



PRESS RELEASE

MATINES pursues its transformation to adapt to changes in the French egg market

Paris, 12 March 2020 — Committed to the transition towards alternative eggs and mobilized to ensure a sustainable future for the French egg sector, MATINES has presented plans for changes to the industrial organization of shell egg packaging and to its administrative and commercial activities. These plans are supported by an investment worth €3.4 million that will target modernization of the packaging unit in NAIZIN (Morbihan).

An economic situation penalized by a changing market context

Despite the significant efforts made in recent years, MATINES continues to face persistent economic problems. In 2019 it once again recorded major financial losses.

These problems should be seen in the context of profound changes to the egg market in France, and notably:

- A sustained downturn in retail sales of standard eggs (from cage-reared hens), which fell by 12.9%* in 2019 alone, to the benefit of alternative eggs (from barn, free-range or organically-reared hens), which are likely to account for 71%* of egg sales in 2022 (*Source: Nielsen);
- The result of annual tariff negotiations which, in a market with abundant supply, did not enable MATINES to find a profitable balance between changes in demand and the necessary adaptation of its offer.

Ambitions to reconquer market share through alternative eggs and local production

Faced with this context, MATINES is reaffirming its long-term commitment to the transition towards alternative eggs and aims to reconquer market share by pursuing its transformation. This is essential to preserving its activities and those of nearly 300 French egg producers in different regions.

MATINES therefore aims to base its efforts on accelerating the growth of alternative eggs, sold not only through its own brand but also by deploying its Mas d'Auge and regional brands. This is fully in line with demands from consumers regarding both rearing methods and geographical origin.

Industrial facilities at market standards to restore competitiveness

In practice, achieving these ambitions for the French sector requires the pursuit of efforts to adapt the organization of MATINES and may involve a redeployment of its activities:

- The NAIZIN site (Morbihan – 38 employees) will be improved thanks to an investment of €3.4 million. Focused on modernizing its production facilities, this investment will enable MATINES to adapt its production capacities to market standards and thus restore its competitiveness.
- The TREMOREL site (Côtes-d'Armor – 63 employees) will be refocused on washing and storage activities that are currently subcontracted. These two activities account for a total of 12 jobs.
- The administrative and commercial functions of MATINES will be centralized at the AVRIL Group sites in BRUZ (Ille-et-Vilaine) and SAINT-GERAND (Morbihan), thus enhancing synergies

with other activities in AVRIL's livestock sectors for which BRUZ and SAINT-GERAND are the oldest centers.

- The MONTOLDRE site (Allier – 7 employees) will halt its egg packaging activities.

Although these plans are an essential response to market standards and restoring the competitiveness of MATINES, management is trying to limit their social impact. It is therefore aiming to reduce net job losses by offering redeployments within the AVRIL Group. By providing direct support to all the employees concerned, it will give priority to career changes, redeployments and mobility throughout the Group. The plans will involve 41 job losses and 28 contractual changes affecting administrative and commercial staff, and will be accompanied by personalized measures to support mobility.

Presentation of these plans marks the opening of discussions with staff representatives and the initiation of an information-consultation procedure.

In October 2018, MATINES announced that by 2025 all the eggs it sold would be produced under alternative conditions, or in other words in barns (code 2), free range (code 1) or organically (code 0). This commitment was extended in June 2019 to all the eggs produced, sold or used by the Avril Group.

MATINES is a subsidiary in the AVRIL Group egg sector. It counts 266 employees and six shell egg packaging units in BRUGNENS (Gers – 31 employees), CHALAMONT (Ain – 41 employees), MONTDIDIER (Somme – 51 employees), MONTOLDRE (Allier – 7 employees), NAIZIN (Morbihan – 38 employees) and TREMOREL (Côtes-d'Armor – 63 employees), as well as two administrative centers, one in BRUZ (Ille-et-Vilaine – 15 employees) and the other in PARIS (AVRIL Group head office, 20 employees).

MATINES was created in 1985. The leading French brand for shell eggs and a subsidiary of the AVRIL Group since 1994, its activities focus on the packaging and sale of eggs. For more information, go to: www.matines.com and www.groupeavril.com

Contacts

Hélène TABOURY – Avril Group

06 23 08 83 54 / helene.taboury@groupeavril.com

Tom DORON – ALQUIER COMMUNICATION

07 86 15 90 29 / td@alquiercommunication.fr