

Time is on our side

TFF
GROUP

**FAMILY VALUES FORUM
GILBERT DUPONT**

TFF GROUP

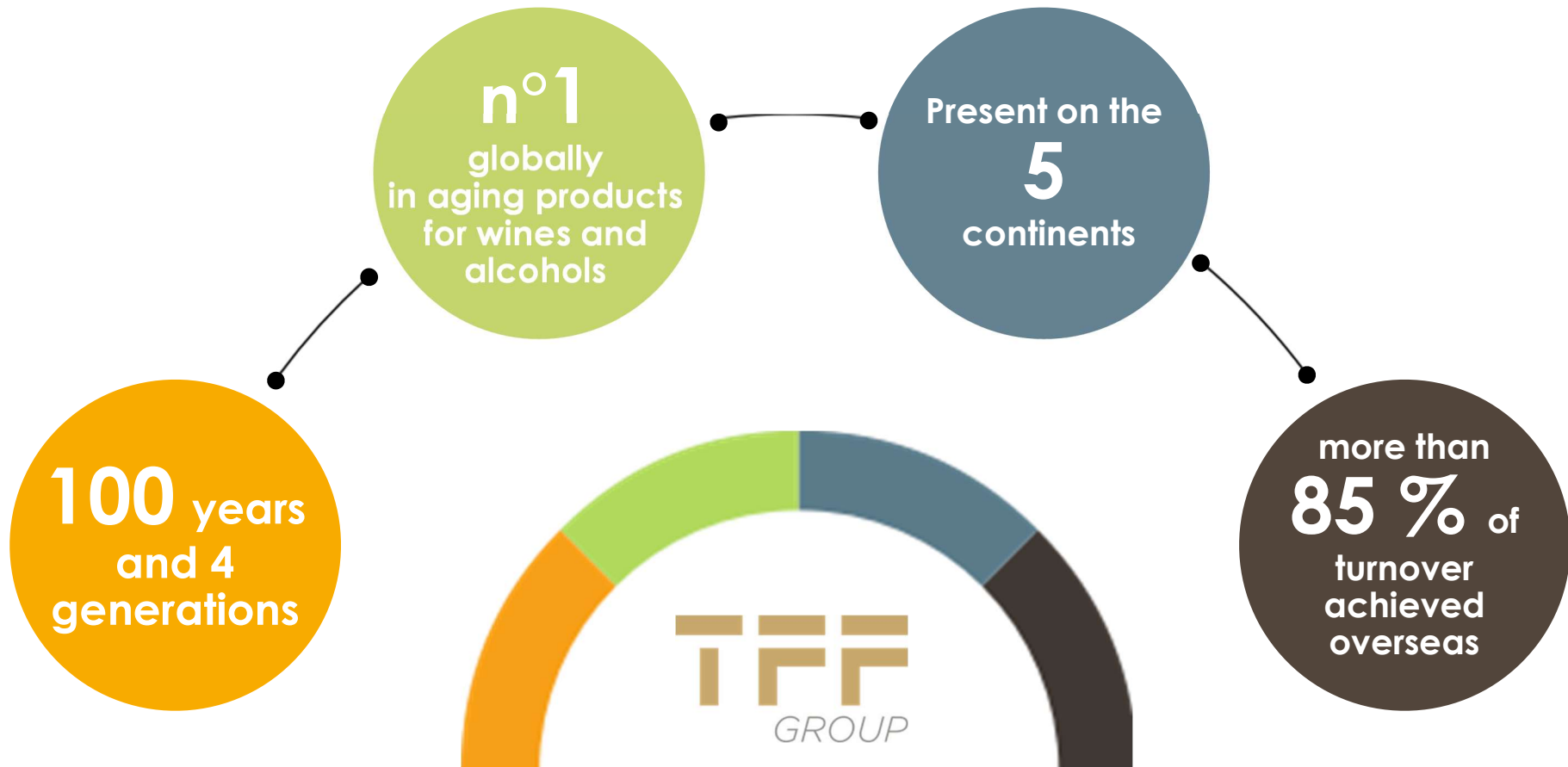
Reactivity & Resilience

November 5th, 2020

Jérôme François
CEO

