



INTELLIGENT MARKETING SOLUTIONS

Paris, 21 March 2016

EXCELLENT PERFORMANCE IN 2015 FOR HIGHCO'S 25th ANNIVERSARY

The HighCo Group released excellent FY 2015 earnings for its 25th anniversary, with gross profit up 5.5% like for like and continued double-digit growth across all profitability indicators.

Significant pick-up in growth

- Full-year 2015 gross profit of €75.39 M, up 6.4% on a reported basis and 5.5% LFL¹.
- H2 2015 gross profit up 9% LFL.

Sharp rise in profitability

- Headline PBIT² of €11.15 M, up 17.1%.
- Operating margin² of 14.8%, up 140 basis points.
- Current operating income up 19.4% to €10.48 M.
- Attributable net income up 26%³ to €6.77 M.

Strong cash generation

- Net cash⁴ of €40.77 M at 31 December 2015, up by €9.57 M.

Substantial pick-up in Digital

- Increase of 26.6% LFL.
- Digital businesses are expected to exceed 50% of the Group's business in 2017 (41.3% at end-2015).

(in € M)	2015	2014	2015/2014 Change
Gross profit	75.39	70.88	+6.4% (+5.5% LFL ¹)
Headline PBIT ²	11.15	9.52	+17.1%
Current operational income	10.48	8.78	+19.4%
Attributable net income	6.77	5.38³	+26%³
Net cash ⁴	40.77	31.21	+ €9.57 M

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 2014 attributable net income adjusted for the €2.95 M impairment loss on POS Media in Central Europe.

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



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Didier Chabassieu, Chairman of the Management Board, stated, *“HighCo delivered an outstanding performance for its 25th anniversary. Our excellent earnings confirm our strategy focused on Digital and Data and mean that we can be confident in our profitable growth outlook.*

The share of Digital business is expected to surpass 45% of the Group’s gross profit in 2016 and exceed the target of 50% in 2017.

We’re also moved a step closer to our goal of becoming a data marketing leader with the acquisition of CapitalData.”

FY 2015 FINANCIAL PERFORMANCE

FY 2015 gross profit amounted to €75.39 M, resulting in a strong increase of 6.4% on a reported basis and 5.5% like for like. Business was brisk in the fourth quarter of 2015, **showing growth of 13.5% LFL.** Business growth over the year was driven by Digital, while the decline in offline businesses, at 5.6%, slowed in 2015 compared with 2014.

The pick-up in growth in France, 7.3% LFL to €48.04 M (versus 4.3% in 2014), was fuelled by the further rise in Digital business (up 31.2% LFL).

International business resumed growth (up 2.6% LFL to €27.35 M):

- Benelux posted a healthy business recovery (up 5.7% LFL);
- Southern Europe (Spain, Italy) also soared growth over the year (up 56.3% LFL);
- The United Kingdom posted a sharp drop in 2015 (down 20.1% LFL) due to the decline in business with domestic clients, but with a less significant decrease in the second half of the year (down 10.2%).

Headline PBIT registered double-digit growth for the second consecutive year in 2015 (up 17.1% to €11.15 M) with:

- Continued strong gains in headline PBIT for France of 20.8% (versus 15.9% in 2014);
- Resumed growth of 5.3% in international headline PBIT.

Operating margin (headline PBIT/gross profit) rose by 140 basis points, coming to 14.8% in 2015.

The rise in headline PBIT and the drop in restructuring costs (€0.67 M in 2015 versus €0.74 M in 2014) led to a robust **19.4% increase in current operating income to €10.48 M.**

Attributable net income rose faster (up 26%³) than current operating income with Central Europe at breakeven, as it is accounted for using the equity method.

HighCo recorded EPS of €0.65 in 2015, up 26.1% (26.2% on a diluted basis) compared with 2014³.

A dividend of €0.19 per share, i.e. a 26.7% increase (payout ratio of 29.2%) will be proposed at the next AGM on 23 May 2016.

Net cash rose substantially by €9.57 M to €40.77 M at 31 December 2015. Cash flow climbed 3.1% to €8.07 M, while net working capital resources improved by €5.12 M. Excluding net working capital resources (€46.70 M at 31 December 2015), net debt amounted to €5.93 M, down €4.27 M compared with 31 December 2014.



