



# *2019 Annual results*

HighCo

01

# Key mes sages

## 01. Key messages

- 02. Mission and strategy
- 03. Financial performance
- 04. COVID-19 context
- 05. Conclusion

# 01. Key messages

## 2019: Another year of business growth and increase in earnings



**Continued strong growth in digital businesses (up 7.8% LFL), which accounted for 56.2% of gross profit in 2019 (52.9% on a reported basis in 2018)**

- (1) Like for like: Based on a comparable scope (i.e. mainly including the subsidiary Useradgents as of 1 Jan. 2018) and at constant exchange rates. (3) Net cash position: Cash and cash equivalents less gross current and non-current financial debt, excluding operating working capital (€59.29 M at 31 Dec. 2019).
- (2) Adjusted headline profit before interest & tax: Recurring operating income before restructuring costs and excluding the cost of performance share plans. Adjusted operating margin: Adjusted headline PBIT/Gross profit.

02

# Mission & Strategy

01. Key messages

**02. Mission and strategy**

03. Financial performance

04. COVID-19 context

05. Conclusion

## ***02. Mission and offer***

### ***Our mission***

As an expert in data marketing and communication,  
HighCo continuously innovates  
to work with brands and retailers  
in facing the retail challenges of tomorrow.

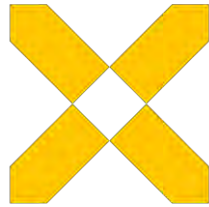
## 02. Mission and offer

### Our offer

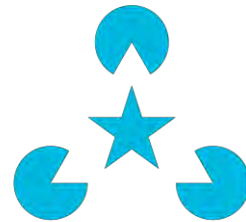
4 complementary areas of expertise cover the entire customer engagement chain from initial contact to the transaction



