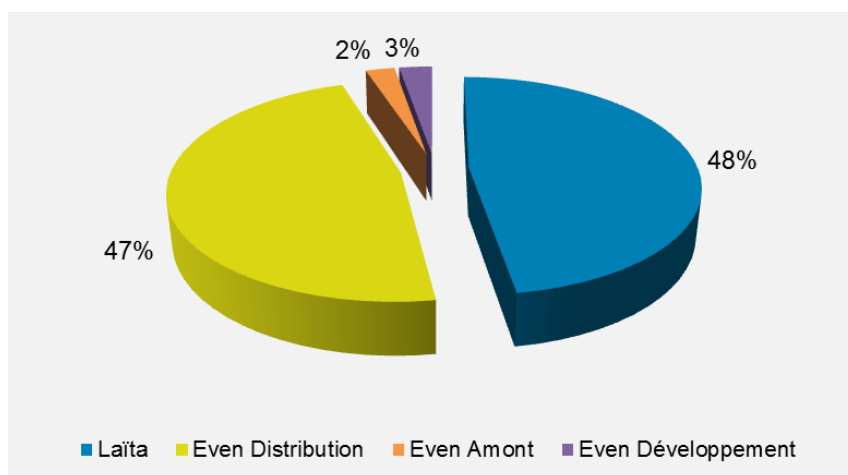
FIGURES



Even key consolidated figures

	2019	2018	2017	2016
- Turnover (in million euros)	2,260	2,165	2,176	2,096
of which Laïta	60%	59%	58%	58%
of which Even Distribution	29%	29%	30%	29%
of which Even Upstream	10%	10%	11%	12%
of which Even Développement	1%	2%	1%	1%
- Employees	6,220	6,140	6,110	6,020
of which Laïta	2,960	2,830	2,800	2,750
of which Even Distribution	2,940	3,010	3,010	2,980
of which Even Upstream	150	150	160	190
of which Even Développement	170	150	140	100

Distribution of employees within activities



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

(in million Euros)	2019	2018	2017
- Turnover	282.3	265.0	262.7
- Profit	19.8	13.4	12.0
- ROI	6.8	4.8	4.1
<i>which represents on average</i>	+ €16 / 1,000 L	+ €11 / 1,000 L	+ €10 / 1,000 L