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FINANCIAL  
NEWS

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TFF  
GROUP

# 2019/2020 HALF-YEAR RESULTS

After a hike of 7,6 % in business for the first quarter of 2019-2020, TFF Group is re-adjusting its growth and results forecasts and confirming its targets for 2023

Wednesday, January 8<sup>th</sup> 2020, 17h45

Consolidated accounts in M€ IFRS <sup>(1)</sup>	S1 2019-2020 published	S1 2019-2020 Recalculated 1 <sup>st</sup> application IFRS 16	S1 2018-2019 published	Var. published
Turnover	156.59	156.59	145.56	7.6%
EBITDA <sup>(2)</sup>	34.72	33.73	33.76	2.8%
Current Operating Income	29.89	29.83	30.03	-0.5%
Operating Profit	25.92	25.86	28.91	-10.3%
Operating Profit after MEE	26.90	26.84	29.91	-10.1%
Financial Results	-0.34	-0.29	2.45	
Taxes	-7.48	-7.48	-9.46	
Net Result	19.08	19.07	22.90	-16.7%
Net results. Group share	18.96	18.95	22.70	-16.5%

(1) The half-year consolidated financial statements for the 2019-2020 financial year, which were subject to a limited review by the Statutory Auditors, were approved by the Management Board of TFF Group on January 8<sup>th</sup>, 2020. EBITDA definition: earnings before interest, taxes, depreciation and amortization

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

**TFF Group experienced sustained growth in its activity during the first half of 2019-2020, of + 7.6%. This change is the result of organic growth of + 2.3%, a positive currency effect of + 1.8% and a favorable scope effect of + 3.5%, linked to the consolidation of the DARNAJOU Cooperage in March 2019.**

**The two business lines of the Group contributed to this growth.**

## WINE DIVISION : € 100.4 M IN SALES GROWTH OF + 8.2%

(+ 1.4% organically, recalculated for currency effect, and + 1.2% for the scope effect, + 5.5%, representing six months of DARNAJOU turnover, with the completed integration accretive from this semester).

After a dynamic first quarter largely carried by the American market, activity fell in the second quarter in Europe. This slight decline was the result of the relatively small global harvest of 2019, particularly for the three biggest producers - Italy, Spain and France. The USA and the rest of the world rose in the first half.

## ALCOHOL DIVISION : € 56.2 M IN SALES GROWTH + 6.6%

The Whisky division's activity fell slightly, weighed on by difficulties in recruiting a large enough workforce. However, the Group remains confident in its ability to return to more sustained levels of activity in 2020.

**The bourbon division's five operational sites are continuing to ramp up production aimed at achieving the forecast double-digit growth. The start of production at the second cooperage and the fifth stave-mill is now confirmed for the start of 2020.**

## Half-year profitability indicators impacted by investments in the Bourbon division

The operating profit recorded € - 4.1 million in non-current charges attributable to stave work in the Bourbon sector (vs € - 1.2 million in n-1) - a sector still exposed to competitive pressure from a growing market in which the Group must continue to invest in both human resources and raw materials.

The Financial Result recorded much less significant foreign exchange gains than in 2018, € + 0.3 M vs € + 2.6 M, penalizing the evolution of the net result which stood at € 19.08 M.

### Equity that remains strong

The level of net debt<sup>(3)</sup>, € 144.6 million (€ 138.1 million as recalculated with the first application of IFRS 16) for an equity level of € 357.6 million, reflects the ongoing investments being made in the Bourbon sector, almost € 25 million over the half-year. As a reminder, the Group's working capital requirement reaches its highest point on October 31<sup>st</sup> of each year.

## ADJUSTMENT OF 2019-2020 OBJECTIVES CONFIRMATION OF 2023 OBJECTIVES

« At the end of this first semester, we are reviewing our objectives for the year, after taking into account:

- A poor harvest in Europe on the Wine market,
- A difficult forecast second semester on this same market in the southern hemisphere: with, notably, the terrible fires in Australia,

- A devastating fire at the AROBOIS site which will impact the wood products activity in the second half,
- A persistent shortage of labor coupled with an exceptionally high inventory level in the Whisky division,
- The delay to the start of production at the eighth Scottish production site, now planned for January 2020

As a result, the Group is adjusting its objectives for the year and now expects a turnover of around € 285 million for a current operating income above € 47 million. TFF Group remains confident for the future and can confirm its ambitious objectives for 2023, remaining well positioned in:

- The Wine market, with the division benefiting from the full-year consolidation of Darnajou,
- The Whisky market, with its eighth active production site,
- The Bourbon market which continues to show its good health and continued growth.

It is therefore with confidence that we are adjusting our activity growth target of around 5% for the current year and that we can confirm the ambitious objective of turnover of € 350 million for 2023. Operational results, meanwhile, will remain high and gradually strengthen, benefiting from the significant non-recurring investments made over the past three years. »

**Jérôme FRANCOIS**  
CEO

## FINANCIAL COMMUNICATION: FUTURE DATES


March 11<sup>th</sup>, 2020 : Press release 9 months turnover 2019/2020

(3) net debt: borrowings + current bank loans + various borrowings and financial debts - cash

# ABOUT TFF GROUP

**As the global leader in the wine and whisky market, 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 biggest names in wine and spirits, we help them to make the most of their crops thanks to our innovative and environmentally-friendly top-end aging containers that are made in the noblest tradition of French know-how. With our 1,232 employees and 271,7 million in sales in 2018-2019, we strive to promote world-class expertise and the «Made in France» stamp of quality.»

  
**Jérôme FRANCOIS**  
CEO

**TFF GROUP IN 2019: 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)

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