**Émotion**



**Relation**



**Personnalisation**

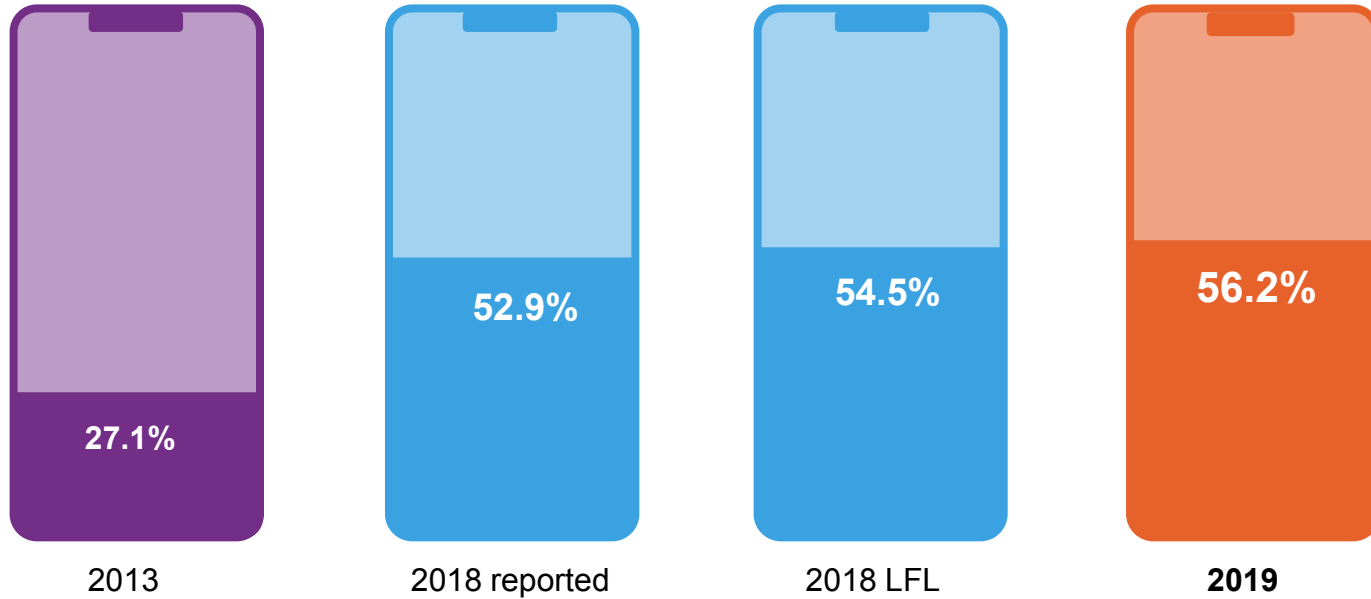


**Transaction**

# 02. Overview of our strategic focuses

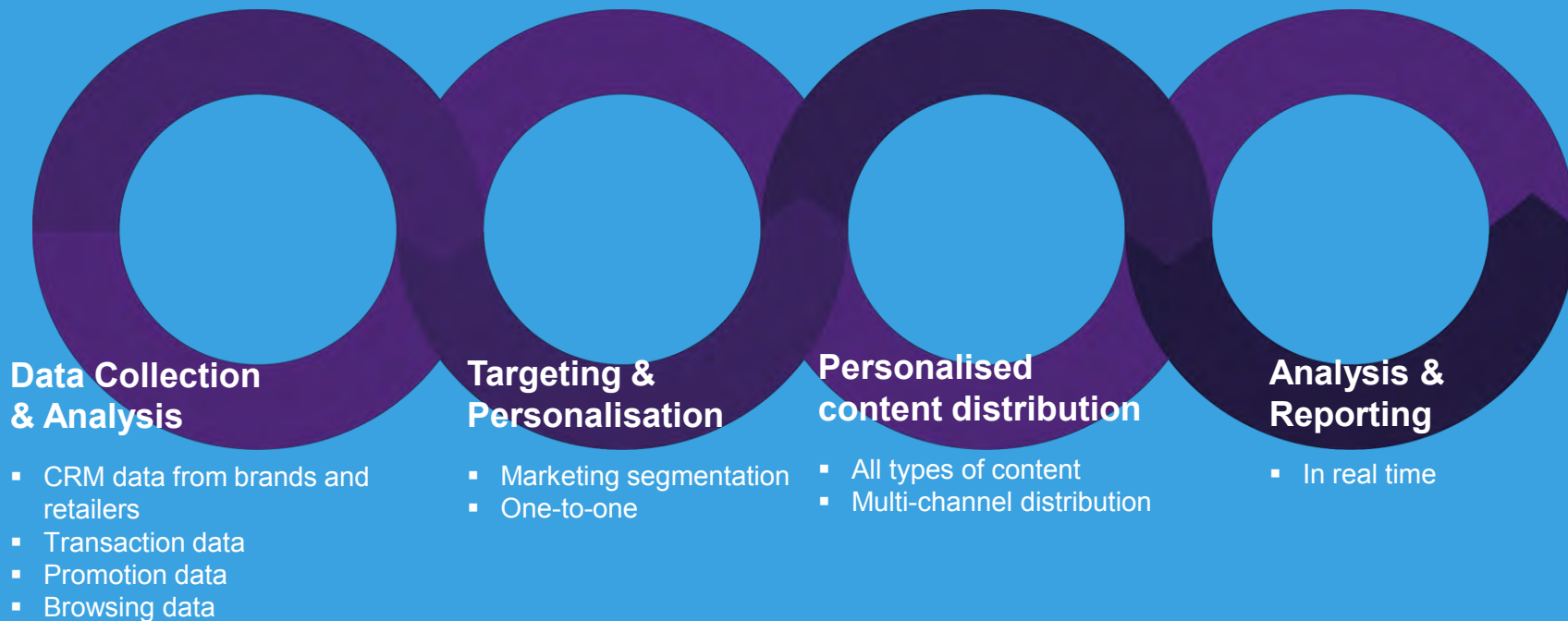
## Strategic focus #1: Continue digitising our businesses

Digital business as a percentage of Group gross profit



# 02. Overview of our strategic focuses

## Strategic focus #2: Develop our understanding of data





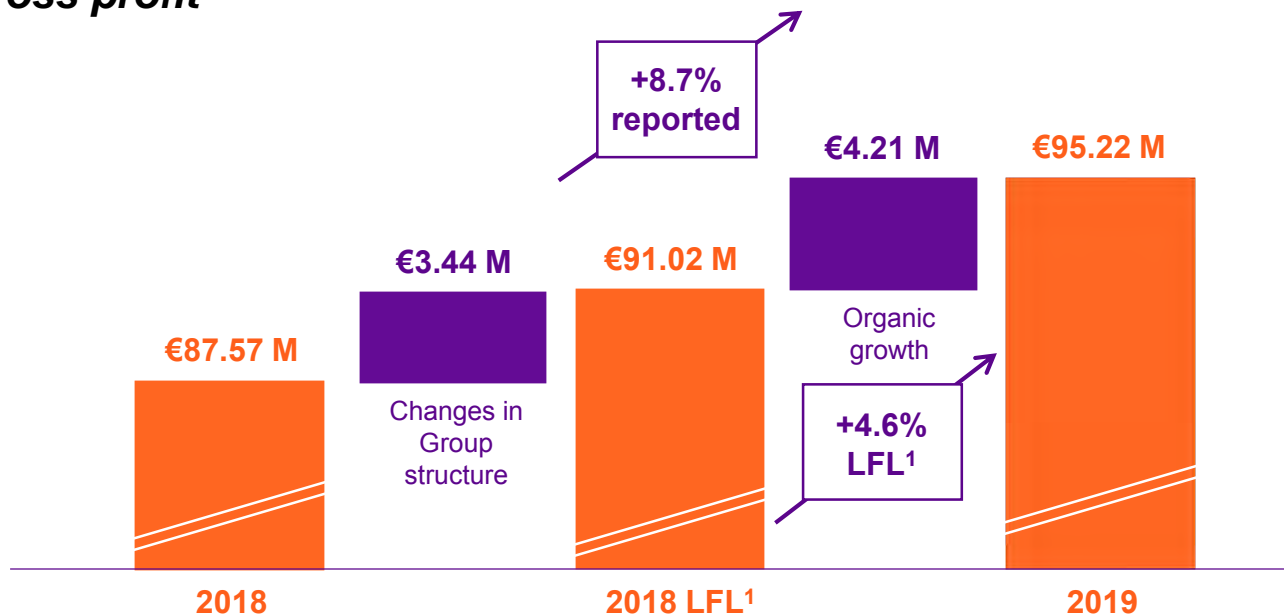
03

# Financial Performance

- 01. Key messages
- 02. Mission and strategy
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# 03. Financial performance

## 2019 Gross profit

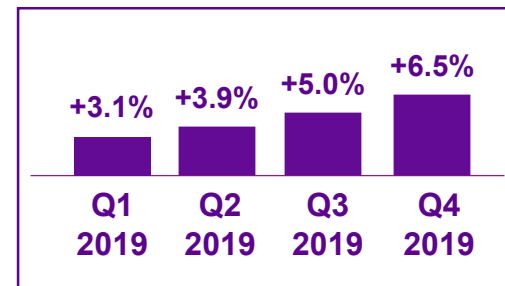
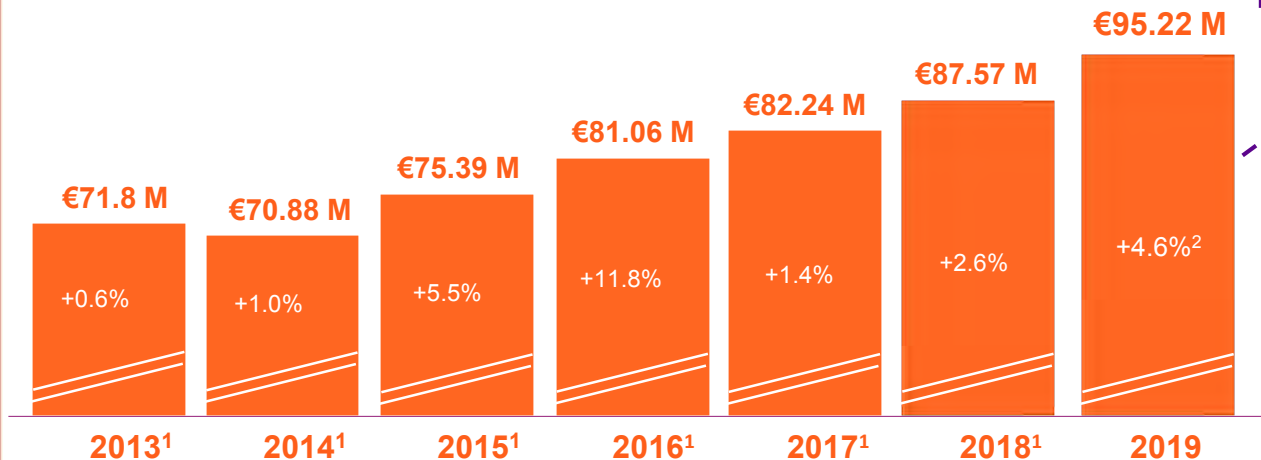


