

Aix-en-Provence, 24 March 2020 (6.00 p.m.)

2019: ANOTHER YEAR OF BUSINESS GROWTH AND INCREASE IN EARNINGS 2020: IMPACT OF THE COVID-19 PANDEMIC

Seventh consecutive year of business growth

- Full-year 2019 gross profit of €95.22 M, up 8.7% on a reported basis and 4.6% LFL¹.
- Continued strong growth in digital businesses: up 7.8% LFL, accounting for 56.2% of the Group's total business in 2019.

Strong growth in 2019 earnings

- Adjusted headline PBIT² of €17.62 M, up 9.9%.
- Adjusted operating margin² of 18.5%, up 20 basis points.
- Recurring operating income of €16.54 M, up 17.2%.
- Attributable net income of €9.32 M, up 7.8%.

Strong cash generation

- Net cash³ of €62.38 M at 31 December 2019, up €10.22 M compared with 31 December 2018.
- Net cash excluding operating working capital of €3.1 M at 31 December 2019, rising €2.13 M compared with 31 December 2018.

2020: Impacts of the COVID-19 pandemic

- Sharp business decline expected in H1 2020

(€ M)	2019	2018	2019/2018 Change
Gross profit	95.22	87.57	+8.7% (+4.6% LFL ¹)
Adjusted headline PBIT²	17.62	16.04	+9.9%
Adjusted operating margin² (%)	18.5%	18.3%	+20 bp
Recurring operating income	16.54	14.12	+17.2%
Attributable net income	9.32	8.64	+7.8%
Net cash ³	62.38	52.17	+€10.22 M
Net cash ³ excluding operating working capital	3.10	0.97	+€2.13 M

¹ Like for like: Based on a comparable scope (i.e. including Useradgents over 12 months in 2018 and 2019) and at constant exchange rates (i.e. applying the average exchange rate over the period to data from the compared period).

² Adjusted headline profit before interest and tax: Recurring operating income before restructuring costs (2019: €0.45 M; 2018: €0.71 M) and excluding the cost of performance share plans (2019: €0.62 M; 2018: €1.21 M). Adjusted operating margin: Adjusted headline PBIT/Gross profit.

³ Net cash position: Cash (asset) minus gross financial debt (liability) at 31 December.



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Didier Chabassieu, Chairman of the Management Board, stated, “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.”

2019 FINANCIAL PERFORMANCE

Seventh consecutive year of business growth

2019 gross profit amounted to €95.22 M, up 8.7% on a reported basis and 4.6% like for like. Growth improved with each quarter to reach 6.5% in Q4 2019. As a result, the Group posted its seventh consecutive year of organic growth, driven by continued growth in digital businesses (up 7.8% like for like) and by offline businesses, which have held up well.

In France, business growth was strong in 2019: up 5% like for like to €71.52 M, accounting for 75.1% of the Group’s gross profit. This performance is marked by strong growth in **Digital (up 8.8% like for like)**. The share of Digital in total French business increased to **63.9% for 2019**, benefiting from a sustained performance across all businesses. After a good second half of the year, **International business grew 3.5% like for like in 2019 to €23.71 M**, with Benelux showing growth of 3.7% and Southern Europe (Spain and Italy) remaining stable.

Strong growth in 2019 earnings

Business growth resulted in a **sharp 9.9% rise in adjusted headline PBIT to €17.62 M in 2019** with:

- A further 9.7% increase in adjusted headline PBIT in France to €15.18 M (2018: €13.84 M);
- Higher adjusted headline PBIT for International businesses, up 11.1% to €2.44 M (2018: €2.2 M).

Adjusted operating margin (adjusted headline PBIT/gross profit) **climbed 20 basis points, coming out at 18.5%** (2018: 18.3%).

Growth in adjusted headline PBIT, the lower cost of performance share plans (2019: €0.62 M; 2018: €1.21 M) and the decrease in restructuring costs (2019: €0.45 M; 2018: €0.71 M) led to a **strong 17.2% increase in recurring operating income to €16.54 M** (2018: €14.12 M).

Operating income rose 13.7% to €16.66 M (2018: €14.66 M).

The tax expense came out much higher – mainly due to the unfavourable comparative base, with significant tax credits recognised in 2018 – totalling €5.76 M in 2019 (2018: expense of €3.86 M).

Adjusted attributable net income fell 1% to €9.65 M (2018: €9.75 M), with a **reported figure of €9.32 M, for an increase of 7.8%** (2018: €8.64 M).

The Group recorded 2019 EPS of €0.45, up 7.9% from 2018.

