



INTELLIGENT MARKETING SOLUTIONS

Paris, 18 July 2018 (6.00 p.m.)

HIGHCO CONTINUES TO GROW IN Q2 AND EXPANDS IN MOBILE

Continued business growth in Q2 to 2.6% LFL

- Q2 2018¹ gross profit of €22.47 M, up 2.6% on a reported basis and 2.6% LFL².
- H1 2018¹ gross profit of €43.2 M, up 2.2% on a reported basis and 2.2% LFL².
- Solid growth in France: Q2 up 4% LFL; H1 up 5% LFL.
- Less significant decline in Belgium: Q2 down 1% LFL; H1 down 4.8% LFL.

Development in digital businesses

- Growth in Digital: Q2 up 4.2% LFL; H1 up 5.1% LFL.
- Acquisition of Useradgents, a mobile-first agency.

Expected growth in half-year earnings (adjusted headline PBIT³ and adjusted operating margin³)

2018 guidance confirmed

Gross Profit (in € M) ¹	2018	2017 Reported	2017 LFL ²	2018/2017 Reported change	2018/2017 LFL ² change
Q1	20.73	20.38	20.38	+1.7%	+1.7%
Q2	22.47	21.90	21.90	+2.6%	+2.6%
Total H1	43.20	42.28	42.28	+2.2%	+2.2%

¹ Limited audit by the Statutory Auditors currently in progress.

² Like for like: Based on a comparable scope and at constant exchange rates (i.e. applying the average exchange rate over the period to data from the compared period).

³ Adjusted headline profit before interest and tax: Recurring operating income before restructuring costs and excluding the cost of performance share plans. Adjusted operating margin: Adjusted headline PBIT/Gross profit.

Cécile Collina-Hue, Chairman of the Management Board, stated: “HighCo turned in a good performance for the first half of the year, with business growth of 2.2%, and a second quarter up by 2.6%. Digital businesses continue to drive this growth, and the Group has developed in this sector with the acquisition of Useradgents, a mobile marketing leader. With an expected rise in half-year earnings, we confirm our annual guidance of improved business growth and operating profitability.”



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CONTINUED BUSINESS GROWTH

Following a like-for-like increase of 1.7% in Q1 2018, the Group posted **gross profit of €22.47 M in Q2 2018, and improved its business growth, at 2.6%** on both a reported and a like-for-like basis.

For the first half of the year, the Group's gross profit totalled €43.2 M, up 2.2% on a reported basis and like for like.

H1 2018 revenue came out at €89 M.

Solid growth in France

Up 4% like for like, France turned in gross profit of €16.18 M in Q2 2018, representing 72% of the Group's gross profit. H1 2018 gross profit totalled €31.49 M, rising 5% like for like.

Less significant decline in international business

International gross profit slipped by 0.9% on a like-for-like basis to €6.28 M in Q2 2018, i.e. 28% of the Group's gross profit. In Benelux, gross profit came to €6.01 M for the quarter, down 1% like for like (Q1 2018 down 8.9% like for like). International gross profit stood at €11.71 M for H1 2018, down 4.9% like for like. Over the first half of the year, Benelux declined 4.8% like for like and, with gross profit at €11.15 M, represented 25.8% of the Group's overall figure.

DEVELOPMENT IN DIGITAL BUSINESSES

Growth in digital businesses

Bolstered by the growth in DATA businesses and with DRIVE TO STORE businesses back on an upward trend, **the Group's growth in Digital remained healthy:**

- in Q2 2018, Digital sustained its strong growth trend with a like-for-like increase of 4.2%. The share of Digital in the Group's total business rose from 48.7% in Q2 2017 to 49.4%. Meanwhile, offline businesses held up well thanks to the many promotional campaigns carried out over the quarter, posting like-for-like growth of 1.1%;
- **in H1 2018, digital businesses gained 5.1% like for like**, and their share in Group gross profit rose from 47.3% at end-June 2017 to 48.6% at end-June 2018. Conversely, offline businesses declined slightly by 0.5% on a like-for-like basis.

In France, digital businesses (Q2 2018 up 6% like for like), especially those operating in DATA solutions, continued to drive growth. As such, their share in total Group business rose from 55.9% to 56.9% over the quarter. The strong resilience of offline businesses, up 1.5% like for like for the quarter, also contributed to this sound performance.

In Benelux, digital businesses have yet to offset the decline in the number of paper coupons processed or in offline in-store media.

Acquisition of Useradgents, a mobile-first agency

Brands and retailers are aware of the need to adopt a strong mobile strategy, interconnect all channels to provide a smooth user experience, and interface with one another using targeting and personalisation solutions. That is why **HighCo decided to strengthen its offer with the acquisition of Useradgents, a mobile strategy consulting agency, on 5 July 2018.**

The Group now fully owns this French company founded in 2008 by Renaud Ménérat, Vincent Pillet and Loïc Pailler, with the support of HighCo, which until the deal held a 49% interest. Today, Useradgents employs nearly 50 people. In 2017, the company generated revenue of €7.1 M, for gross profit of €5.6 M, and expects double-digit growth in 2018.



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2018 HALF-YEAR EARNINGS

Based on the consolidation in progress, **the Group forecasts an increase in half-year earnings**, with:

- Growth in adjusted headline PBIT³ and adjusted operating margin³ for H1 2018 (adjusted H1 2017 headline PBIT³: €10.88 M, adjusted H1 2017 operating margin³: 25.7%);
- A sound financial position, with a net cash surplus (including the working capital resources of Data businesses) expected to exceed the €45.91 M figure at 31 December 2017.

2018 GUIDANCE CONFIRMED

Based on the strong performance reported for H1 2018, the outlook expected for the months to come, and the acquisition of Useradgents, the Group has confirmed its guidance for 2018:

- Growth in 2018 gross profit higher than growth in 2017 on a like-for-like basis (2017 gross profit: up 1.4% LFL);
- Share of Digital in the Group's total business for 2018 higher than the share in 2017 (47.8% in 2017);
- Rise in adjusted operating margin (2017 adjusted operating margin: 18.1%).



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About HighCo

Since its creation, HighCo has placed innovation at the heart of its values, offering its clients – brands and retailers – Intelligent Marketing Solutions to influence shopper behaviour with the right deal, in the right place, at the right time and on the right channel.

Listed in compartment C of Euronext Paris, and eligible for the “long only” DSS, HighCo has more than 750 employees and since 2010 has been included in the Gaia Index, a selection of 70 responsible Small and Mid Caps.

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Upcoming events

Publications take place **after market close**.

2018 Half-year Earnings: Wednesday, 29 August 2018

Conference call on 2018 half-year earnings: Thursday, 30 August 2018 (11.00 a.m. CET)

Q3 and 9-month YTD 2018 Gross Profit: Wednesday, 17 October 2018

Q4 and FY 2018 Gross Profit: Wednesday, 23 January 2019



HighCo is a component stock of the indices CAC® Small (CACS), CAC® Mid&Small (CACMS) and CAC® All-Tradable (CACT).

ISIN: FR0000054231

Reuters: HIGH.PA

Bloomberg: HCO FP

For further financial information and press releases, go to www.highco.com.

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