



PRESS RELEASE

Even prepared for dairy industry challenges

In a chaotic world afflicted by many different crises, Even is steering a steady course and making the necessary adjustments without departing from its strategic plan: to create value for its cooperative members, employees, customers, consumers and the rural territories where its activities are based. 2022 was a good year for the Ploudaniel-based (29) Group, in spite of inflation and the geopolitical situation. The Cooperative will be distributing a significant part of its revenue among its members and reinforcing its capital base to bring projects to completion in preparation for new challenges expected in the dairy sector: establishing young producers, adapting to market volatility, responding to new customer expectations, managing employment relationships, etc.

A few milestones in 2022:

- **€2.5 billion** turnover.
- **603** member farms, comprising almost **1,100** milk producers.
- **6,040** employees.
- over **350** apprentices and study-leave workers welcomed to the Group in 2022.
- **66.3%** of employees received training.
- **18** young Even members established in the 2022-2023 season.
- **€10.8 million** of revenue returned to members, subject to approval at the General Meeting on 23 June 2023, bringing the average price of milk to **€464,40 per 1,000 litres** for 2022.
- **€4 per 1,000 litres** allocated to the CSR-Even Amount fund.
- **91%** of members received CSR funding.
- **€54 million** in tangible investments in 2022.
- acquisition of **Soframa** in Aymargues (near Montpellier) in July 2022, boosting the Distribution centre's FAFH activity in the south of France.

2022 - the year of great upheaval! The tail end of the pandemic, the war in Ukraine, inflation, shortages, droughts, steep price increases for energy and raw ingredients, threats to food safety for major importing countries, etc.

Agricultural farms and their agri-food branches were faced with unprecedented price hikes. Prices for the soft wheat, soybean cake and even sunflower oil needed to manufacture foodstuffs almost doubled in the space of 18 months. Fertiliser and energy costs have rocketed since the start of the Russia-Ukraine conflict, sending shock waves through the global economy. As a result, ingredients, packaging and all types of industrial raw materials are subject to further price increases, added to which there are problems with supply.

In this climate marked by inflation and geopolitical unrest, Even will continue to meet the challenges they throw up.

- **Maintaining and enhancing milk production in the West of France** by introducing new members into the cooperative and supporting young farmers and revenue from dairy farming.
- **Volatility of the markets** for dairy products and raw materials, requiring prudence and forward planning.
- **Changes to customer demand**: significant reinforcement of the quality-price ratio for simple, reliable products and services, in addition to the firmly-established CSR issues.
- **Employment relationships** focusing on loyalty, involvement in projects and quality of life at work for personnel within the enterprise.
- **Solid resources to finance** higher levels of working capital than before, increased levels of investment due to competitiveness, innovation and the ecological transition, all in an economic context where money is losing its value.

Record price for milk

The price of milk is rising steeply due to changes in global demand, driven by China in the first half of the year, and to the decline in world production due to drought. The price of dairy commodities (dried milk, block butter, whey powder) reached record highs in June 2022, then dropped in the second half of the year due to the decline in Chinese imports and resumption of milk collections in Northern Europe and the United States. The dairy economy overall is benefiting from this reprieve. Dairy income and farm income in general are fairly good at the close of this very difficult year.

With the markets so volatile, Even is facing many ups and downs, looking for alternatives and making adjustments, the same as other economic operators. However, its core assets are stable and its position as the leading dairy cooperative in Brittany is assured. The Group is evolving within an efficient dairy ecosystem in a climate that's favourable for milk production, committed producers and employees, and cutting-edge processing machinery. Dairy product consumption remains buoyant in spite of everything. It is now leaning towards local products and ethical production methods, reinforcing the ethos of the cooperative model which is based on proximity and therefore able to withstand the changes with its complementary business activities and divisions.

The Group's consolidated turnover for 2022 rose by 11% to 2.5 billion euros. This positive balance sheet was presented to members at the Cooperative's sector meetings between 29 March and 6 April this year, and following approval at the general assembly on 23 June this year will permit a return of €10.8 million (€26.3 per 1,000 litres). This will bring the average price of milk paid to Even members to a record €464.40 per 1,000 litres for 2022, representing a 25% increase on the 2021 price. Note that some of this return (€4 per 1,000 litres) is the result of sustainable development initiatives via the CSR fund, from which 91% of members benefited last year.

Balanced business activities and engaged teams

The price Even pays its cooperative members is among the highest paid by French dairy corporations in general, and is the result of Laita's own positive results (dairy division) and also those of its Amont (Upstream), Distribution and Développement (Development) divisions, whose teams have accomplished a major task in anticipating purchase commitments and researching quality-price ratios. Even's 6,040 employees have demonstrated unwavering commitment and a remarkable capacity for adaptation in this unprecedented economic situation.

Even Amont supports farmers through transitions

In terms of agri-supplies, Even Agri has been methodical in building up fertiliser stocks and continuing its experimental programme to improve the fodder autonomy of farms and reduce farm inputs - two highly topical issues.