A CENTURY OF EXPERIENCE IN HIGH-END COOPERING

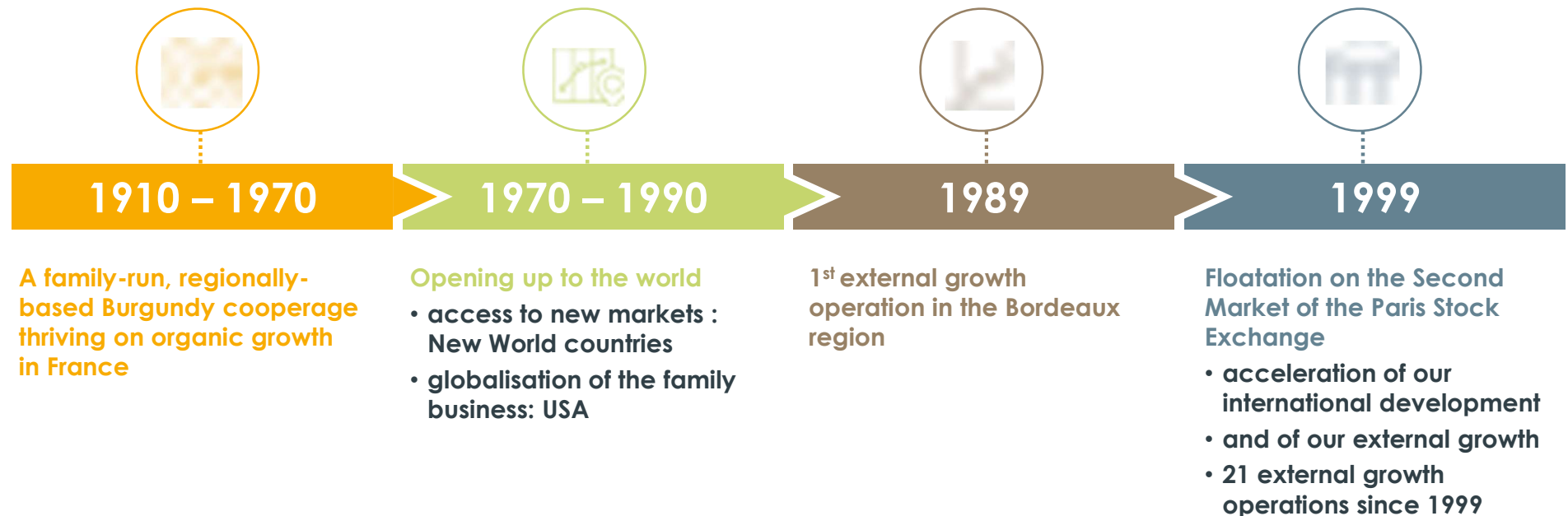
2020



THE CREATION OF A GLOBAL LEADER

2020

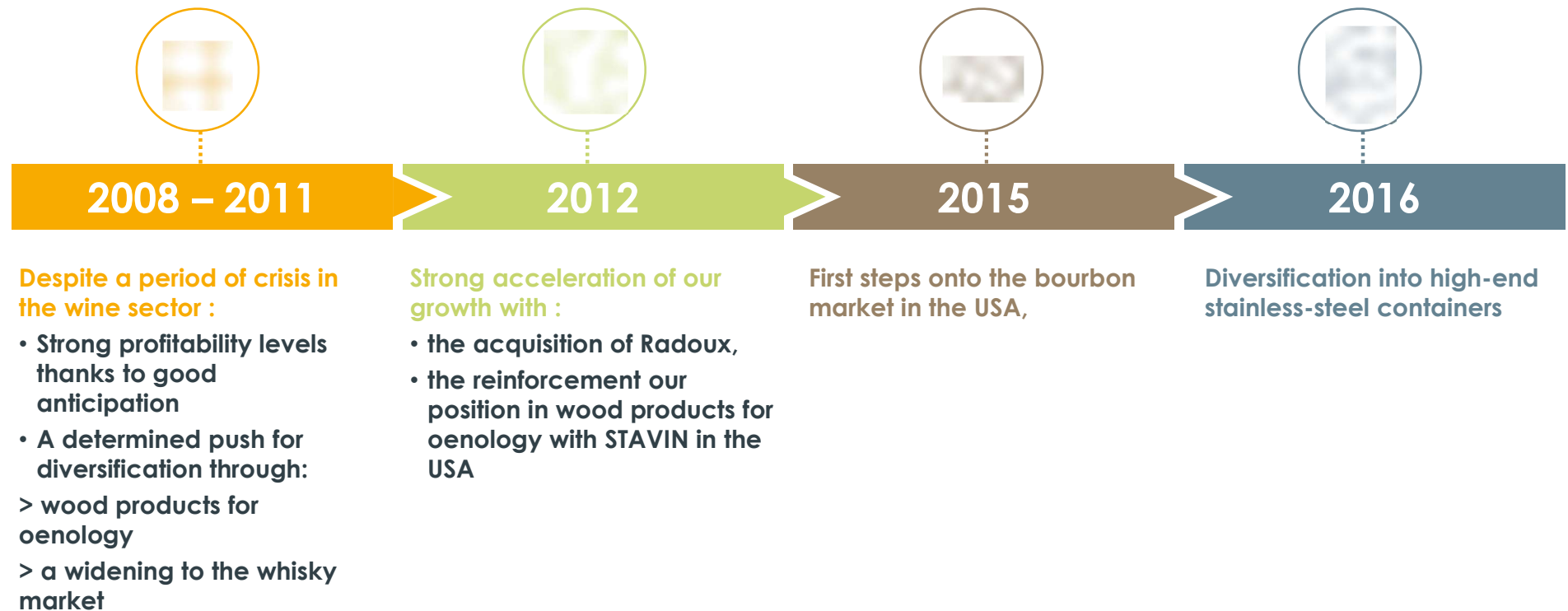
The big steps....



