



INTELLIGENT MARKETING SOLUTIONS

Paris, 26 August 2015

2015 HALF-YEAR EARNINGS

Growth picks up

- Q2 2015 gross profit of €19.44 M, up 3.2%, and H1 gross profit of €37.27 M up 2.2% LFL¹

Profitability continues to improve

- H1 headline PBIT² of €7.46 M up 11.3%³
- H1 operating margin of 20%, rising 140 basis points³
- H1 net income of €4.58 M, up 9.5%³

Excellent performance in France

- Gross profit up 10.1% in Q2 and 6.1% in H1 LFL¹
- Sharp growth in digital business (Q2: 37.6%, H1: 30.1%), which represented 45.8% of gross profit in H1

Enhanced outlook for 2015, with H2 business growth expected to exceed 3% LFL¹

| (in €M) | H1 2015 | H1 2014 ³ | H1 2015/H1 2014 Change |
|------------------------------------|---------|----------------------|---------------------------------|
| Gross profit | 37.27 | 36.08 | +3.3% (+2.2% LFL ¹) |
| Headline PBIT ² | 7.46 | 6.70 | +11.3% |
| Operating margin (%) (HPBIT/GP) | 20% | 18.6% | +140 bp |
| Current operational income | 7.20 | 6.61 | +8.9% |
| Attributable net income | 4.58 | 4.19 | +9.5% |
| Diluted EPS (in €) | 0.44 | 0.40 | +10.2% |
| Net cash ⁴ | 38.24 | 31.21 ⁵ | +€7.04 M (+22.6%) |

¹ LFL: On a like-for-like basis and at constant exchange rates.

² Headline PBIT: Profit before interest, tax and restructuring costs. Operating margin: Headline PBIT/Gross profit.

³ Comparative 2014 data restated in line with the first-time adoption of IFRIC 21 – Levies.

⁴ Net cash (or net cash surplus): Cash and marketable securities less gross current and non-current financial liabilities.

⁵ At 31 December 2014.

Didier Chabassieu, Chairman of the Management Board, stated, “Our excellent performance in France, driven by Digital in the first half of the year, confirms our strategy and enables us to be confident in our growth outlook. We forecast a stronger-than-expected performance in 2015, with business growth of more than 3% in the second half of the year and an increase in our annual headline PBIT of more than 10%.”



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H1 2015 FINANCIAL PERFORMANCE

After like-for-like growth of 1.1% in the first quarter, HighCo's growth picked up considerably in Q2 2015, **rising 3.2% on a like-for-like basis**. In Q2 2015, HighCo posted its strongest quarterly growth since 2010 and its ninth consecutive quarter of growth.

H1 2015 gross profit amounted to €37.27 M, up 3.3% on a reported basis and 2.2% like for like.

France turned in an excellent performance in H1, with like-for-like growth of 6.1% to €23.15 M and a pick-up of 10.1% in Q2 due to the significant expansion of digital business. In H1, digital business grew 30.1%, with the share of Digital in France representing 45.8% of the country's gross profit.

Benelux showed marked improvement (0.1% in H1 2015) but **International business fell 3.7% like for like in H1 2015**, due to the sharp decline in the United Kingdom (drop in business with domestic clients). Spain has resumed growth, and the Group has launched mobile businesses in Italy.

Headline PBIT saw ongoing double-digit growth in H1 (11.3% to €7.46 M). As a result, operating margin rose 140 bp to 20% in H1 2015 versus 18.6% in H1 2014.

The robust business growth in France brought about **a substantial rise in headline PBIT in France (22.3% to €5.40 M)**.

Restructuring, cost control and an improved business performance have resulted in strong growth of 18.8% in headline PBIT for Benelux. **The decrease in International headline PBIT (Benelux and other countries) was limited to €0.23 M (down 10% to €2.06 M)**.

Current operational income rose 8.9% to €7.2 M after factoring in €0.26 M in restructuring costs.