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HIGHCO'S STRATEGIC PRIORITY

Gross profit in Digital soared 26.6% in 2015. Digital businesses represented 41.3% of the Group's gross profit in 2015, as against 34.8% in 2014. The share of Digital business in France came to 49.2% of gross profit in 2015 and exceeded the 50% target in H2 2015.

The Group aims to surpass the target of 50% of gross profit in Digital in 2017.

HIGHLIGHTS

1) Strong growth in fully digital DRIVE TO STORE solutions

In 2015, HighCo strengthened its leading position in digital coupon issuing, with a 23% surge in volumes.

The very sharp pick-up in **mobile marketing businesses** (gross profit up 51% in 2015) was mainly reflected in the 14% increase in the volume of SMS and push notifications.

The Group launched its first mobile programmatic display campaign for Franprix. This campaign involved relaying promotional messages on geo-targeted banners across more than 500 mobile apps within the stores' catchment area.

Brand content and targeted media **on social networks** grew 18% in 2015.

Multi-channel marketing actions (sending targeted content via shopping applications, partner brand sites, e-mailing and newsletters) also contributed to the development of DRIVE to STORE.

Furthermore, the Group remains convinced of the key role data will play for its advertising clients. As such, it strengthened its data marketing businesses in January 2016 with the **full acquisition of CapitalData. The start-up provides big data integration and development solutions** that are used to automate and hyper-personalise advertising and promotional messages.

CapitalData has ten employees and generated €0.6 M in revenue in 2015. The company puts together targeting campaigns for prestigious advertisers including voyageprive.com and Nestlé.

2) Continued digitisation of IN-STORE solutions

The **physical point-of-sale coupon and media businesses** stabilised in France and Belgium.

The agreements with HighCo's retail partners remained in effect in 2015 in France and Belgium and were re-established with Monoprix in France.

These solutions are still predominantly "paper", **but digital IN-STORE solutions are growing fast**, with the proportion rising from 18.9% in 2014 to 24.3% in 2015.

HighCo is developing a unique offer deployed across 80% of the market of **Click & Collect websites of food retailers**, which covers display campaigns, product displays, coupon issuing and targeting. More specifically, HighCo offers unique personalised ads in France, which are displayed in line with the target customer's profile or purchase history on the visit to the Click & Collect website.



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3) DATA solutions driven by new services for retailers

The share of digital DATA solutions rose from 30.8% in 2014 to 34% in 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.

Cashback offers in France and Belgium have experienced a surge in activity, boosted by the growth in digital solutions (e-cashback offers up 32%).

Services to retailers (management of gaming and loyalty campaigns and new promotional tools) have expanded, with a new promotions management agreement for Intermarché in Belgium and continued growth and digitisation in France.

2016 GUIDANCE

For 2016, HighCo forecasts:

- Growth in 2016 gross profit of more than 4% LFL (2015 GP: up 5.5% LFL);
- Increase in headline PBIT greater than or equal to 10% (2015 headline PBIT: €11.15 M);
- Rise in operating margin greater than or equal to 80 bp (2015: 14.8%);
- Growth in EPS greater than or equal to 10% (2015 EPS: €0.65).

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

- Capital expenditure of between €1.5 M and €2 M (€1.58 M in 2015);
- Share buybacks of between €0.5 M and €1 M (€0.5 M in 2015);
- Continued acquisitions and investments in Digital and Data businesses.

The share of the Group's Digital business is expected to exceed 45% of gross profit in 2016 and its 50% target in 2017.

The Supervisory Board examined the financial statements for the year ended 31 December 2015. 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 22 March 2016 at 2.30 p.m. 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 – 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.

Operating in 14 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, winning first prize in its category (revenue < €150 M) for 2015.



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Upcoming events

Publications take place **after market close**.

SFAF financial analysts meeting: Tuesday, 22 March 2016
Q1 2016 Gross Profit: Tuesday, 26 April 2016
Q2 and H1 2016 Gross Profit: Tuesday, 19 July 2016
2016 Half-year Earnings: Wednesday, 31 August 2016
Conference call on 2016 half-year earnings: Thursday, 1 September 2016
Q3 and 9-month YTD 2016 Gross Profit: Wednesday, 19 October 2016
Q4 2016 Gross Profit: Tuesday, 24 January 2017



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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