Time is on our side

CIC
MARKET SOLUTIONS
20th 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	1970 – 1990	1989	1999
The company is a regionally-based, family cooperage thriving through organic growth in France	The company turns international, through: • Access to new world markets • Expansion to the USA	The company makes its 1st acquisition in the Bordeaux region	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 aniticpation
- Our determined diversification strategy was continued :

> In wood for œnology

> With a move towards whisky

2012

The strong accelation of our growth through:

- The acquisition of Radoux,
- The reinforcement of our postion in the wood products for oenology 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

The headlines of 2023/2024

2023/2024 : Remarkable operational and financial performances

Turnover	EBITDA	ROC	RN	Debt
486,5 M€	107,5 M€	91,8 M€	58,4 M€	266 M€
+ 10,6 %	+ 15,6 %	+ 16 %	+ 7,5 %	2,5 x EBITDA
+ 12,4 % like-on-like	22 % of turnover	19 % of turnover	12 % of turnover	

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

Source : IWSR june 2024

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

Source : Distilled Spirits Council

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 gorwth 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 obejctives 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

Source : Scotch Whisky Association

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

Conntinued investments

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

Isla cooperage: accquisition 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 %)

Source : OIV, 2024

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-stell 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 %

Time is on our side

TFF GROUP

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.

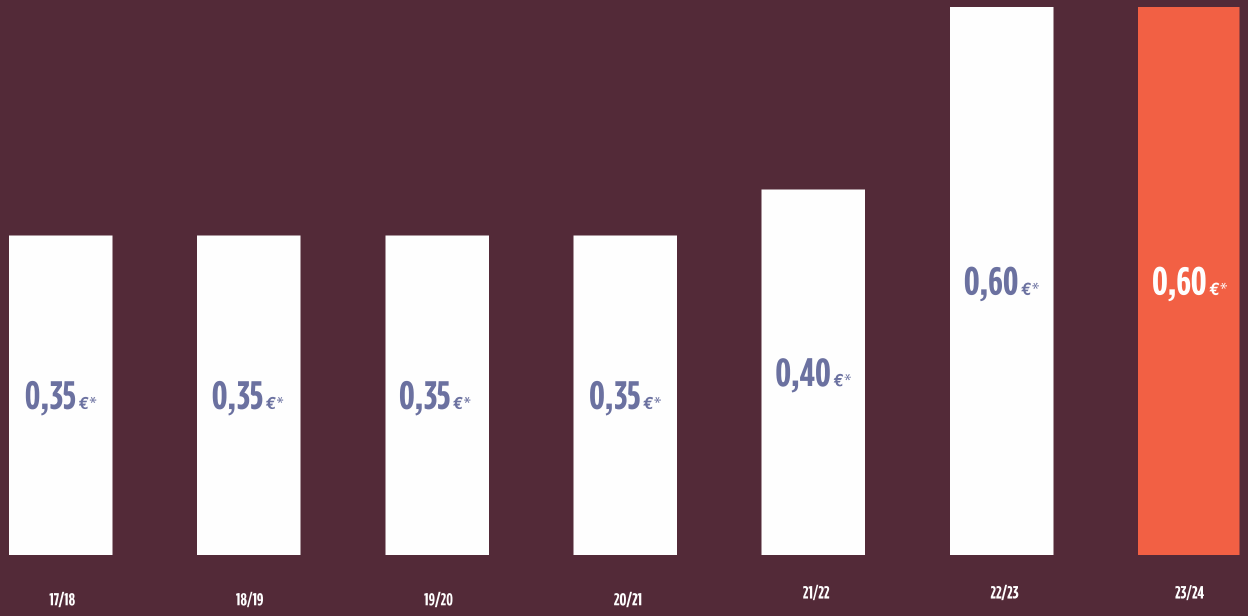
The Whisky market

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 compensed for by a revision of prices.
The consolidation of Petitrenaud

The dividend maintained



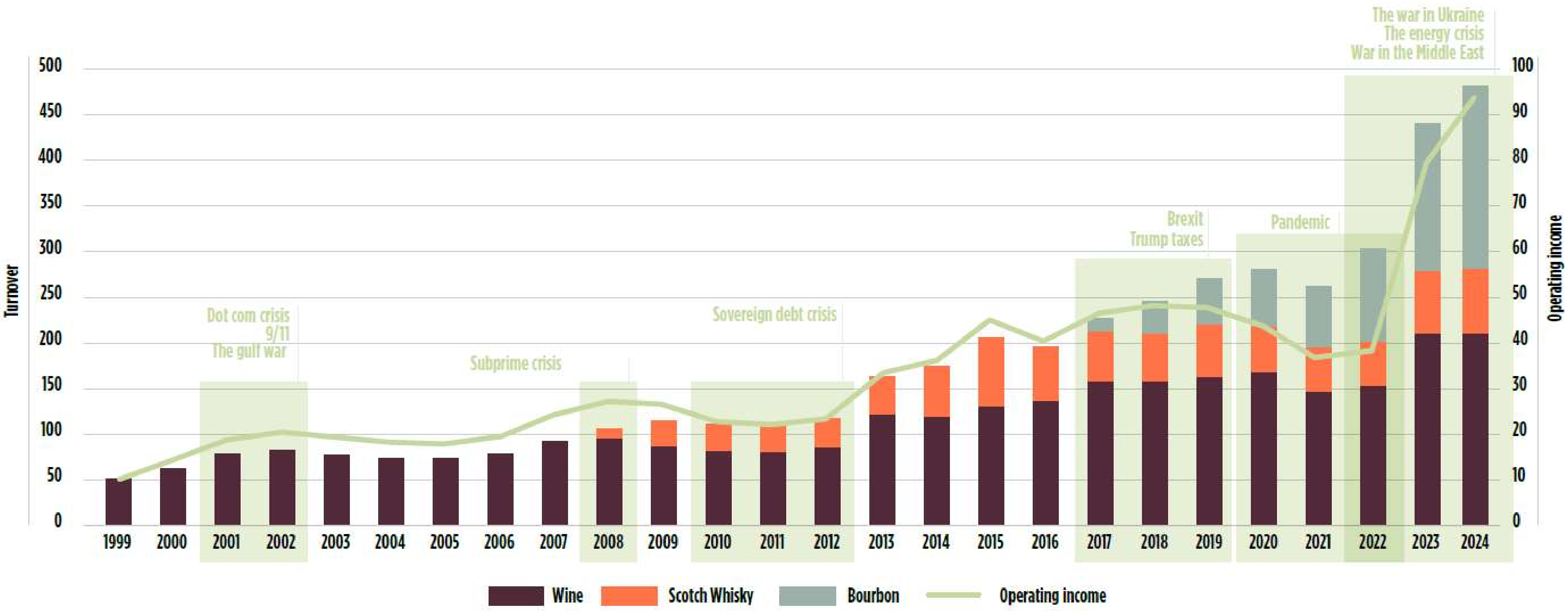
0,6 €

per share(1)

* on the basis of the new number of shares (x 4 at décember 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



Time is on our side

TFF GROUP

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
1st 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