The net loss of companies accounted for using the equity method – mainly due to the Central European businesses – has improved from €0.46 M in H1 2014 to €0.25 M in H1 2015.

Attributable net income amounted to €4.58 M, up 9.5%. HighCo delivered EPS of €0.44 per share in H1 2015, up 9.7% and 10.2% on a diluted basis compared with H1 2014.

HighCo's financial structure remains strong with net cash of €38.24 M, rising €7.04 M (22.6%) compared with 31 December 2014. This growth mainly stems from operating cash flow of €5.5 M and a €3.87 M increase in net working capital resources to €45.49 M at 30 June 2015 (financing cycle of the coupon clearing businesses).

HIGHLIGHTS

Two strategic focuses

Digital grew 23.3% in H1 2015, and the share of digital business rose from 34.8% at 31 December 2014 to 38.4% for H1 2015. Offline businesses fell 7.7% in the first half of the year. The Group is rapidly moving towards its target of generating 50% of its gross profit in Digital.

The share of International business (Benelux, Italy, Spain and the United Kingdom) rose to 37.9% from 37% at 31 December 2014. A share of 50% remains a medium-term target.



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DRIVE TO STORE solutions growing sharply

DRIVE to STORE solutions are fully digital and expanding fast. This growth is reflected in the 21% increase in the **volume of digital coupons issued** to 22.1 million (including customer-segmented discount coupons).

The mobile marketing businesses are developing rapidly, boasting 29% growth in gross profit:

- The volume of **SMS notifications** sent since the solution launch exceeded a cumulative total of the symbolic one billion mark. Push notifications also continue to grow.
- **Pricing**, the leading shopping services mobile application, contributed to the growth in gross profit from mobile businesses with its positioning at the heart of the multi-channel strategies and CRM programmes of brands and stores.

Gross profit from **social media businesses** rose 22% with the development of **MILKY**.

Cross-channel marketing campaigns (targeted displays and emailing, promotions on Facebook, deals and banners on the Pricing app), based on performance, are also growing rapidly.

Continued digitisation of IN-STORE solutions

These solutions are still primarily "paper", **but the proportion of digital IN-STORE solutions** grew from 14.8% in H1 2014 to 19.3% in H1 2015.

On **Click & Collect websites**, HighCo is developing a unique offer deployed across 80% of the market. Brands and retailers can highlight and promote their products using targeted displays and coupons.

The **couponing and point-of-sale media businesses** remained stable in France and Belgium in the first half of 2015, with a decrease in paper media carriers and an increase in digital media carriers.

The agreements with HighCo's retail partners were extended in H1 2015 in France and Belgium, and the Group has restarted its collaboration with Monoprix in France.

DATA solutions driven by new services for retailers

The share of digital DATA solutions grew from 29.2% in H1 2014 to 33.1% in H1 2015.

The volume of **paper coupons cleared** fell in France and Belgium, while the volume of dematerialised coupons cleared with online food shopping websites in France increased.

The growth in **Cashback offers** in France and Belgium was boosted by the increasing number of e-cashback offers (54% in H1 2015).

Services to retailers are also developing, covering games, loyalty campaigns and New Promotional Tools (NPT).

2015 GUIDANCE REVISED UPWARDS

HighCo has raised its business growth outlook for 2015 and has specified its profitability guidance announced at end-March 2015:

- Growth in H2 2015 gross profit of more than 3% (H1 2015: 2.2% LFL);
- Growth in headline PBIT of more than 10% (2014 headline PBIT: €9.52 M);
- Growth in operating margin equal to or greater than 100 bp (2014: 13.4%);
- Growth in EPS of more than 10% (adjusted 2014 EPS: €0.52).



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

- Capital expenditure, for less than €1.5 M (€1.33 M in 2014; €0.89 M in H1 2015);
- Share buybacks, for less than €0.5 M (€0.51 M in 2014, €0.09 M in H1 2015);
- Continued acquisitions and investments.

A conference call with analysts will take place on Thursday, 27 August at 10 a.m. The presentation will be available online 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 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**.

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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