



INTELLIGENT MARKETING SOLUTIONS

Paris, 23 March 2015

2014 ANNUAL EARNINGS

GROWTH, STRONG IMPROVEMENT IN PROFITABILITY AND MAJOR ADVANCES IN DIGITAL

- Business growth: 2014 gross profit of €70.88 M, up 1.0% LFL^{1 2}
- Strong improvement in profitability:
 - Headline PBIT³ of €9.52 M, rising 10.4%
 - Operating margin (headline PBIT/gross profit) up 87 basis points to 13.4%
 - Growth in current operating income of 28.8% to €8.78 M
 - Adjusted net income⁴ up 40.5% to €5.38 M
- Major advances in Digital:
 - Sharp growth in Digital (up 18.7% in 2014 LFL)
 - Significant increase in the share of Digital, rising from 28.3% at end-2013 to 34.8% at end-2014

(in €M)	2014	2013 ²	2014/2013 Change
Gross profit	70.88	68.66	+3.2% (+1.0% LFL)
Headline PBIT ³	9.52	8.62	+10.4%
Current operating income	8.78	6.81	+28.8%
Net income	2.43	(7.01)	N/A
Adjusted net income⁴	5.38	3.83	+40.5%
Cash flow	7.82	6.33	+23.7%
Net cash ⁵	31.21	25.45	+€5.76 M

¹ Like for like: Based on a comparable scope, including the acquisition of Milky and at constant exchange rates.

² The financial data reported for 2013 were restated following the application of IFRS 11 on joint arrangements.

³ Headline PBIT: Profit before interest, tax and restructuring costs.

⁴ 2014 net income adjusted for the €2.95 M impairment loss on POS Media in Central Europe. 2013 net income adjusted for the goodwill impairment of €8.87 M recognised for Benelux and the impairment loss of €1.97 M on the Group's stake in Mediastay.

⁵ Net cash: Cash and marketable securities less gross current and non-current financial liabilities.

Didier Chabassieu, Chairman of the Management Board, stated, "We achieved our objectives in 2014. In financial terms, we continue to grow and are significantly improving our profitability, with growth in adjusted EPS of 40.6%. In strategic terms, the strong advances made in digital businesses (up 18.7% in 2014) confirm our ability to rapidly reach a 50% share of digital businesses in our overall activity and step up our growth."



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GROWTH AND STRONG IMPROVEMENT IN PROFITABILITY

2014 gross profit amounted to €70.88 M, up 1.0% based on like-for-like data and 3.2% based on restated data.

The fourth quarter of 2014 marked the seventh consecutive quarter of business growth. This growth is driven by the substantial advances in digital businesses (up 18.7%, accounting for 34.8% of gross profit). Offline businesses fell 6.4% (65.2% of gross profit).

In the geographical breakdown, France (up 4.3% in 2014 to €44.65 M) remained strong, driven by the digital businesses. International business declined 4.1% to €26.23 M, with a drop of 3.8% in Belgium and 5.7% in Spain and the United Kingdom.

Growth and tight cost control have **improved profitability:**

- **10.4% rise in headline PBIT to €9.52 M;**
- **Increase of 87 basis points in operating margin (headline PBIT/gross profit) to 13.43%;**
- Drop in restructuring costs (€0.75 M in 2014 versus €1.81 M in 2013) **boosting current operating income 28.8% to €8.78 M.**

The business decline in Central Europe (particularly Russia and Ukraine) led the Group to recognise an impairment loss, with no impact on cash, of €2.95 M on its 48% stake in POS Media, recorded as a share in associates.

Net income, adjusted in 2014 for the impairment of POS Media, stood at €5.38 M, rising 40.5% compared with adjusted net income for 2013. Adjusted EPS also climbed sharply, by 40.6%, to €0.52 per share.

2014 net income came out positive at €2.43 M (loss of €7.01 M in 2013).

A stable **dividend of €0.15 per share** will be proposed at the next AGM on 1 June 2015.

Net cash increased by €5.76 M to €31.21 M. Cash flow was up 23.7% to €7.82 M in 2014, reflecting HighCo's strong earnings. Net working capital resources rose €3.97 M to €41.41 M, mainly generated by the coupon clearing businesses.

HighCo took out a €20 M syndicated loan from a banking pool including CACIB, Caisse Régionale de Crédit Agricole Mutuel Alpes Provence, BNP Paribas, Natixis and HSBC France. The first instalment of €15 M was drawn in January 2015 and will be amortised over six years. The second instalment of €5 M is available until January 2017. This syndicated loan will be used to refinance, on favourable terms, the €23 M medium-term credit line set to expire in July 2015.

