

Time is on our side



CIC MARKET SOLUTIONS

20 Nov 2024

Jérôme François

CEO

A century of experience in high-end coopering



n°1
globally in wood
products for the
aging of wines
and alcohols

A presence on
all **5**
continents

100 years
over four
generations

More than
85 % of
turnover
achieved
abroad

The creation of a global leader



The big steps....

1910 – 1970

The company is a regionally-based, family cooperative thriving through organic growth in France

1970 – 1990

The company turns international, through:

- Access to new world markets
- Expansion to the USA

1989

The company makes its 1st acquisition in the Bordeaux region

1999

Floatation of the company on the second market of the Paris stock exchange

- An acceleration of international growth
- And external growth
- With 21 external growth operations since 1999

The global leader for all the trades related to wood for the aging of wines and alcohols



The big steps....

2008 – 2011

Years of crisis in wine markets and yet:

- Our strong profitability was maintained thanks to good anticipation
- Our determined diversification strategy was continued :
 - > In wood for œnology
 - > With a move towards whisky

2012

The strong acceleration of our growth through:

- The acquisition of Radoux,
- The reinforcement of our position in the wood products for œnology sector through STAVIN in the USA

2015

The group moved onto the bourbon market in the USA

2016

The new diversification of the Group towards high-end stainless-steel containers

A balanced and diversified group



The successful vertical integration strategy

- Stave-mills to help secure supplies
- Distribution to help secure sales
- Large containers for a complete offer of products to our clients

The successful diversification of our trades

- Stave-mills
- Wine and large vat cooperages
- High-end stainless-steel
- Wood products for oenology
- Whisky cooperages
- Bourbon cooperages

The successful diversification of our markets

- Wines: 43 %
- Alcohols : 57 %

The uncontested global leader



± 25 %

Of market share in wine
coopering and large vats

± 80 %

Of market share in
independent whisky
coopering in Scotland

18 %

of market share in
bourbon coopering

A major player

on the wood for oenology
market

48

Production sites: of which
22 in France
and 26 abroad

29

Brands dedicated to 24
trades in wine and 5 in
alcohols

1802

Staff in ten countries

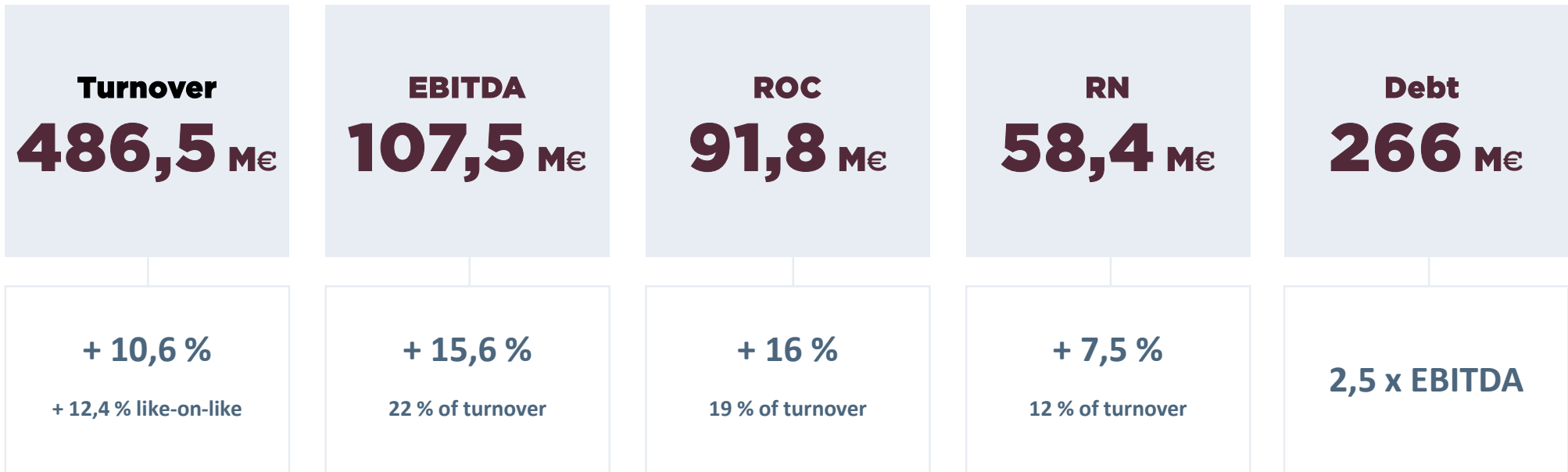
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TFF
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The headlines of 2023/2024

2023/2024 :