GLOBAL LEADER IN WOOD-AGING FOR WINES AND ALCOHOLS

2020

The big steps



A DIVERSIFIED AND WELL-BALANCED GROUP

2020



Vertical integration up and down-stream

- stave-mills for the securing of supplies
- distribution for the securing of sales
- large vats for a complete range of products



Diversification of our trades

- stave-mills
- wine and large vat cooperages
- high-end stainless-steel
- wood products for oenology
- whisky cooperages
- bourbon cooperages
- lumbering



Diversification of our markets

- Wine : 60 %
- Alcohols : 40 %

AN UNCONTESTED GLOBAL LEADER

2020

± 25 %

of market share in wine
and large vat
cooperages

± 80 %

of market share in
independent Scottish
whisky cooperages

± 15 %

of market share in
bourbon cooperages

A major player

on the wood for oenology
market

39

production sites:
including 17 in France
and 22 abroad

26

dedicated brands
including 21 serving the
wine markets and 5 the
alcohol markets

1 300

employees working in 10
countries

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TFF GROUP 2019/2020

GROWTH AND RESILIENCE DESPITE THE COVID-19 PANDEMIC

2019/2020

Turnover
279,7 M€
+ 3 %

Current Operating
Profit
43,7 M€

Net Results
26,9 M€

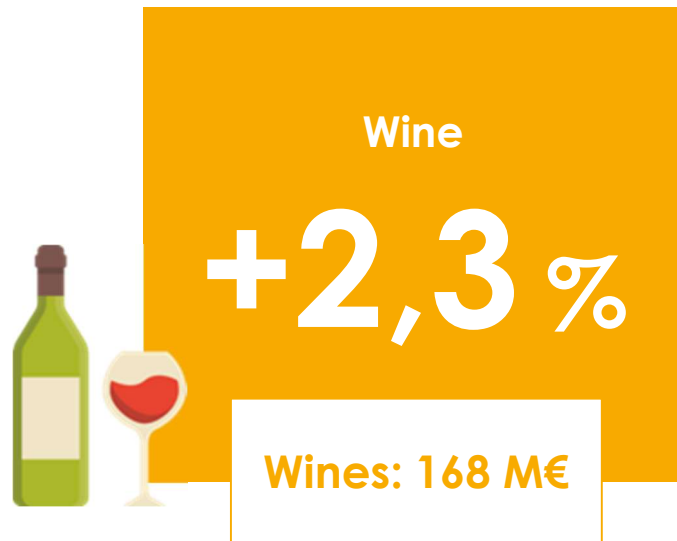
~10 % of
turnover

Debt
160,9 M€
Hors IFRS 16

Gearing : 44 %

GROWTH AND RESILIENCE DESPITE THE COVID-19 PANDEMIC

2019/2020



Strong performance on a difficult market thanks partly to the acquisition of the Darnajou cooperage.



Continued double-digit growth on the Bourbon market for the 4th year in a row (+ 16,6 %).
A solid activity level on the other whisky markets

GROWTH AND RESILIENCE DESPITE THE COVID-19 PANDEMIC

2019/2020

THE WINE MARKET : REINFORCEMENT OF OUR POSITION AS GLOBAL LEADER



Wine

168 M€

+ 2,3 %

A strategic acquisition:
the Darnajou cooperage
consolidated over 12
months

A quality 2019 vintage
but with volumes down
by 11 % at the global
level.