STRATEGIC PRIORITY: MAJOR ADVANCES IN DIGITAL

Gross profit in Digital soared 18.7% in 2014. Digital businesses represented more than 35% of the Group's gross profit in 2014, versus 28% in 2013. The Group is well positioned to reach its chief strategic priority of rapidly generating 50% of its gross profit in Digital.

The proportion of International business (Belgium, Spain and the United Kingdom) stood at 37% of the Group's gross profit in 2014, with the objective of reaching 50% in the medium term.



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HIGHLIGHTS

1) DRIVE TO STORE solutions

Fully digital DRIVE TO STORE solutions grew sharply:

In 2014, HighCo confirmed its **leading position in digital coupon issuing**, with a 13% surge in the volume of digital coupons issued to 33.9 million.

The Group developed in France with Criteo, a unique retargeting solution on the consumer goods market. This powerful, targeted, multi-channel approach surpassed expectations for ROI with the first campaigns.

The Load to Card business in France grew 14%, with 12.5 million coupons downloaded to loyalty cards.

Mobile activity is developing fast, with growth of 34% in **SMS/push notifications** at 352.3 million (nearly 1 million marketing SMS sent every day). Furthermore, recently developed **micropayment** solutions (donations, car parks, SMS+) generated robust volumes, with 20 million transactions in 2014. **Pricing**, the shopping services mobile application, boasts 1.92 million downloads, more than 500,000 shoppers connected per month and 80,000 points of sale listed.

The acquisition of Milky (Q1 2014), an agency specialised in digital innovation and **social media**, also contributed to the development of Digital, with its gross profit up 17% in 2014.

2) IN-STORE solutions

With its solutions still essentially “paper”-based, the **IN-STORE offer is gradually shifting to digital**. Its Digital share grew from 14.4% in 2013 to 18.9% in 2014.

On the **food Click & Collect and retail websites in France**, HighCo implemented an unprecedented offer on the market in partnership with the leading retailers to touch more than 5 million unique visitors per month and address brands’ challenges of visibility and promotion.

Paper coupons and media are still affected by brands’ reduced investment in point-of-sale media carriers in France and Belgium in 2014. However, in-store media selling contracts with the Group’s retail partners are maintained in 2015 in France and Belgium.

3) DATA solutions

The volume of coupons cleared remained stable in France and fell in Belgium. The proportion of dematerialised coupon clearing stood at 18.1% in 2014, and new digital clearing agreements were established with Click & Collect and online shopping websites.

HighCo’s cashback business developed further in France, as these solutions became highly digitised (e-cashback offers were up 76%) and growth in this business picked up in the large food retail and electronics and appliance segments.



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GUIDANCE

For 2015, HighCo forecasts:

- Growth in gross profit;
- Rise in operating margin (headline PBIT/gross profit);
- Increase in adjusted EPS (€0.52 in 2014).

The Group's financial resources will be allocated, as a priority, to:

- Continued acquisitions and investments;
- Capital expenditure, for less than €1.5 M (€1.33 M in 2014);
- Share buybacks, for less than €0.5 M (€0.51 M in 2014);
- A stable dividend for 2014, totalling €1.6 M (€0.15 per share).

The Supervisory Board examined the financial statements for the year ended 31 December 2014. At the time of writing, the audit of the consolidated financial statements has been carried out. The certification reports will be issued once the required specific verifications have been finalised in order to file the registration document.

A financial analysts' meeting is scheduled for Tuesday, 24 March 2015 at 8 rue de la Rochefoucauld, 75009 Paris, France. The presentation will be available online at the beginning of the meeting on the company's website www.highco.com.

About HighCo

Since its creation, HighCo has placed innovation at the heart of its values, offering its clients Intelligent Marketing Solutions to influence shopper behaviour with the right deal, at the right time, at the right place and on the right channel. In 2015, HighCo is proud to celebrate 25 years of innovation in serving brands and retailers.

Operating in 15 countries, HighCo has nearly 900 employees and is listed in compartment C of NYSE Euronext Paris and 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**.

SFAF financial analysts meeting: Tuesday, 24 March 2015
Q1 2015 Gross Profit: Wednesday, 22 April 2015
Q2 and H1 2015 Gross Profit: Thursday, 16 July 2015
2015 Half-year Earnings: Wednesday, 26 August 2015
Conference call on 2015 half-year earnings: Thursday, 27 August 2015
Q3 and 9-month YTD 2015 Gross Profit: Tuesday, 27 October 2015
Q4 2015 Gross Profit: Tuesday, 26 January 2016



HighCo is a component stock of the indices CAC® Small (CACXS), 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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