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FINANCIAL  
NEWS

Time is on our side

TFF  
GROUP

# A PIVOTAL YEAR STRONG GROWTH ABOVE EXPECTATIONS

## 2018/2019 ANNUAL RESULTS

A bourbon market that has lived up to its promise and that requires further investments in order to capture more market share

The Management Board, which met on July 9<sup>th</sup> under the chairmanship of Jérôme François, examined the financial statements at April 30<sup>th</sup>, 2019, which will be submitted for approval at the next shareholders' meeting, at which a dividend of € 0.35 per share will be proposed:

Consolidated accounts in M€ IFRS	2018/2019	%	2017/2018	%	Var.
Turnover	271.7	100%	245.2	100%	+10.8%
Currant operating income	47.6	17.5%	48	19.6%	-0.9%
Operating income	42.1	15.5%	47.3	19.3%	-11.0%
Operating income after adjustment	42.6	15.7%	47.9	19.5%	-11.1%
Net result	31	11.4%	30.5	12.5%	+1.6%
Net result group share	30.8	11.3%	30.2	13.1%	+1.7%

### GROWTH OF BOTH DIVISIONS

#### WINE DIVISION: 164,2 M€ (+ 3,8 % AND + 3,3 % LIKE-ON-LIKE)

- Good levels of activity across businesses
- Strong performance of brands thanks to good harvests
- Acquisition of Darnajou which will contribute more than 7 M€ worth of turnover with margins in line with those of the Group's wine division

#### ALCOHOL DIVISION: 107,5 M€ (+ 23,6 % AND + 21,2 % LIKE-ON-LIKE)

- **Whisky businesses** up to 55 M€, on the upside of a business cycle from the 2nd half, maintaining our position as the global leader of independent coopers.
- **Bourbon businesses:** Turnover of 60 M\$, > 52 M€, up 51 %, above targets, ensuring our position as N°2 globally of independent coopers.

### RESULTS : THE COST OF GROWTH AND DEVELOPPING MARKET SHARE

- With the growth of our Alcohols Division, particularly bourbon, this year's results reflect the cost of developing the bourbon cluster: higher prices for the raw material, investments made in the means of production: acquisitions, depreciation, recruitment and training (almost doubling the workforce over the year).
- Net debt increased by € 56 million to € 97 million, less than 2 times the EBITDA and less than 28% of shareholders' equity.
- The financial result benefits from the positive currency impact: + € 2.8 million vs. - € 3.4 million in N-1.

## CLEAR AND REALISTIC TARGETS: 300 M€ IN TURNOVER BY 2020, 350 M€ BY 2023

**Wine :** continued steady growth and high margins.

**Alcohols : acceleration of our growth,**

- **Scotch Whisky :** in a buoyant market, we have seen a new dynamic of growth after the cycle reversal. Growth supported by an 8<sup>th</sup> production site with a capacity of 1 million used barrels / year in renovation-repair and trading activities,
- **Bourbon : a competitive market of great potential**
  - with 350 000 barrels produced and sold in 2018/19, representing 13 % of market share,
  - a target of more than 400 000 barrels in 2020, with 80 % of wood self-sufficiency,
  - and 800 000 barrels in 2023, with 90 % of self-sufficiency on 7 production sites, including 2 cooperages and 5 stave mills.

**Ambitious targets maintained :**

- **A current operating result > 50 M€** in 2019/20,
- **A current operating results close to 70 M€** in 2023.

### Jérôme François, CEO:

«This has been a pivotal year which has prompted us to change our model, especially in the very buoyant and highly competitive bourbon market, which has quickly become the major growth driver of our Group. The rising cost of raw materials, the recruitment difficulties in the United States' full employment market, the geo-political context - all have led us to make rapid and strategic decisions: the reinforcement of production means and teams, and the development of our self-sufficiency in raw material in order to secure both our supply and margins. Our growth and conquest of market share have had a cost this year that has exceeded our initial forecasts, but it was crucial that we ensure future growth and the consolidation of our position as the No. 2 independent coopers on the Bourbon sector with already, in just 3 years, 13% of market share. It is therefore with great serenity and a very solid financial situation that we look to a new stage of our development which should bring us, on well-oriented and profitable markets, to more than 350 M € worth of business by 2023, and the objective of growth of around 50% by 2023. This pivotal year also marked the anniversary of our 20 years on the stock market. Looking back over that period, what is remarkable is that beyond a systematic distribution of dividends, without exception every year, the valuation of our Group increased 10-fold over the period, compared to a multiple of 4 for our benchmark, the small and mid cap index. And so, confident in our future in the short and medium term, we have decided to suggest to our AGM the distribution of a dividend of € 0.35 per share

## ABOUT TFF GROUP

**As world leader in the wine and whiskey markets, serving the leading luxury wine and spirits sector, TFF Group is present in more than 80 countries and is experiencing strong growth in the bourbon market.**

“As a privileged partner of the largest wine and alcohol companies, we help them make the most of their crops thanks to innovative and environmentally-friendly upscale aging solutions, made in the noblest tradition of French know-how. With our 1,232 employees and 271.7 million euros in sales in 2018-2019, we strive to promote excellence in the world through the promotion of the «Made in France» seal of quality

  
**Jérôme FRANCOIS**  
CEO

**TFF GROUP IN 2018: TURNOVER: 271,7 M€**      **1,232 employees**      **80 countries served**  
ROC: 47.6 M€      which 750 internationally

[www.tff-group.com](http://www.tff-group.com)

EURONEXT PARIS - Compartiment B - FR0013295789 - Bloomberg TFF.FP - Reuters TFF.PA

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