The animal nutrition sector has managed to contain the increase in the price of livestock feed thanks to the joint efforts of the raw materials purchasing department and the formulation team. At the same time, Even Amont has structured its CSR strategy around three pillars: People, Territory and Nature & Life, in order to best support farmers through the economic, climate and societal transitions.

In late 2022, Topigs Norsvin France, a 50/50 joint venture between Even and Netherlands-based swine genetics specialist Topigs Norsvin International (no.1 in Europe and no.2 worldwide in swine genetics), opened its new site in Landerneau (29). In a diminishing national market, the enterprise is showing admirable growth and aiming to become the leading swine genetics business in France by 2025 by putting the research power of its parent company at the service of local breeders.

Laïta ups the pace on protein valorisation and ecodesign

The teams at Laïta have negotiated a number of price hikes among large retailers and B2B customers. Outside of these factors linked to economic circumstances, this business area is continuing its core work on developing its product mix towards better valorisation.

This includes:

- Investing in a more automated packaging line for soft cheeses and a new analytical laboratory at the Ancenis site (44);
- Ongoing modernisation of the cheese-making facility at Créhen (22). The volumes of cheese produced here have increased four-fold over the last 10 years, raising Madame Loik to the third largest producer of spreadable cheese in France. The brand recently celebrated 25 years in business and is justly proud of its success, which it advertises as widely as possible through its sponsorship of TV show The Voice;
- The robust development of health food products, especially in liquid format, at the Ploudaniel site (29);
- The new European Colostrum Industry production unit installed at the Novalis Science Park in Aye, Belgium, which has established Laïta, together with its Belgian partner the CER Group, as the top producer of colostrum in Europe;
- the consolidation of British subsidiary Eurilait with the acquisition of Marathon Foods in 2021, and the increased production of specialities made with halloumi, a popular variety of cheese in the UK. Another major issue for the coming years is ecodesign. Laïta is stepping up the pace to achieve its target of 100% recyclable packaging by 2025. The packaging for Paysan Breton 'La Baguette' cheese was reduced by 37% last year, and the base of the Paysan Breton 'Petit Brie' carton was removed. Laïta won the Packaging Oscar for its Paysan Breton grated Emmental. All these advances are part of the Passion du Lait® CSR strategy.

Even Distribution returns to growth and acquires structure

After two years of the health crisis, Even Distribution still has an appetite for growth; the division achieved a turnover of 700 million euros, i.e. a 30% increase compared to 2021. This progress is the result of consumers returning to restaurants, especially over the busy summer season. At the same time, Even Distribution continued its external growth in the flourishing snack sector with the acquisition on 1 July 2022 of the Soframa company, based at Aimargues in Montpellier, which also incorporates the Boûl'Pât centre, now renamed Réseau Capella.

The FAFH sector is experiencing a level of activity equivalent to and even surpassing pre-pandemic levels. The home shopping market, on the other hand, is down by 5% compared to 2021.

Even Distribution is now one of the top ten FAFH distributors in France due to investments and the efforts of its teams for over 30 years. Argel occupies third position in home sales.

The division's aim is to specialise in value-added markets over time rather than focusing on the race for growth, and Even Distribution is pursuing its strategic project 'Ambition 2024' to sustain this unique model. Its main target is to develop service quality, professionalisation in its purchases and the loyalty of its teams by continuing to modernise Argel and structure Réseau Capella to respond to new modes of consumption.

Responding to the challenges of a changing world

Nurturing the commitment of members and employees and serving consumers

For Even, this positive balance should not be the tree that hides the woods from view. 2023 will be a tough year in all respects and the fundamental problems still exist. First among these is the 'Human' issue.

With a decline in agricultural demographics, the Group must encourage new vocations in farm management. 18 young farmers joined the Cooperative over the recent dairy season. The Cooperative has reinforced its system for supporting young farmers with the 'Bien dans ma Coop' initiative; young farmers who have been established for five years are invited to meet with the Board of Directors, visit industrial facilities, talk about their expectations and attend social events. Regular meetings are held to create links between the farmers and their Cooperative to foster a sense of belonging to the Group, help them understand the environment in which they are evolving and better engage with the strategic operations of the Group and their own sector within it.

It is also critical to capture and retain a new generation of employees in a sector currently experiencing full employment and undergoing profound changes in employment relationships. The organisations and sectors in the Group are redoubling their recruitment activities to stand out in a job market where new expectations are emerging: developing work-study opportunities - 350 placements and apprentices welcomed by the Group in 2022; launch of the Laïta caretaker service; creating career websites; improving the quality of life at work by setting up hubs; renovating social and production premises; automating the most arduous tasks; improving the ergonomics of work stations. It is significant that more than two-thirds of the Group's employees received training in 2022 to develop their skills and progress in their work.

It is also Even's intention to adhere as closely as possible to the expectations of civic society by providing sustainable, quality products and services that are affordable by the greatest number of consumers. To this end, Paysan Breton conducted a broad public survey in 2022 called 'In the Name of Goodness' to define the brand's commitments with its various stakeholders, especially consumers.

