

Time is on our side



HALF-YEAR RESULTS 2021/2022

BUSINESS LEVELS MAINTAINED DESPITE A DIFFICULT ENVIRONMENT WITH RESULTS THAT REMAIN STRONG

Wednesday, January 5th, 2022

The consolidated financial statements for the first half of the 2021-2022 financial year, which were subject to a limited review by the Statutory Auditors, were approved by TFF's Group Executive Board on January 4th, 2021.

Consolidated result accounts (M€)	1 st half 21/22	%	2 nd half 20/21	%	Change
Turnover	143.31		141.54		1.3%
EBITDA*	26.01	18.2%	30.06	21.2%	-13.5%
Current Operating Income	19.67	13.7%	23.96	16.9%	-17.9%
Operating Income	18.61	13.0%	24.07	17.0%	-22.7%
Operating Income after adjustment	19.15	13.4%	25.05	17.7%	-23.5%
Financial Income	2.45		(6.81)		
Impôts	(6.04)		(5.09)		
NET RESULT	15.56	10.9%	13.15	9.3%	+18.3%
NET RESULT GROUP SHARE	15.43	10.8%	12.99	9.2%	+18.8%

* EBITDA: earnings before interest, taxes, depreciation and amortization

«Despite a context that was marked by a combination of unfavorable factors, including the global pandemic, climatic accidents and fires, TFF Group held up particularly well during the first half of the year. It did so both in terms of its activity and of its results, demonstrating at once the relevance of its strategic choices, and the strong ability of its teams to anticipate and to respond.»

Jérôme François
CEO

CONSOLIDATED REVENUES: + 1.3% (+ 1.8% on a like-for-like basis)

**The wine division: €79.5 million : - 10%
(-9.7% on a like-for-like basis)**

- A sharp contraction in new barrel volumes on the wine market: -17%, mainly in the US and France (due partly to fires and to historically low harvest levels).
- Other activities (wooden vats, wood for oenology products, stainless steel, forestry – all less dependent on the grape harvest) performed well, with growth of +9.4%, representing nearly 25% of the division's activity.

Overall, it was an unprecedented year in terms of volume because of climatic incidents.

**The alcohol division: € 63.8 million: + 20%
(+ 21% on a like-for-like basis)**

- **The whisky business:** levels were maintained despite a shortage of the used Bourbon casks required to meet orders. This shortage is expected to coincide with the end of a downward price cycle.
- **The bourbon business:** still growing strongly in a dynamic market with good visibility. More than 250,000 barrels were produced in the first half of the year and 450,000 barrels should be produced overall this year.

NET INCOME: UP THANKS TO A FAVORABLE CURRENCY EFFECT

The 17.9% decline in operating income was the result of several factors:

- The under-performance of the wine barrel business,
- The decision to suspend the price increases usually applied to customers in order to make up for increases in raw material costs,
- Inflationary pressure on many of our costs, including materials and services,
- The greater dilution of the wine business within in the consolidated activity (55% vs. 62%).

Operating profit fell sharply to -22.7% because it included the costs of reorganizing a non-strategic distribution business in South Africa.

The financial result benefited from a favorable exchange rate effect of + € 2.8M linked to the appreciation of the \$ against the Euro (vs - € 6.3M in 2020/2021).

These developments enabled net income to grow by +18.3% over the half-year.

Net debt continued to decline over the period, to €133 million (vs. €138 million as of 04/30/2021), with inventory levels stable at €256 million - and despite the payment of a €7.6 million dividend.

OUTLOOK: OBJECTIVES FOR THE CURRENT YEAR ARE MAINTAINED AND ACCELERATED GROWTH IS EXPECTED FOR 2022/2023

The fiscal year 2021/2022 should mark the end of a three-year cycle that was impacted by an exceptionally difficult context. We therefore believe that it marks:

- A low point in the wine business before the return to normality that is expected by the end of the fiscal year.
- A signal of a dynamic whisky market, although one hampered by logistical problems and a shortage of used bourbon casks.
- A year of continued growth in the bourbon market, although one that is still under pressure from raw material costs and labor shortages.

The target of more than €260 million worth of consolidated activity is maintained

The fiscal year 2022/2023 is expected to be an «end of crisis» year, with growth on all the Group's markets:

- in the wine sector, both in the USA and in Europe
- in the spirits sector, where TFF Group maintains its strong ambitions.

After three «out of the ordinary» years, TFF Group expects now return to growth and gradually improve its profitability.

DIARY DATES

Publication of 9-month revenue on March 9, 2021

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 1,298 employees and 260,9 million euros in turnover in 2020-2021, we work to promote excellence in know-how and in the "made in France" art of living.»



Jérôme FRANCOIS
CEO

TFF GROUP IN 2021:

TURNOVER: €260.9m
ROC: €36.84m

1,298 employees
which 824 internationally

80 countries served

www.tff- group.com

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