Strong cash generation

Cash flow amounted to €17.8 M. **The net cash position surged €10.22 M to €62.38 M** at 31 December 2019. Excluding operating working capital (€59.29 M at 31 December 2019), net cash remained positive at €3.1 M, up by €2.13 M compared to 31 December 2018.



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OVERVIEW OF OUR STRATEGIC FOCUSES

With its unique positioning and complementary expertise covering the entire consumer engagement chain – from initial contact to end transaction – HighCo continues to invest in its two strategic focuses.

First in **digital**, which continues to grow (up 7.8% like for like), and second in **data**, which is applied to enhance the customer relationship (with personalised CRM programmes) and generate store traffic (targeted drive to store campaigns).

2020: IMPACTS OF THE COVID-19 PANDEMIC

Given the uncertainty of the current unprecedented health crisis due to the COVID-19 pandemic, which is impacting everyone, the Group would like to assess its position at this time.

Employees

HighCo has taken all necessary measures to limit the effects of the pandemic on its employees:

- Dissemination/reminder of “distancing techniques” on various communication media and stricter health protection measures as of the first announcements from the authorities;
- Closure of Group sites and rollout of measures to ensure business continuity (teleworking);
- Group cohesion maintained with the implementation of various collaborative tools.

Businesses

An ad hoc operating structure has been set up at each subsidiary to continue serving clients as well as possible. However, the Group indicates that the pandemic will have a significant impact on its businesses due to:

- Closure of large non-food retailers;
- Decrease in promotions, and chain seasonal event campaigns postponed or cancelled, impacting drive to store businesses;
- Difficulty for merchandisers to access stores and shutdown of printing services, limiting in-store activities;
- Saturation of click & collect sites, causing a sharp decline in display media, which limits certain digital businesses.

HighCo currently forecasts the following impacts on gross profit:

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

Situation and action plan

At Mid-March 2020, the gross cash position (excluding operating working capital) remained stable compared with 31 December 2019 (€10.56 M).

The Group plans to take the following measures to protect its cash position:

- 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.);
- Suspension of the share buyback programme;
- Suspension of non-priority investments (CAPEX);
- Unanimous decision of the Supervisory Board on the proposal to allocate all 2019 earnings to reserves, to be put forward at the next Annual General Meeting scheduled for 11 May 2020.



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ANNUAL GENERAL MEETING OF 11 MAY 2020

HighCo's joint annual general meeting will be held at the head office on Monday, 11 May 2020 at 10.30 a.m (CET).

In light of the current health crisis, the Company encourages its shareholders to use the distance voting methods available. To avoid physical presence at the meeting, shareholders can vote by post using the voting form or by granting proxy to the Chairman. Details concerning shareholders' participation rights will be provided in the prior notice to be released within the next few days. This notice will be posted on the Company's website.

The organisation of the general meeting may change depending on the context of health requirements and/or legal options. Shareholders are therefore asked to check the 2020 annual general meeting section on the Company's website www.highco.com (under *Investors>Annual General Meetings*) regularly to stay informed.

The Company also asks its shareholders to send any requests and documents by email to comfi@highco.com.

A conference call with analysts will take place on Wednesday, 25 March 2020 at 2.30 p.m. (CET). The presentation will be available at the beginning of the meeting on the Company's website (www.highco.com) under *Investors>Regulated Information>Financial Analysts Meetings*.



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About HighCo

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

Listed in compartment C of Euronext Paris, and eligible for SME equity savings plans (“PEA-PME”), 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.

Your contacts

Cécile Collina-Hue
Managing Director
+33 1 77 75 65 06
comfi@highco.com

Cynthia Lerat
Press Relations
+33 1 77 75 65 16
c.lerat@highco.com

Upcoming events

Publications take place **after market close**.

SFAF financial analysts meeting: Wednesday, 25 March 2020 at 2.30 p.m. (conference call)

Q1 2020 Gross Profit: Wednesday, 22 April 2020

Q2 and H1 2020 Gross Profit: Thursday, 16 July 2020

2020 Half-year Earnings: Wednesday, 26 August 2020

Conference call on 2020 half-year earnings: Thursday, 27 August 2020

Q3 and 9-month YTD 2020 Gross Profit: Wednesday, 14 October 2020

Q4 and FY 2020 Gross Profit: Wednesday, 20 January 2021



European Rising Tech
LABEL



HighCo is a component stock of the indices CAC® Small (CACs), CAC® Mid&Small (CACMS) and CAC® All-Tradable (CACT) and Euronext® Tech Croissance (FRTPR).

ISIN: FR0000054231

Reuters: HIGH.PA

Bloomberg: HCO FP

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

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