2019 gross profit amounted to €95.22 M, up 8.7% on a reported basis and 4.6% like for like<sup>1</sup>.

(1) LFL: See definition on page 3.

# 03. Financial performance

## 2019 Gross profit



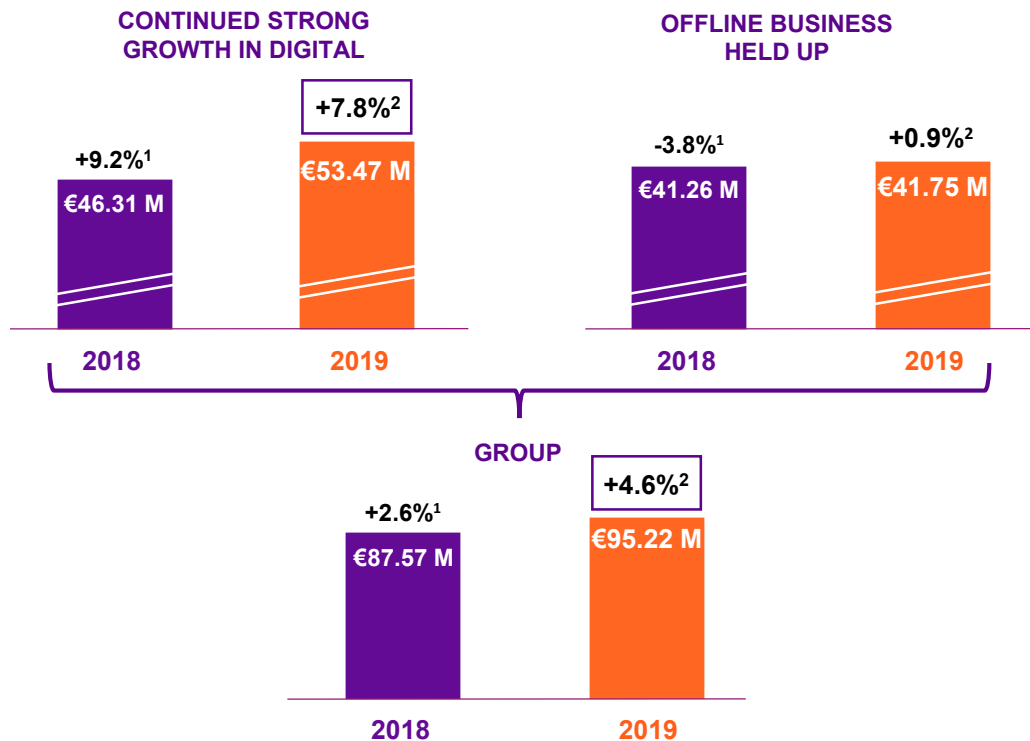
Seventh consecutive year of growth: Up 4.6% LFL<sup>2</sup>, with sequential quarterly growth.

(1) Historical LFL data.

(2) LFL: See definition on page 3.

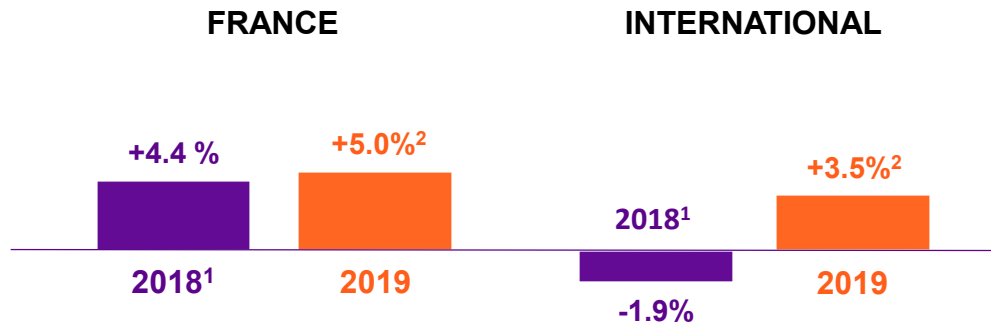
# 03. Financial performance

Business growth continues to be driven by digital



# 03. Financial performance

## Gross profit by geographical area



> **Strong growth in France** (up 5% to €71.52 M; 75.1% of the Group's gross profit).

> **Improvement in international business** (up 3.5% to €23.71 M):

- Growth in Benelux (up 3.7% to €22.61 M; 23.7% of the Group's gross profit);

- Stable activity in Spain and Italy (down 0.3% to €1.1 M; 1.2% of the Group's gross profit).

(1) Historical LFL data.

(2) LFL: See definition on page 3.