Remarkable operational and financial performances



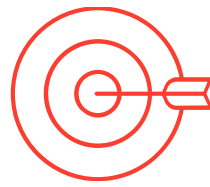
Alcoholic beverages: a slow down before an expected return to growth in 2025



In volume

- 1%

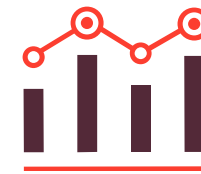
in 2023



In value

+ 2%

in 2023



Growth

+ 0,4%

in 2024

A stronger return to growth is expected in 2025

The alcohol division : strong growth vs a virtually stable wine division



Alcohols

+ 21,4 %

+ 24,8 % like-on-like



Wines

- 1 %

- 1 % like-on-like

An alcohol division that has grown larger than the Group's traditional wine division



Alcohols

277,1 M€

57 % of turnover




Wines

209,5 M€

43 % of turnover

Bourbon : A market that remains extremely dynamic




+ 2 015 %
of growth between
2003 and 2022


14,3 Bln \$
For the bourbon market by
2032 with an
annual growth rate of 6,2
%


+ 11,44 %
of annual growth
expected in export sales
over the next 5 years

The bourbon division: an exceptional performance, with record sales and profitability reinforced



Continued investments
in late April 2024

187 M\$

in Capex

152 M\$

in BFR

Corsica

McDermott (15 M\$)

Continued investments in production capacity in the cooperages (750 000 to 1,1 million barrels)

Since 2016, the Group has committed 339 M\$ in order to open 9 stave-mills and 2 cooperages in 5 US states so far

The bourbon division : an exceptional performance, with record sales and profitability reinforced



Bourbon

198,7 M€

Turnover

+ 23 %

+ 27,7 % like-on-like

The stave-milling business: Continued growth in production

Acquisition of McDermott in Ohio

Start of production in Corsica, Pennsylvania

Over the course of the year :

Production of **840 000 sets** against 670 000 in N-1
(+ 25 %)

Purchase of **170 000 sets** from outside suppliers

Stave stocks of 520 000 sets at the end of April 2024, or 8 to 9
months of production

The bourbon division: an exceptional performance, with record sales and reinforced profitability



**Profitability objectives were
more than reached**

20 %
EBITDA

17 %
EBIT

Cooperage business:

Continued growth both in volume and prices

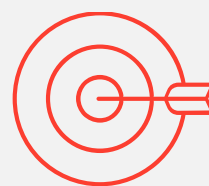
Production : 692 000 barrels and 97 000 sets
made and sold over the year against 660 000 in N-1 and +/- 10
000 sets, or + 5 % barrels produced compared to 2023

Sales price: + 10 % at a price of 268 \$/barrel

Scotch whisky: still a growing market



-19 %
in volume
in 2023



-9,5 %
in value
in 2023



+19 %
of sales in value
and + 3 % in volume
vs 2019

The scotch division: business levels at a historic high



Scotch

78 M€
turnover

+ 17,5 %

+ 17,7 % like-on-like

The trade business (80 %) :

Strong business levels despite a shortage of used barrels that was compensated for by a price hike of + 30 % compared to 2023

The repair/renovation business :

Business levels up + 22 %

The scotch division : business levels at a historic high



900 000
used barrels resold

Continued investments

Camlachie cooperage: acquisition of a new workshop (5,5 M€)

Isla cooperage: acquisition of a field for the transfer of a production site in 2025/2026 (3,5 M€)

A ongoing commitment to training :
+ 25 % of our staff in training

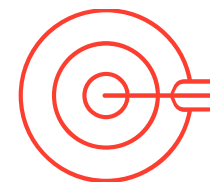
Wine : a market adapting to new realities



Global production in 2023

237 Mhl

(- 10 %)



Global consumption in
2023

221 Mhl

(- 2,6 %)

The wine division: a virtually stable business



Wine
209,5 M€
Turnover
-1%
- 1 % like-on-like

Sales of new barrels down by 2% of turnover (vs + 30 % in 2023)

Volumes down : - 12 %

Prices up: by around 10 %

Consolidation of Biossent since September :

Wood sector up 2,8 M€

Wood products: slightly down by 1,1 % like-on-like but up by 11,3 % post-acquisition

Stainless-steel vats : a strong year marked by growth of 4 %

Large containers : down by 6 % but on high business levels of 4,3 M€

Forestry : down by 20 %

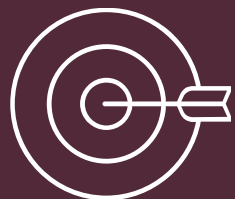
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FORECASTS 2024/2025

Forecasts 2024/2025

A transitional period



2024/2025
Turnover
<
500 M€

The bourbon market

Barrel production decrease and fewer wood sales are expected.

