

Time is on our side

TFF
GROUP

HALF-YEAR RESULTS 2021/2022

OUR ACTIVITY AND RESULTS UP SHARPLY OUR TARGETS FOR 2022/23 ADJUSTED UPWARDS A NEW, 3rd PHASE OF DEVELOPMENT ON THE BOURBON MARKET

January 4th, 2023, 17h45

The interim financial statements for the year that ended on October 31st, 2022-2023, which were subject to a limited review by the statutory auditors, were approved on January 4th, 2023 by the Executive Board of TFF Group.

| Consolidated results (M€) | 1 st half 2022/2023 | % | 1 st half 2021/2022 | % | Var. |
|-----------------------------------|--------------------------------|-------|--------------------------------|-------|--------|
| Turnover | 232.60 | | 143.31 | | 62.3% |
| EBITDA* | 52.06 | 22.4% | 26.01 | 18.2% | 100.1% |
| Current operating income | 44.59 | 19.2% | 19.67 | 13.7% | 126.7% |
| Operating income | 44.37 | 19.1% | 18.61 | 13.0% | 138.4% |
| Operating income after adjustment | 45.75 | 19.7% | 19.15 | 13.4% | 138.9% |
| Financial result | 6.30 | | 2.45 | | 156.9% |
| Taxes | -13.32 | | -6.04 | | 120.5% |
| NET RESULT | 38.73 | 16.7% | 15.56 | 10.9% | 148.9% |
| NET RESULT group share | 37.76 | 16.2% | 15,43 | 10.8% | 144.8% |

* EBITDA definition: profits before interest, taxes, depreciation and amortization

Consolidated activity: + 62,3 % (+ 45,1 % like-on- like)

The first half of the year benefited from three particularly favorable growth drivers:

- strong organic growth with regard both to volume and price effects
- a new positive currency effect: + 16.8 M€,
- significant external growth with a contribution by Tonnellerie Remond over six months of 7.9 M€ (consolidated since March 1st, 2022).

The wine division: 123,5 M€ : + 55,3 % (+ 39,6 % like-on-like)

Barrel volumes rose sharply on all our markets, returning to normal levels, particularly in the USA and France, thanks to:

- the return of dynamic demand, after three lackluster vintages
- a favorable price effect, after the pause in pricing seen last year
- the growth observed in all business lines over the period. The only exception was in stainless-steel containers, which were penalized by a strong post-lockdown base effect.

The alcohol division: 109,1M€ : + 71 % (+ 52 % like-on-like)

The whisky business: activity levels rose, with the decline in volumes linked to logistical difficulties offset by sales prices that continue to rise in what is a solid and buoyant market.

The bourbon business: as expected, activity was very dynamic with:

- a volume level of 330,000 barrels over the period,
- sales prices that reflected inflation in raw materials,
- the planned increase in the capacity of cooperages and stave mills to meet the sustained customer demand.

Strong growth of results and an improvement of profitability

The momentum of the businesses and the price increases have allowed the group to get closer to its normal profitability levels as far the wine division goes.

The bourbon division confirmed the expected improvement in its profitability thanks to increased business volumes, sales prices that were indexed to costs and the improved amortization of production tools.

The whisky division posted as solid first half thanks to the recovery of prices and the solid market trend.

Operating profit rose 127% to €44.6 million, with business volumes and price indexing mitigating inflationary effects on raw materials and logistics costs.

Operating profit stood at €44.3 million after the absorption of net non-current expenses worth €0.22 million. The operating margin increased by more than 6 points over the half-year to 19.1%.

The financial result benefited from a favorable exchange rate effect of +7.3 M€ (vs +2.8 M€ in 21/22) linked to the strong appreciation of the dollar.

After a tax charge of €13.3 million, net income rose by 149% over the half-year to €38.7 million, representing a net margin of 16.7%.

Net debt stood at €156.7 million (vs. €136.9 million on April 30th, 2022), a level that is well under control given the increase in trade receivables linked to the exceptional extension of delivery times.

Perspectives for 2022/23: upward revision of business targets

The better-than-expected level of the €/€ exchange rate and a solid visibility on the group's markets for the second half of the year have led TFF Group to raise its annual revenue target to €390 million.

New investment cycles on the bourbon market

After entering the bourbon market in 2016 and investing more than \$125M (capex excluding WCR) to support the sector's dynamics, TFF Group is planning to invest additional resources to start a new development cycle.

With its two cooperages and seven stave mills, TFF Group will have a production capacity of 800,000 barrels by 2025, for which it still needs to invest \$25 million (capex excluding WCR).

From the strength of its position as the world's number two bourbon cooperage with an 18% market share and excellent visibility, TFF group is planning additional investments (capex excluding WCR) of around \$60 million by 2027/2028, with a fourfold objective:

- to continue to support market growth and reach the target of one million barrels per year
- to maintain a high level of self-sufficiency in order to secure the supply of staves to the two cooperages in operation
- to continue to diversify log supplies,
- to reinforce the stocks of logs and staves

These investments will lead to new production lines in our two cooperages and to the installation or acquisition of new stave mills in the USA.

The group's bourbon distillery customers are also continuing to invest heavily. Their aim is to increase their production and storage capacities with global consumption forecast to grow by 5% annually over the coming years.

"We have successfully put the difficult period of the last two years behind us; years that were affected by several penalizing factors, including unfavorable weather conditions and an unprecedented health crisis.

As usual, our teams were able to respond quickly and responsively without losing sight of our determined strategy of world leadership based on organic growth, external growth and diversification.

This year marks the beginning of a new phase in the acceleration of our profitable growth, of which this first half year is a significant harbinger of what the coming years should bring".



Jérôme François
CEO

TFF GROUP IN 2022

TURNOVER
€302.6m



1408
employees



EBITDA
€50m



80
countries served

www.tff-group.com

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