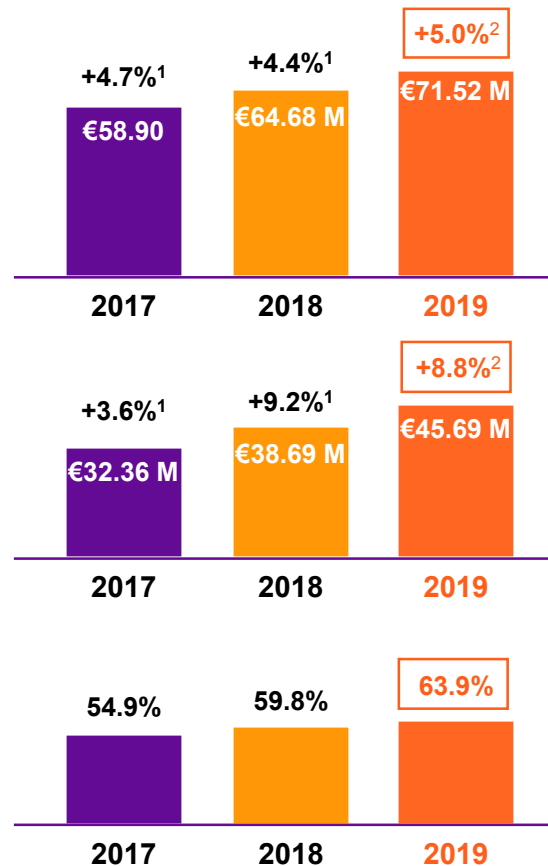
# 03. Financial performance

## France: Strong growth

> Good growth trend continues

> Strong growth in digital maintained

> Increase in the share of Digital: More than 60% (integration of the all-digital agency Useradgents in July 2018)



(1) Historical LFL data.

(2) LFL: See definition on page 3.

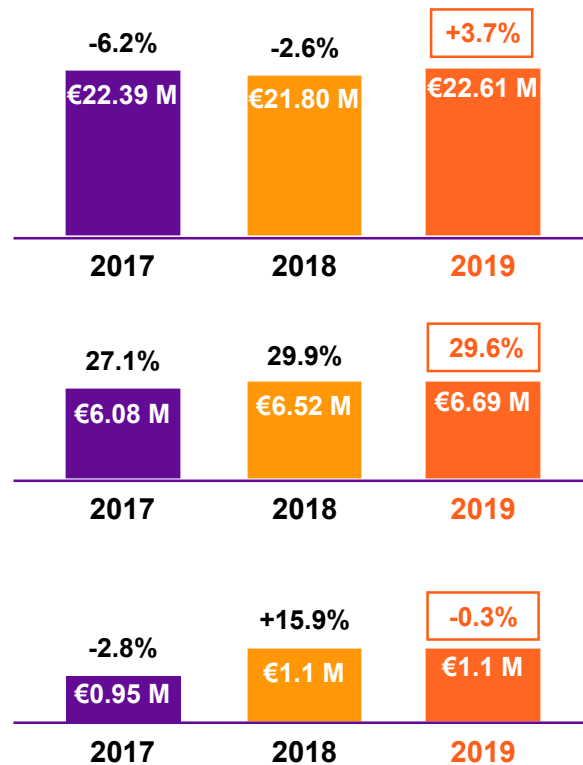
# 03. Financial performance

## International: Improved performance

> Benelux: Business recovery in 2019 (up 3.7%) thanks to a strong H2

> Benelux: 2.6% growth in Digital to reach nearly 30% of total business in 2019

> Stable performance in Southern Europe over the year



# 03. Financial performance

## Business cases

### DIGITISING GENEROSITY ON MOBILE FORMATS

#### Objective

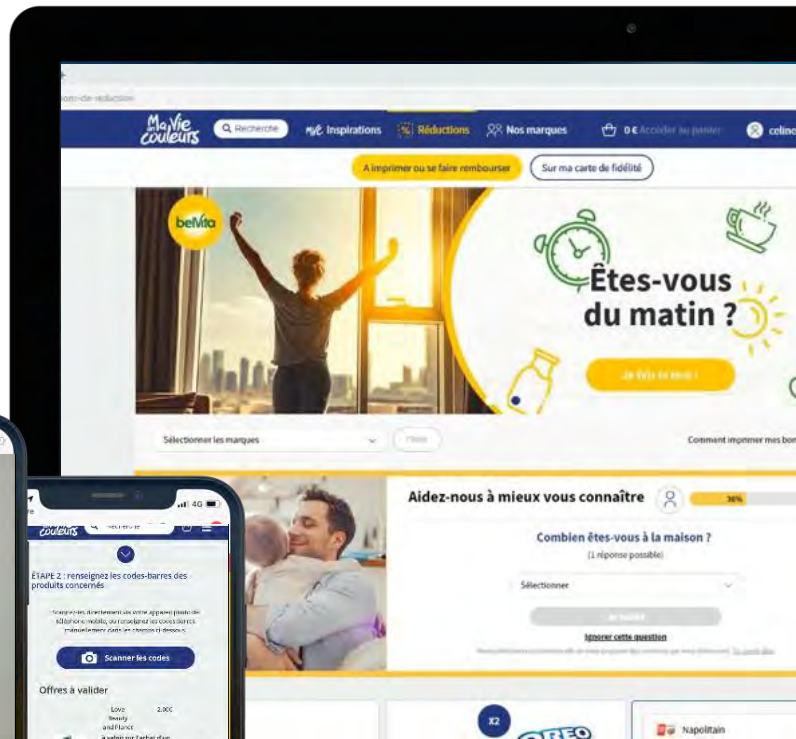
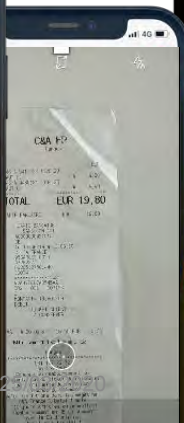
Facilitate access to discounts for users in the loyalty programme

#### Approach

Implementation of a mobile platform:

- Distribution of offers
- Receipt scanner
- Processing and reimbursement

Ma Vie  
en couleurs





# 03. Financial performance

## Business cases



### SEASONAL EVENT CAMPAIGN FOR LOYALTY CARDHOLDERS

#### Objective

Create traffic in stores and increase basket size

#### Two-part approach: bonus + game

- Manufacture and logistics of 24 million Christmas ornaments distributed at check-out for purchases of €25
- Design and management of online game



