



INTELLIGENT MARKETING SOLUTIONS

Paris, 17 October 2018 (6.00 p.m.)

HIGHCO STRENGTHENS ITS GROWTH IN Q3 (GROSS PROFIT UP 2.7% LFL) THANKS TO DIGITAL

LFL business growth of 2.7% in Q3

- Q3 2018¹ gross profit of €21.19 M, up 10.6% on a reported basis and 2.7% LFL².
- 9-month 2018¹ gross profit of €64.38 M, up 4.8% on a reported basis and 2.3% LFL².
- Strong growth in digital business: Q3 up 13.4% LFL, 9-month YTD up 7.9% LFL.
- Continued robust growth in France: Q3 up 7.6% LFL, 9-month YTD up 5.9% LFL.
- Decline in Belgium: Q3 down 11.6% LFL, 9-month YTD down 6.9% LFL.

2018 guidance confirmed

Gross Profit (in € M)	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%
Q3 ¹	21.19	19.16	20.62	+10.6%	+2.7%
9-month total ¹	64.38	61.44	62.90	+4.8%	+2.3%

¹ Unaudited data.

² Like for like: Based on a comparable scope (i.e. including Useradgents over three months in 2017 and 2018, as of 1 July) 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: *“With the strong growth in digital businesses and the integration of Useradgents, the Group posts growth in its gross profit of 10.6% on a reported basis and 2.7% like for like in Q3. Our solutions have been praised by the industry. Developed by drawing on artificial intelligence and UX, they attest to our innovative nature and confirm our strategy of focusing on data and mobile. This good performance has enabled HighCo to confirm its guidance for 2018.”*



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STRONG GROWTH IN DIGITAL BUSINESSES

Driven by Digital in Q3 2018, the Group posted solid business growth, up 10.6% on a reported basis and 2.7% like for like to €21.19 M. For the first nine months of 2018, the Group's gross profit totalled €64.38 M, climbing 4.8% on a reported basis and 2.3% like for like.

With like-for-like growth of 13.4% in Q3 2018, Digital shows a strong performance. The share of Digital in total Group business also increased significantly, from 46.6% in Q3 2017 (50.4% including Useradgents) to 55.6%. Offline businesses showed a like-for-like decline of 8.1% over the quarter.

Over the first nine months of the year, digital businesses rose 7.9% on a like-for-like basis, accounting for 50.9% of the Group's gross profit at end-September 2018 (47.1% at end-September 2017, 48.3% including Useradgents). The rate of growth in Digital accelerated, especially for fully digital Drive to Store businesses and following the integration of Useradgents. Meanwhile, offline businesses declined 2.9% like for like over the same period.

Over the past few weeks, the Group's digital solutions have received praise within the industry on many occasions, namely:

- the Tourist Tracker® artificial intelligence solution developed by CapitalData for Franprix and,
- the Boulanger and Franprix mobile applications designed by Useradgents and recognised for their UX (User eXperience).

CONTINUED ROBUST GROWTH IN FRANCE

Up 7.6% like for like, France turned in gross profit of €16.25 M in Q3 2018, representing 76.7% of the Group's gross profit. For the first nine months of 2018, gross profit totalled €47.74 M in France, climbing 5.9% like for like.

This growth is driven by the strong development of digital businesses, which grew 14.3% like for like in the quarter, reaching a 62.5% share in the gross profit for France. Over the first nine months of the year, digital businesses grew 9.5% on a like-for-like basis, representing 57.2% of the Group's total business. Meanwhile, offline businesses held up well with like-for-like growth of 1.5% over the same period, essentially driven by the event-related promotional campaigns launched for brands and retailers.

DECLINE IN BELGIUM

International gross profit slipped 10.5% like for like to €4.94 M in Q3 2018, i.e. 23.3% of the Group's gross profit. **In Benelux, gross profit fell 11.6% like for like in Q3 2018 to €4.72 M.** Amid a challenging market environment in Belgium, the 6.6% growth in digital businesses over the quarter, representing 30.1% of gross profit, did not offset the drop in the volume of paper coupons cleared and the decline in offline in-store media.

For the first nine months of 2018, international gross profit totalled €16.64 M, down 6.6% like for like. Benelux declined 6.9% like for like, now accounting for 24.6% of the Group's gross profit. After a good Q3, business in Southern Europe (Spain and Italy) remained stable over the period (down 0.3% like for like). The region accounts for 1.2% of the Group's gross profit.



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AWARDED BY THE GAIA INDEX

At the ESG award ceremony based on the 2018 Gaia Rating standards, **HighCo had the honour of winning second place in the category of companies with revenue of less than €150 M.** The ESG rating agency of Ethifinance, Gaia Rating conducts an annual data collection campaign covering most of the listed SMEs in France. Based on the information gathered, the companies are rated for their extra-financial transparency and performance. This award recognises the Group's ongoing commitment to CSR.

2018 GUIDANCE CONFIRMED

Based on the strong performance reported since the beginning of the year and the integration 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 margin³ (2017 adjusted operating margin: 18.1%).

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

Publication takes place **after market close**.

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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