Acquisition of the Bernard
Gauthier stove-mill and
the Gauthier Frères
cooperage

GROWTH AND RESILIENCE DESPITE THE COVID-19 PANDEMIC

2019/2020

THE SCOTCH WHISKY MARKET: GLOBAL LEADER AMONGST INDEPENDENT COOPERS



Whisky
50 M€
- 8,2 %

A year that was impacted
by Brexit, US taxes and
the pandemic

A market on which we
continue to reinforce our
position as global leader
among independent
coopers

8

5 production sites
in Scotland and 3 in the USA

Between 800 000 and 1
000 000 barrels
processed in a year

GROWTH AND RESILIENCE DESPITE THE COVID-19 PANDEMIC

2019/2020

THE BOURBON MARKET: N°2 AMONG INDEPENDENT COOPERS IN JUST 3 YEARS

Bourbon
61 M€
in turnover

Ebitda of 10 %
at end of April

Acquisition and
integration of supplies
from our 4th and 5th
stave-mills in Kentucky
and Virginia

Growth of
+16,6 %
of turnover

7
production sites
2 cooperages,
5 stave-mills



Speyside Stave Mills Glade Springs – April 2020

Time is on our side

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TFF GROUP 2020/2021

AN EXCEPTIONALLY DIFFICULT MARKET CONTEXT

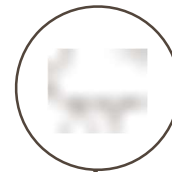
2020/2021



The impact of Brexit



American taxes



Weather conditions



Social unrest

COVID-19 A GLOBAL ECONOMIC CRISIS

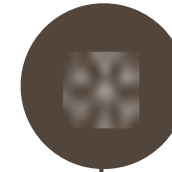
2020/2021



Global consumption
down in the short term



Drop and
postponement in
customer orders



Freeze of non-strategic
investments by our
clients

REACTIVITY TO THE COVID-19 CRISIS WITH THREE PRIORITIES

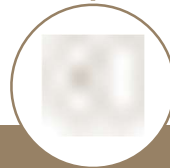
2020/2021

1



**Restarting of activity at
our production site in the
safest conditions**
Proximity with our
clients

2



**Rigorous management of
our treasury and
maintenance of our solid
financial structure**

3



**Strengthening of our
resilience to allow us to
face contracted volumes
and delays orders**

RESILIENCE ADDITIONAL MEASURES TO FACE THE CRISIS

2020/2021

- Freeze on short-term hires
- Non replacement of retiring staff
- Investments reduced to a minimum, maintenance of necessary or obligatory investments

REACTIVITY IMPACT LIMITED OF COVID-19 IN Q1 2020/2021

2020/2021

Solid resistance of our activity

Turnover

66,8 M€

- 9,6 %

Wine

42 M€

- 8,9 %

Alcohols

24,7 M€

- 11 %



IN A FUTURE POST-COVID19 ENVIRONMENT : DYNAMIC MARKETS

2020/2021

Good perspectives on the wine and alcohol markets

- The wine market : volumes expected to grow by 2,15 % between 2017 and 2022 under the impulse of a tendency to « drink less but better » and consumption expected to grow faster in value than in volume all over the world (Source : Vinexpo/IWSR 2019)
- The scotch whisky market : growth of 2 % per year expected until 2023
- The bourbon market: growth of 4 % per year expected until 2023

Premiumisation of wines and spirits

- Consumers will always be in search of quality when it comes to alcohols, which are seen as an exceptional pleasure. Indeed in 2021, forecasts show that global consumption will be pulled by the Ultra and Super Premium markets (USP).
- Between 2018 and 2021, the average annual growth rate in volume for alcohols was estimated at + 4,4 % for the USP market as compared to + 0,5 % for the local market(Source : IWSR)

TFF GROUP IS READY AND PREPARED TO SEIZE MARKET GROWTH

2020/2021

- **A leading position on our three markets**
 - Wine : the global leader on this marke
 - Scotch whisky : the global leader amongst independent coopers
 - Bourbon: n° 2 amongst independent coopers in 3 years
- **Nearly all of the investments in our production facilities are now made**
- **Our ambitious road-map to capture the growth of the bourbon market is now on track and fully deployed**

TFF GROUP IS READY AND PREPARED TO SEIZE MARKET GROWTH

2020/2021

OUR ROAD MAP FOR THE BOURBON MARKET ON TRACK

145

million dollars already
invested at end of April
2020

7

production sites
including 5 stave-
mills and
2 cooperages

410 000

barrels produced in
2019/2020 vs 400 000
forecast

A production capacity
raised to

800 000

barrels

TFF GROUP IS READY AND PREPARED TO SEIZE ANY EXTERNAL GROWTH OPPORTUNITIES

2020/2021

- **Strong financing capacity**

- 100 M€ in financing reserves at 31/10/2020
- 250 M€ in stocks at 30/04/2020
- 80 M€ in available treasury at 30/04/2020

- **Capacity and experience with regard to external growth**

- **A demanding and controlled financial model in terms of external growth**

- Maintenance of healthy debt levels with net equity of 365M€ at 30/4/2020
- Optimisation of «Cash flow» generation

OUR STRENGTHS IN A FUTURE POST-COVID ENVIRONMENT

2020/2021



OUR STRENGTHS

- Growth investments will be in place
- Strong financing capacity
- A strategy adapted to post-Covid expectations