# 03. Financial performance

## Business cases



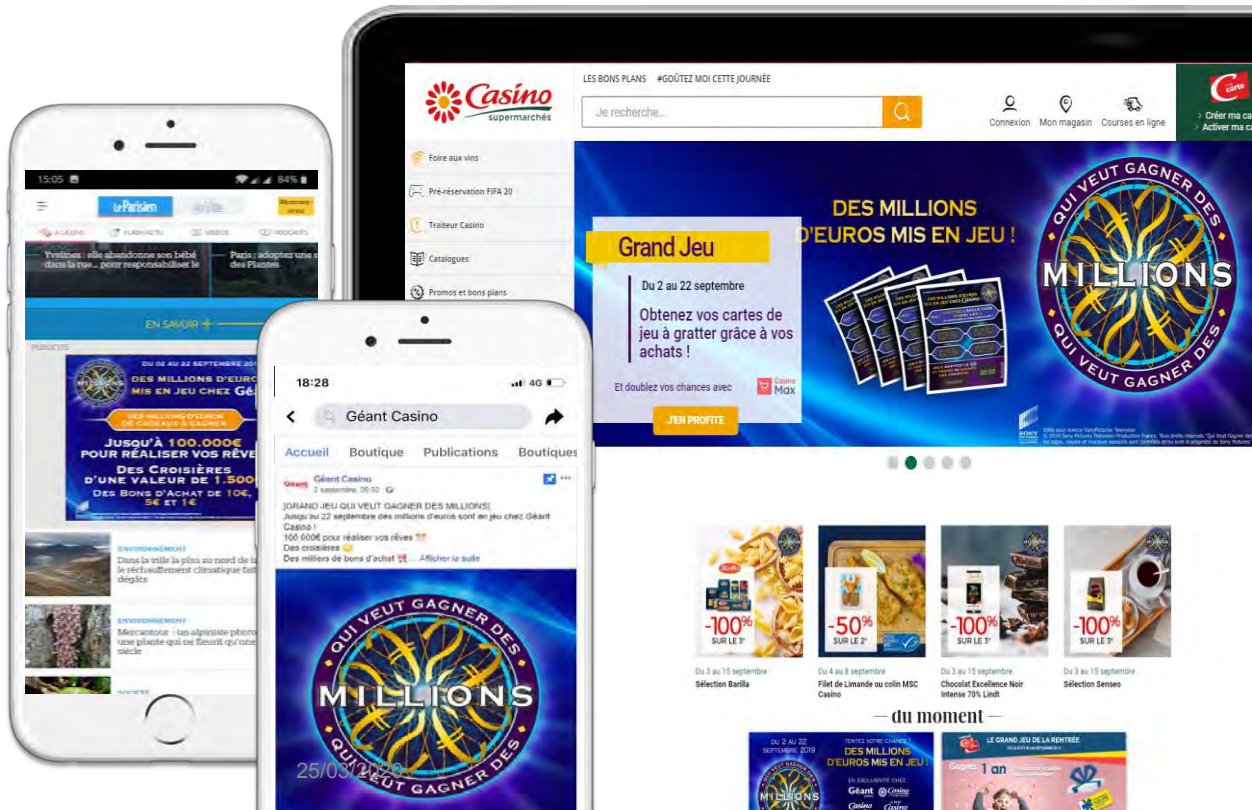
### TRADE MARKETING SEASONAL EVENT CAMPAIGN

#### Objectives

- Create traffic to chain
- Increase in basket size for 83 participating brands

#### Two-part approach

- 14 million scratch-to-win cards distributed at check-out to win up to €25 million in prizes
- Game with drawing



# 03. Financial performance

## Business cases

### UX<sup>1</sup> APPLIED TO REDESIGN BFORBANK MOBILE APP

#### Objective

Make the app more user-friendly

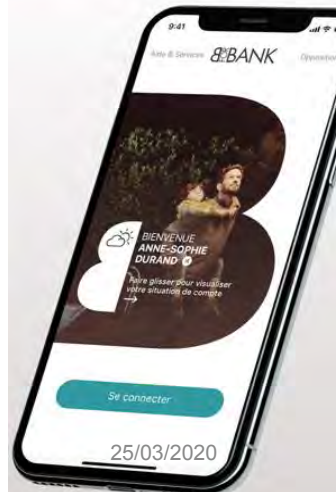
#### UX operating method

Involvement of 800 users from design to prototyping

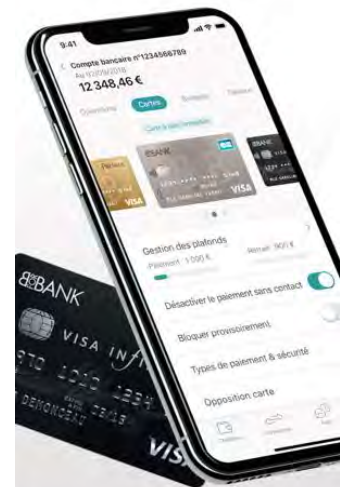
(1) User experience



Découvrez la nouvelle application BforBank élégante, intuitive, plus rapide.



Analysez vos dépenses par catégorie et pilotez vos budgets



Gérez facilement vos cartes

# 03. Financial performance

## Operating profitability

(€ M)	2019	2018	CHANGE	LFL CHANGE <sup>1</sup>
GROSS PROFIT	95.22	87.57	+8.7%	+4.6%
OPERATING OVERHEADS	(77.61)	(71.53)	+8.5%	
Adjusted headline PBIT <sup>2</sup>	17.62	16.04	+9.9%	
Adjusted OPERATING MARGIN <sup>2</sup> (Adjusted headline PBIT/GP)	18.5%	18.3%	+20 bp	

> Strong growth in adjusted headline PBIT<sup>2</sup>: Up 9.9% in 2019.

> Slight rise in adjusted operating margin<sup>2</sup> of 20 bp to 18.5% in 2019.

(1) LFL: See definition on page 3.

(2) See definitions on page 3.

# 03. Financial performance

## Operating profitability by geographical area

(€ M)	2019	2018	CHANGE
Adjusted headline PBIT <sup>1</sup> France	15.18	13.84	+9.7%
Adjusted headline PBIT <sup>1</sup> International	2.44	2.20	+11.1%
Adjusted headline PBIT <sup>1</sup> Group	17.62	16.04	+9.9%
Adjusted OPERATING MARGIN <sup>1</sup> Group	18.5%	18.3%	+20 bp

> France<sup>2</sup>: Strong business growth along with a further increase in adjusted headline PBIT<sup>1</sup> (up 9.7% in 2019).