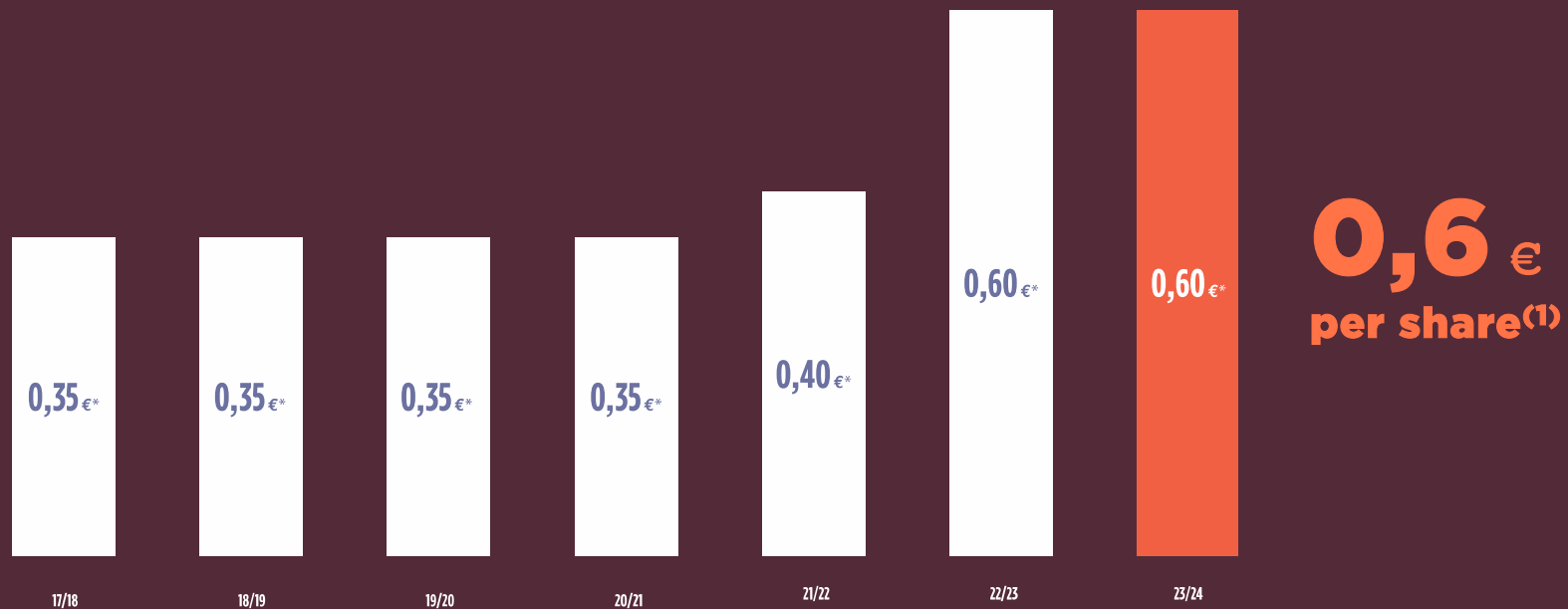
The Whisky market

Turnover expected slightly down.
The stabilisation of the price of used barrels.

The wine market

A turnover that should decrease.
A fall in volumes not compensated for by a revision of prices.
The consolidation of Petitrenaud