Managing the energy and environmental transition

The urgency of the energy and environmental transition is also on our minds. Work started in 2022 to identify the Group's carbon footprint, covering all of Even's activities from milk production, manufacturing and distribution to transportation and buildings. Laïta has already carried out a diagnosis and is currently structuring its carbon trajectory with the aim of achieving recognition by the Science-Based Target Initiative. In response to concerns expressed by Laïta's customers, the Amont is currently establishing its carbon strategy with the support of l'Idèle*. Members are asked to engage voluntarily in a level 2 CAP'2ER® diagnosis and an action plan. The Cooperative is helping them to improve their farms' carbon footprints and offering two bonuses as an incentive: the Even CSR fund's €4 per 1,000 litres of milk and the Passion du Lait® bonus which can be up to €4.50 per 1,000 litres for the most diligent producers.

The Group has also implemented a responsible purchasing strategy with a sample collaborative initiative between Laïta and Even Distribution, coordinated by the Group's purchasing department.

Finally, to end with a highly relevant example relating to its commitment to reducing water consumption, Even supported Thrasos, winner of the second annual start-up competition Even'Up, throughout 2022. The FS Guard app uses artificial intelligence to optimise cleaning programmes at existing cleaning facilities. This digital solution was tested at Laïta's Yffiniac site (22). Tests carried out on milk storage tanks used 40% less water and 50% less energy, and took 43% less time to clean. Over the coming months, this solution will be used for cleaning the standard equipment at Yffiniac (tanks, production lines, pasteurisers, etc.) and rolled out to Laïta's other production facilities. This is a great partnership adventure that will appeal to others in the spirit of curiosity, openness and innovation.

* L'Idèle, or Institut de l'Élevage [Institute for Breeding], is the French national technical and standards reference body for livestock systems.

WHAT THEY'RE SAYING

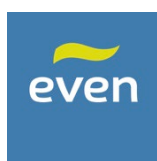
“Thanks to the complementarity of our divisions and businesses, our ship is strong, sustainable and ready to face heavy weather. We are steering a steady course with projects, industrial and CSR investment programmes and growth of the dairy and food distribution sectors. In 2023 we will strive to have the dignity of the farming profession recognised, as well as the importance of food sovereignty and the need for competitiveness, without which there is no sustainability.”

Guy Le Bars, Chair of the Board of Directors.

“This past year has involved many defining challenges for the future of Even: establishing young producers, adjusting to market vulnerability, responding to new customer expectations, managing employment relations, etc. In the coming months we must speed up our responses, maintain our sang-froid, enhance our capacity to listen and our motivation to protect, and further develop the value we have created together.”

Christian Griner, Managing Director.

MILESTONES

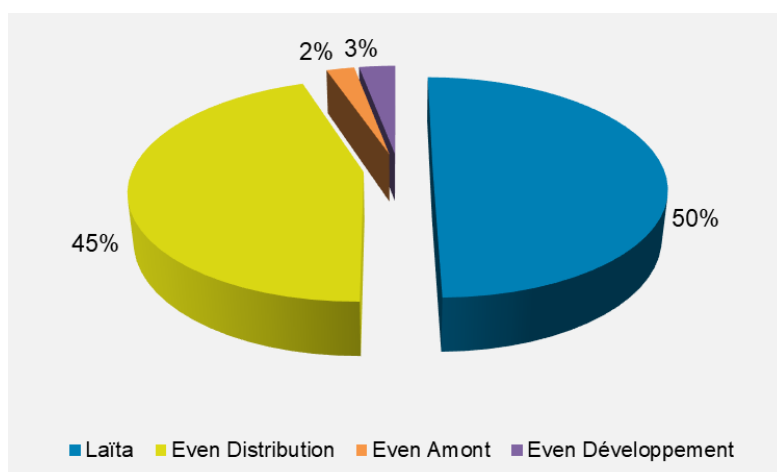


Even key figures (consolidated)

	2022	2021	2020	2019
- Turnover (million euros)	2,530	2,275	2,135	2,260
of which Laïta	65%	62%	64%	60%
of which Even Distribution	28%	24%	24%	29%
of which Even Amont	5%	13%	11%	10%
of which Even Développement	2%	1%	1%	1%
- Employees	6,040*	6,180	6,150	6,220
of which Laïta	3,010	3,150	3,020	2,960
of which Even Distribution	2,710	2,710	2,800	2,940
of which Even Amont	140	140	150	150
of which Even Développement	180	180	180	170

* the number of employees for 2022 is based on full-time equivalents (FTE); for 2021 it reflects the number of employees on the payroll.

Distribution of employees by activity



Key figures for Even Cooperative, parent company of the Group

(in millions of euros)	2022	2021	2020
- Turnover	345.5	281.3	273.6
- Result	16.1	18.3	19.2
- Profit returned to members	10.8	8.3	7.3
representing an average of	+ €26 per 1,000 litres	+ €20 per 1,000 litres	+ €17 per 1,000 litres