> International<sup>2</sup>: Business growth and increase in adjusted headline PBIT<sup>1</sup> (up 11.1% in 2019).

(1) See definitions on page 3.

(2) Head office costs allocated on a pro rata basis of the gross profit generated by geographical region.

# 03. Financial performance

## Operating profitability

(€ M)	2019	2018	CHANGE
Adjusted headline PBIT <sup>1</sup>	17.62	16.04	+9.9%
Restructuring costs	(0.45)	(0.71)	
Adjusted recurring operating income <sup>1</sup>	17.17	15.33	+12.0%
Cost of performance share plans	(0.62)	(1.21)	
Recurring operating income	16.54	14.12	+17.2%
Other operating income and expenses	0.12	0.54	
Operating income	16.66	14.66	+13.7%

> 9.9% rise in adjusted headline PBIT<sup>1</sup>.

> 17.2% increase in recurring operating income to €16.54 M (decrease in the cost of performance share plans).

> Operating income up 13.7%.



# 03. Financial performance

## Net income

(€ M)	2019	2018	CHANGE
<b>Operating income</b>	<b>16.66</b>	<b>14.66</b>	<b>+13.7%</b>
Cost of net debt	(0.39)	(0.15)	
Other financial income and expenses	(0.07)	(0.01)	
Tax expense	(5.76)	(3.86)	
Share in associates	0.24	0.23	
Net income from held for sale and discontinued operations	-	(0.77)	
<b>Net income</b>	<b>10.68</b>	<b>10.10</b>	<b>+5.7%</b>
<b>Net income attributable to owners of the parent</b>	<b>9.32</b>	<b>8.64</b>	<b>+7.8%</b>
Adjusted net income attributable to owners of the parent <sup>1</sup>	9.65	9.75	-1.0%

- > Slight rise in the cost of net debt (IFRS 16) and strong increase in tax expense (€1.5 M in tax credits in 2018).
- > Attributable net income up 7.8% to €9.32 M.
- > Adjusted attributable net income down 1% to €9.65 M.

# 03. Financial performance

## Earnings per share



> 2019 EPS up 7.9% to €0.45 (up 8% on a diluted basis to €0.44).

(1) Attributable net income per share based on an average number of shares of 20,779,690 at 31/12/2019 and 20,803,414 at 31/12/2018.

(2) Diluted attributable net income per share based on an average number of diluted shares of 20,973,735 at 31/12/2019 and 21,011,353 at 31/12/2018.



# 03. Financial performance

## Financial position

(€ M)	31 Dec. 2019	31 Dec. 2018	CHANGE
Cash and cash equivalents	69.84	62.78	+11.2%
Operating working capital	59.29	51.20	+15.8%
Gross cash	10.56	11.58	-8.9%
Gross debt	7.46	10.62	-29.7%
Net cash position <sup>1</sup>	62.38	52.17	+19.6%
Net cash excluding operating working capital	3.10	0.97	x3

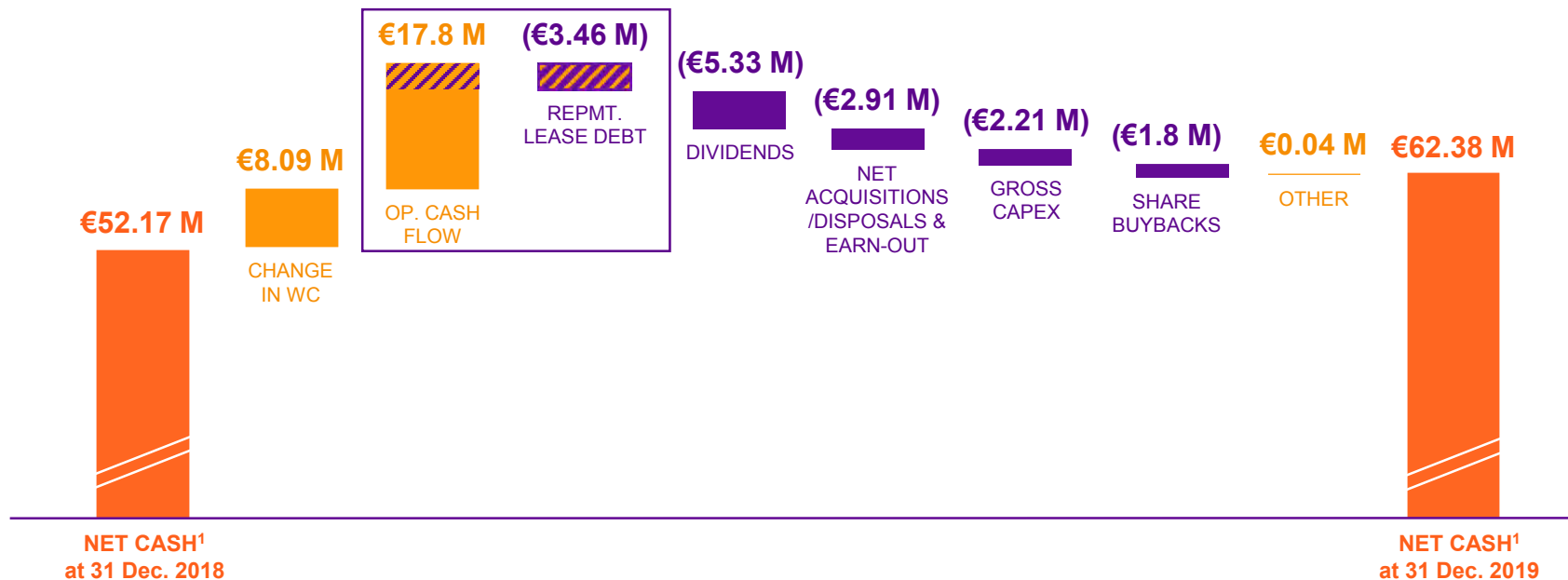
> HighCo's financial position remains healthy, with net cash of €62.38 M, up €10.22 M compared to end-2018.

