



INTELLIGENT MARKETING SOLUTIONS

Paris, 23 January 2019 (6.00 p.m.)

2018: ANOTHER YEAR OF HEALTHY GROWTH FOR HIGHCO (GROSS PROFIT UP 2.6% LFL)

Sixth consecutive year of growth with Digital representing a 53% share of total business

- Q4 2018¹ gross profit of €23.19 M, up 11.5% on a reported basis and 3.5% LFL².
- FY 2018¹ gross profit of €87.57 M, up 6.5% on a reported basis and 2.6% LFL².
- Further growth surge in digital businesses: Q4 up 12.2% LFL, FY 2018 up 9.2% LFL.
- Robust annual growth in France: Q4 up 0.3% LFL, FY 2018 up 4.4% LFL.
- Decline in Benelux despite a pick up in Q4: Q4 up 10.9% LFL, FY 2018 down 2.6% LFL.

Improved profitability for FY 2018 in line with guidance

- Rise in adjusted operating margin (adjusted headline PBIT/gross profit)³ of about 20 bp.

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%
Q3	21.19	19.16	20.62	+10.6%	+2.7%
Q4	23.19	20.79	22.41	+11.5%	+3.5%
Annual total	87.57	82.24	85.31	+6.5%	+2.6%

¹ Data currently being audited.

² Like for like: Based on a comparable scope (i.e. including Useradgents over six 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.

⁴ Net cash: Cash (asset) minus gross financial debt (liability).

Cécile Collina-Hue, Chairman of the Management Board, stated: "With a strong fourth quarter, still driven by Digital business, HighCo continued its growth trend for a sixth consecutive year, with gross profit up 2.6% like for like. Despite the current social climate and challenges raised by new regulations applicable to retail promotions – a measure taken following the French National Food Conference – we were able to draw on our complementary range of solutions and strengthened expertise in data marketing to lead our major customers through projects that will have a fundamental impact on their business. As such, HighCo has consolidated its position as a key market player and anticipates another year of growth."



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FURTHER GROWTH SURGE IN DIGITAL BUSINESSES

Still driven by Digital, the Group posted strong business growth in Q4 2018, up 11.5% on a reported basis and 3.5% like for like to €23.19 M.

The Group's gross profit came to €87.57 M for FY 2018, up 6.5% on a reported basis and 2.6% like for like.

With business rising 12.2% like for like in Q4 2018, Digital posted a second consecutive quarter of double-digit growth (Q3 2018 up 13.4% like for like). The share of digital in total Group business continued to grow, up from the reported figure of 50.2% in Q4 2017 to 58.3% in Q4 2018. Offline businesses closed the fourth quarter down 6.7% on a like-for-like basis.

Digital businesses posted overall like-for-like growth of 9.2% in 2018, accounting for 52.9% of the Group's gross profit (47.8% on a reported basis in 2017). This strong growth is mainly due to the accelerated digitisation of Data businesses and the successful integration of Useradgents, an all-digital agency, in the second half of the year. Offline businesses showed a like-for-like decline of 3.8% over the year.

Revenue for FY 2018 came to €173.8 M.

ROBUST ANNUAL GROWTH IN FRANCE

France turned in gross profit of €16.93 M in Q4 2018, up 0.3% like for like, equal to 73% of the Group's gross profit. This growth should be considered in light of the significant business growth registered for the fourth quarter in previous years (4.1% like for like in Q4 2017; 11.3% like for like in Q4 2016).

Gross profit in France totalled €64.68 M for the full year 2018, up 4.4% like for like, driven by the positive performance of Drive to Store and sharp growth in Data businesses.

As for the Group as a whole, in France this growth is driven by the strong development of digital businesses, which grew 8.6% like for like, reaching a 67.2% share in the gross profit for the fourth quarter.

In 2018, digital businesses grew 9.2% like for like, and their share represented 59.8% of total business activity, while offline businesses fell 2.1% like for like over the year.

DECLINE IN BENELUX DESPITE A PICK UP IN Q4

International gross profit rose 13.4% on a like-for-like basis to €6.26 M in Q4 2018, i.e. 27% of the Group's gross profit, benefiting from a favourable comparative base (7.9% like-for-like decline in Q4 2017). In Benelux, gross profit increased 10.9% like for like in Q4 2018 to €5.93 M.

International gross profit stood at €22.9 M in 2018, down 1.9% like for like.

Despite a pick up in the fourth quarter, **Benelux continued to decline overall, down 2.6% like for like**, accounting for 24.9% of the Group's gross profit. The 7.3% growth in digital businesses over the year, representing 29.9% of gross profit for the region, did not offset the drop in the volume of paper coupons cleared and the decline in offline in-store media.

With a very strong performance in the second half of 2018, business in Southern Europe showed significant growth for FY 2018 (up 15.9% like for like), in both Spain and Italy. The region now accounts for 1.3% of the Group's gross profit.



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IMPROVED PROFITABILITY FOR FY 2018 IN LINE WITH GUIDANCE

Based on the year-end closing in progress, HighCo confirms its 2018 guidance and expects a rise in adjusted operating margin³ of about 20 bp (2017 adjusted operating margin: 18.1%).

Estimated net cash⁴, including working capital resources from the Data businesses, totalled approximately €52 M at 31 December 2018 (€45.91 M at 31 December 2017).

The 2018 annual earnings will be released on 26 March after market close. A financial analysts' meeting is scheduled for Wednesday, 27 March at 2.30 p.m.

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 Annual Earnings: Tuesday, 26 March 2019
SFAP financial analysts meeting: Wednesday, 27 March 2019 at 2:30 p.m. (8 rue de la Rochefoucauld – 75009 Paris)
Q1 2019 Gross Profit: Thursday, 18 April 2019
Q2 and H1 2019 Gross Profit: Wednesday, 17 July 2019
2019 Half-year Earnings: Wednesday, 28 August 2019
Conference call on 2019 half-year earnings: Thursday, 29 August 2019
Q3 and 9-month YTD 2019 Gross Profit: Wednesday, 16 October 2019
Q4 and FY 2019 Gross Profit: Wednesday, 22 January 2020



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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