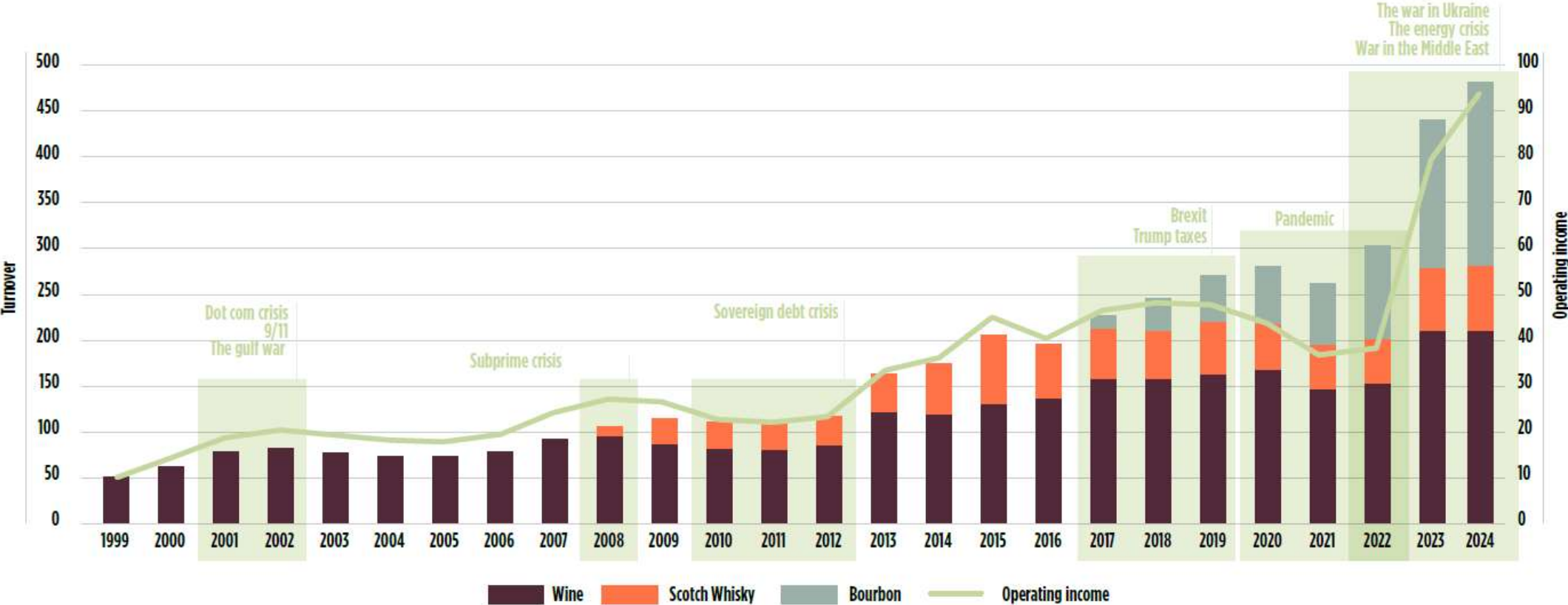
The dividend maintained



* on the basis of the new number of shares (x 4 at décembre 1st 2017)

(1) Proposal for the distribution of the dividend as submitted to the AGM of October 5th, 2024

Progress of turnover and operating income since 1999



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Activity 1st quarter 2024/2025

A SLIGHTLY DECLINING QUARTER THAT SIGNALS A TRANSITIONAL PERIOD

September 11th, 2024, 5:45 p.m.

Consolidated revenue in € million IFRS as of 31-07-2024	2024/2025	2023/2024	Gross Variation	Constant data Variation
1 st Quarter	121.5	125.6	-3.3%	-5.5%

TFF Group's consolidated revenue amounted to €121.5 million, down -3.3% and -5.5% like-on-like. The quarter was impacted by a deeply unfavourable base effect given the record post-COVID performance of the previous fiscal year, which was followed by a return to normal levels in the alcoholic beverage market amidst an uncertain economic context and adverse weather conditions.

WINE DIVISION: €57.8 MILLION,
-4.6% and -8.1% like-on-like
(scope effect +3.2%, currency effect +0.3%)

The global wine production for 2024 is expected to be hampered in many European production regions by weather conditions that are conducive to the development of diseases in vineyards.

The fiscal year begins with a general decline in barrel volumes, while the activities related to wood oenologic products and stainless-steel tanks remain well-oriented.

ALCOHOLS: €63.7 MILLION,
-2% and -3.2% like-on-like

The bourbon division has entered a temporary consolidation phase with American distilleries revising or delaying their supply programs due to an unstable economic environment. The activity was down -5.1%, with the Group's cooperages temporarily reducing their production pace to adapt to this context. Following a phase of adjustment to client inventories, TFF Group's ambition to return to growth in 2025/2026 remains intact.

The scotch whisky division's activity shows slight growth in a market that nonetheless reveals some signs of a temporary slowdown.

A CAUTIOUS OUTLOOK FOR 2024/2025 CONSIDERING THE CONTEXT

Following the excellent performance of the last fiscal year, 2024/2025 begins with forecasts of low wine harvests in Europe, within a context of economic and geopolitical uncertainties affecting the short-term investment decisions of the Group's clients. TFF Group is therefore preparing for a transitional financial year, marked by the need to manage its production capacities and costs so that our profitability be preserved without compromising our ability to rebound in the 2025/26 fiscal year.

"The expected revenue level for this fiscal year could fall below €500 million, which is lower than the initial targets for the year. Profitability levels might decline in this temporarily unfavourable environment, with markets currently seeking a new equilibrium."

Jérôme François
Chairman of the Management Board