> Excluding operating working capital, the Group posted gross cash of €10.56 M and net cash of €3.1 M, an improvement of €2.13 M with respect to 31 December 2018.

(1) Net cash position: See definition on page 3.

# 03. Financial performance

## Financial position



With cash-generating flows of €22.43 M (operating cash flow excluding the favourable impact of IFRS 16 and change in working capital) and cash-consuming flows of €12.21 M (dividends, acquisitions, earn-out, CAPEX and share buybacks), net cash came out at €62.38 M, up €10.21 M.

# 03. Financial performance

## Treasury shares

	17 March 2020	31 Dec. 2019	31 Dec. 2018
Number of existing shares	22,421,332	22,421,332	22,421,332
Maximum number of potential performance shares	434,000	434,000	740,000
Number of treasury shares	(1,807,190)	(1,789,688)	(1,718,053)
Percentage of treasury shares	8.1%	8.0%	7.7%

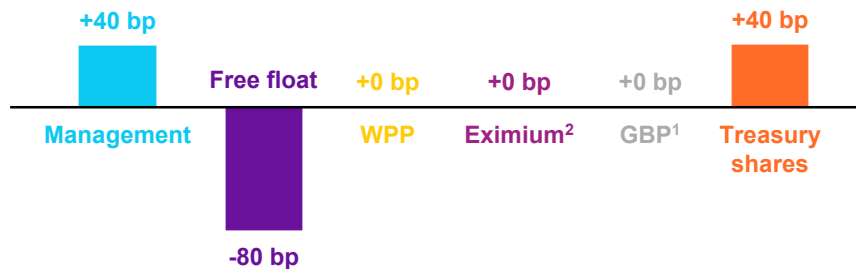
The maximum number of potential performance shares (qualifying shares) at this date represented 1.9% of the number of existing shares.

> The proportion of treasury shares rose from 7.7% at 31 December 2018 to 8% at 31 December 2019.

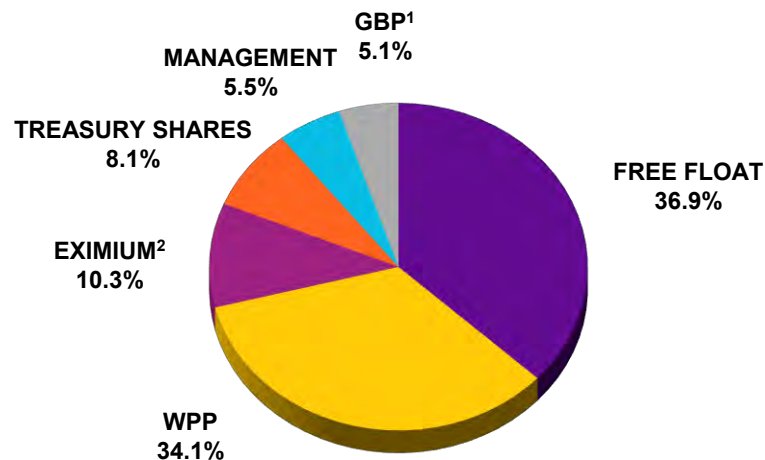
# 03. Financial performance

## Ownership structure at 17 March 2020

Change in ownership in basis points since  
31 December 2018



Ownership structure at 17 March 2020



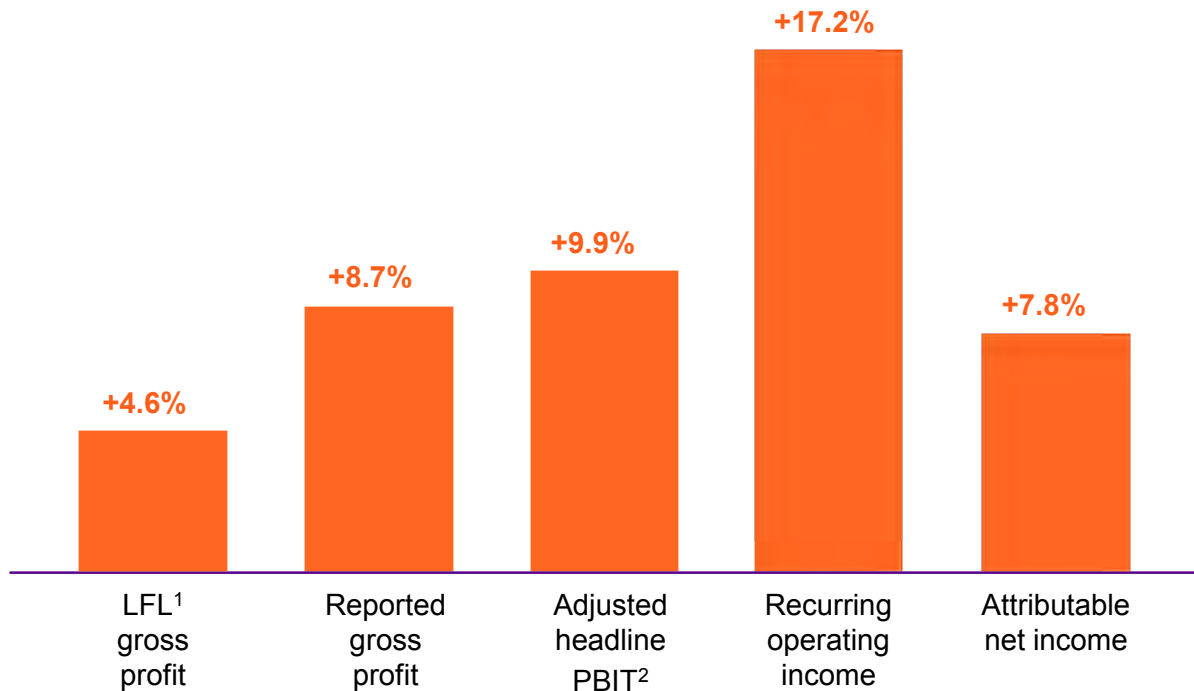
HighCo continues to benefit from a relatively stable ownership structure compared to 31 December 2018, with an increase in management ownership to 5.5% (up 40 bp), mainly due to the vesting of performance shares, and in treasury shares.

