Time is on our side

TFF GROUP

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FINANCIAL NEWS

HALF-YEAR RESULTS 2020/2021

EXCELLENT ADAPTATION OF THE BUSINESS TO THE CURRENT SANITARY AND CLIMACTIC CONDITIONS SOLID OPERATIONAL PROFITABILITY

January 6th, 2021 at 17h45

Consolidated accounts (M€)	1st half 2020/21	%	1st half 2019/20	%	Change
Turnover	141.54	-	156.59	-	- 9.6%
EBITDA[1]	30.06	21.2	34.72	22.2	- 13. 4%
Current Operating Income	23.96	16.9	29.89	19.1	- 19.9%
Operating Income	24.07	17.0	25.92	16.6	- 7.1%
Operating Income after adjustment	25.05	17.7	26.90	17.2	- 6.9%
Financial Result	- 6.81	-	- 0.34		
Taxes	- 5.09		- 7.48		
NET RESULT	13.15	9.3	19.08	12.2	- 31.1%
NET RESULT group share	12,99	9,2	18,96	12,1	- 31,5 %

(1) EBITDA definition: earnings before interest, taxes, depreciation and amortization

The interim consolidated financial statements for the 2020-2021 fiscal year, which were subject to a limited review by the Statutory Auditors, were approved by TFF Group management on January 6th, 2021.

In what was a difficult semester because of both the pandemic and the weather conditions, TFF Group demonstrated its solid resilience, with activity down - 9.6%. At comparable scope and currencies, sales were down - 8.8% compared to the same period in 2019 (currency effect - 1.4%, scope effect + 0.6%).

Wine Division:
88,4 M€ in turnover, down 12,0 %

(- 12.0% organically - restated for the currency effect: - 0.8%, and for the scope effect: + 0.8%- which represents four months of turnover for the Tonnellerie and Merranderie GAUTHIER)

Despite a first semester impacted by unfavourable meteorological conditions and the pandemic, the business coped well with both a global wine harvest which was below the ten-year average and the fires in the United States.

Alcohol Division :
53,2 M€ in turnover, down 5,4 %

(- 3,0 % organically, adjusted for the currency effect: - 2,4 %)

The whisky division is enjoying good momentum in terms of volumes thanks to its eight production sites and the high value-added repair / renovation businesses which are operating at full capacity.

However, the selling prices of barrels, which is on a downward trend, translated into a decline in turnover over the period.

The second quarter saw encouraging activity in view of the expected recovery of this market.

The Bourbon division returned to growth in the second quarter after a break in the first. However, the cooperage's new barrels activity fell as a result of the prudence observed by our customers.

The stave mills continued to participate in the diversification and development of the business with wood sales made outside of the group.

The two cooperages are organised and poised to react in real time to the market's expected recovery at ambitious levels.

Results that held up at consistently high profitability levels

Operating income didn't fall as much as activity levels. It stands at € 24 million, or 17% of turnover vs. 16.6% in 2019.

The bourbon division is no longer recording non-current expenses (reminder n-1: - € 4.1 million), and, in line with expectations, the five stave mills are improving their profitability with the gradual ramping-up of their production levels.

The savings measures deployed in the wine market have borne their fruit.

The whisky Division improved its profitability thanks to a configuration of prices that was more favourable to the margins of the barrel-trading business….

Financial Income saw significant currency losses over the period (- € 6.3 million, vs. + € 0.3 million in 2019), resulting from the decline of the dollar against the euro.

Net income, restated for currency effects, amounted to 12.5% of sales against 12% in 2019, down in value by only - 6% over the half-year.

A balance sheet that remains robust and healthy

The balance sheet remains very healthy at the end of this semester, with equity at € 364.5 million, available cash at € 78.2 million and secured stocks at € 259.5 million.

Net debt [2], which stands at € 165.4 million vs. € 168.7 million as of April 30th, 2020, is down, in accordance with the Group's stated intentions after several years marked by the massive investments made in the bourbon division.

Strong levels of operating cash flow (€ 20.2 million) allowed us to acquire the Gauthier brand, whilst also paying a dividend at an unchanged level and continuing to make investments of 5.9 M€.

A realistic, but serene outlook

"The Group continues its relentless efforts to control costs in its wine business, with the second half of the year affected by the Australian and American fires of 2020. With part of the harvest lost, clients hold stocks of unused new barrels for vintage 2021.

The strength of the scotch whisky business, which remains linked to the outcome of the negotiations currently underway over Brexit, and the return to a form of normality in bourbon point to an improvement of the alcohol division's activity levels over the course of the second semester.

TFF Group always manages its activities in great proximity with its clients, which allows it to be responsive to developments in its various markets, to benefit from diversified activities and to remain more vigilant than ever in its management and development ."

Jérôme François
Chairman of the Board

PUBLICATION OF 9-MONTH REVENUE ON MARCH 10, 2021

(2) net debt: loans + current bank overdrafts + miscellaneous loans and financial debts - cash

ABOUT TFF GROUP

As the global leader in the wine and whisky aging market, serving the leading luxury sector of wines and spirits, TFF Group is present in more than 80 countries and is experiencing strong development on the bourbon market.

«As a privileged partner of the biggest names in wine and alcohols, we help ensure that they get the best from their harvests thanks to high-end innovative and environmentally friendly aging containers, made in the noblest tradition of French know-how .With our 1,313 employees and 279.7 million euros in turnover in 2019-2020, we work to promote excellence in know-how and in the "made in France' art of living.»

Jérôme FRANCOIS
CEO

TFF GROUP IN 2020: **TURNOVER: 279.7 M€** ROC: 43.7 M€ | **1,313 employees** which 834 internationally | **80** countries served

www.tff-group.com

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