(1) GBP: Gérard de Bartillat Participations, member of the Supervisory Board.

(2) Eximium: Company controlled by Michel Baulé according to the most recent declaration of threshold crossing filed with the AMF on 1 August 2017.

# 03. Financial performance

Strong growth in main financial indicators in 2019

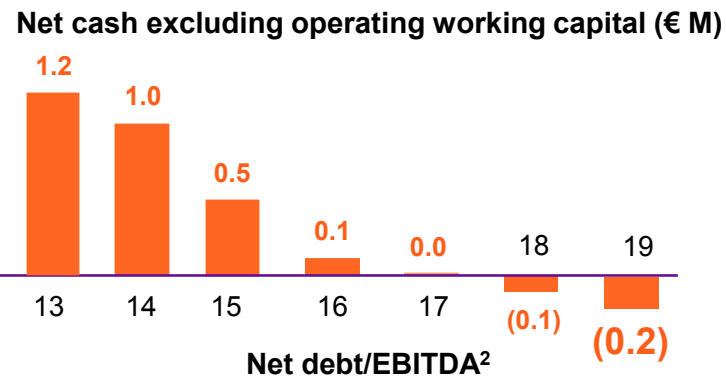
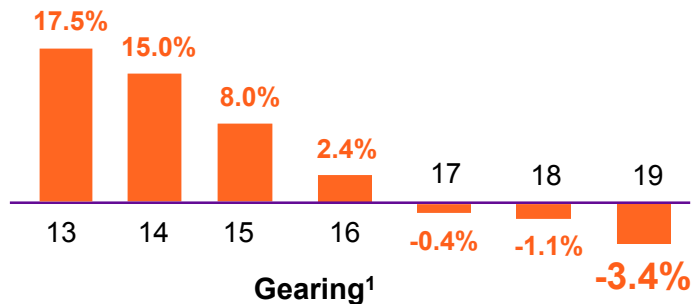
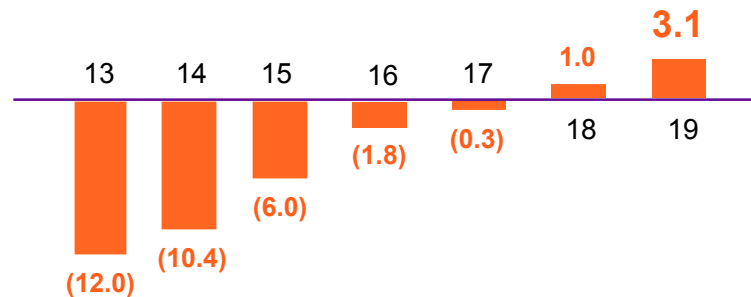
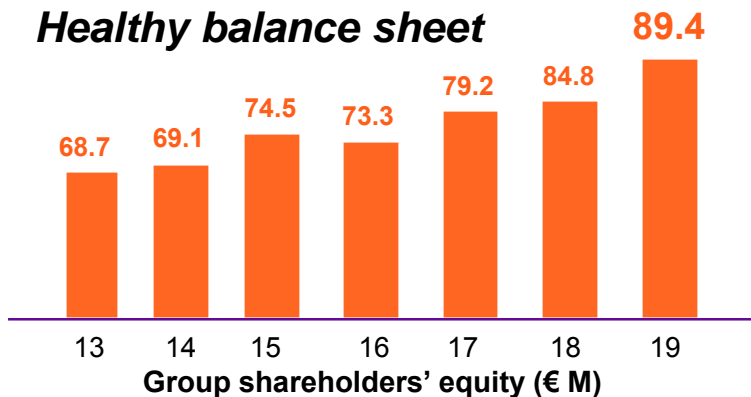


(1) LFL: See definition on page 3.

(2) See definition on page 3.

# 03. Financial performance

## Healthy balance sheet



- (1) Gearing: Net debt/Group shareholders' equity.
- (2) Net debt/EBITDA: (Gross debt - Net cash excluding WC)/Recurring operating income before amortisation and cost of performance share plans.
- (3) Gross cash position: Cash and cash equivalents (€69.84 M at 31 Dec. 2019) excluding operating working capital (€59.29 M at 31 Dec. 2019).

> At 31 December 2019, the Group posted gross cash<sup>3</sup> of €10.56 M.

04

# COVID 19 Context

01. Key messages
02. Mission and strategy
03. Financial performance
04. **COVID-19 context**
05. Conclusion

# 04. COVID-19 context

## Employees

- Dissemination/reminder of “distancing techniques” on various media and **stricter health protection measures**.
- Closure of Group sites and **rollout of measures to ensure business continuity (teleworking)**.
- Group cohesion maintained via collaborative tools.





# 04. COVID-19 context

## Businesses

### #1. Client environment

Non-food retail

- Store closures.

Large food retail

- Drive to store: Decrease in promotions, and chain seasonal event campaigns postponed or cancelled.
- In-store: Difficulty for merchandisers to access stores; printers closed.
- Digital: Click & collect sites saturated causing a sharp decline in display media.

### #2. Impact on Group business (GP)

- Q1 2020: Decline despite a position in line with the budget showing slight growth at end-February.
- Q2 2020: Substantial impact with risk of significant decline.



# 04. COVID-19 context

## *Situation and action plan*

### **#1. Cash position**

Mid-March 2020: Stable cash position (gross cash) compared with 31 December 2019 (€10.56 M)

### **#2. Government economic programmes**

Use of programmes implemented by the government to reduce the impact of the situation: postponed payment of taxes and social security charges, partial unemployment, etc.

### **#3. SBP**

Suspension of the share buyback programme

### **#4. CAPEX**

Suspension of non-priority investments

### **#5. Dividend**

Proposal to allocate 2019 profits to reserves



05

# Conclusion

- 01. Key messages
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# ***05. Conclusion***

HighCo has posted its seventh consecutive year of growth, driven by the strong rise in digital businesses and very good financial performance.

Our financial soundness, excellent relations with our clients and financial partners, and the cohesion and involvement of our employees are our greatest strengths to get through the unprecedented health and economic crisis caused by COVID-19.



***THANK YOU!***

HighCo