



INTELLIGENT MARKETING SOLUTIONS

Paris, 24 January 2018 (6.00 p.m.)

HIGHCO CONTINUES ITS GROWTH IN 2017 (GROSS PROFIT UP 1.4% LFL) AND SUCCESSFULLY LEADS ITS DIGITAL TRANSFORMATION

Fifth year of growth and 50% share in digital business achieved in the fourth quarter

- Q4 2017 gross profit¹ of €20.80 M, up 0.6% on a reported basis and 0.6% LFL².
- 2017 gross profit¹ of €82.24 M, up 1.4% on a reported basis and 1.4% LFL².
- Growth in digital businesses: Q4 up 2.2% LFL, 2017 up 4.1% LFL.
- Strong performance in France: Q4 up 4.1% LFL, 2017 up 4.7% LFL.
- Decline in international business: Q4 down 7.9% LFL, 2017 down 6.0% LFL.

Development of data marketing with the acquisition of a loyalty card database

Guidance confirmed for improved profitability in 2017

- Increase in adjusted headline PBIT³ between 4% and 6%.
- Rise in adjusted operating margin (adjusted headline PBIT/gross profit)³ of equal to or greater than 50 bp.

Gross Profit (in € M) ¹	2017	2016 Reported	2016 LFL ²	2017/2016 Reported change	2017/2016 LFL ² change
Q1	20.38	19.51	19.56	+4.5%	+4.2%
Q2	21.90	21.76	21.76	+0.7%	+0.7%
Q3	19.16	19.13	19.13	+0.2%	+0.2%
Q4	20.80	20.66	20.66	+0.6%	+0.6%
Annual total	82.24	81.06	81.11	+1.4%	+1.4%

¹ Data currently being audited.

² Like for like: Based on a comparable scope (i.e. including CapitalData over twelve months in 2016 and 2017) 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).



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Cécile Collina-Hue, Chairman of the Management Board, stated: *“With a 1.4% rise in business activity in 2017, HighCo wraps up a fifth consecutive year of growth and, in the fourth quarter, generated 50% of its total gross profit in Digital. In 2013, the Group set a target to double the share of its digital businesses in its gross profit over the medium term. 2017 marks the success of our digital transformation, which we achieved by developing the skills of our teams and gaining expertise, especially in data marketing. HighCo is now firmly grounded in digital technology.”*

GROWTH IN DIGITAL BUSINESSES

Digital continued its growth **rising 2.2% like for like (LFL) in Q4 2017**. The share of digital in total Group business rose from 49.4% in Q4 2016 to 50.2% in Q4 2017, **enabling the Group surpass the 50% mark for the first time**. Offline businesses declined, especially in Belgium, showing a like-for-like drop of 0.9%. As a result, despite the high standard of comparison (like-for-like growth of 5.5% in Q4 2016), **the Group posted business growth for Q4 2017, up 0.6% on a reported basis and 0.6% like for like to €20.80 M**.

Digital businesses grew 4.1% like for like in 2017, and their share in total Group business rose accordingly from 46.6% to 47.8%. Although the growth of Digital was not as strong as initially expected, especially for Drive to Store businesses, it remains the essential driver in the Group’s development. Meanwhile, offline businesses declined 1% like for like over the period. **The Group’s gross profit rose 1.4% on a reported basis and 1.4% like for like over the year to €82.24 M**.

Revenue for 2017 amounted to €149.2 M.

STRONG PERFORMANCE IN FRANCE

Up 4.1% like for like, France turned in gross profit of €15.27 M in Q4 2017, representing 73.4% of the Group’s gross profit. This increase draws on the solid performance of Data digital businesses and the strong growth trend for In-Store businesses.

In 2017, France – with gross profit of €58.9 M, up 4.7% on a like for like basis – continues to fuel the Group’s growth. Digital businesses grew 3.6% like for like over the year, and their share in gross profit reached 54.9%.

DECLINE IN INTERNATIONAL BUSINESS

International gross profit slipped 7.9% like for like to €5.52 M in Q4 2017, i.e. 26.6% of the Group’s gross profit. **In Benelux, gross profit fell 7.4% like for like in Q4 2017, coming to €5.34 M**, a result of the drop in the volume of paper coupons cleared and of offline in-store media.

International gross profit stood at €23.34 M in 2017, down 6% like for like. Benelux declined 6.2% like for like and represented 27.2% of the Group’s gross profit. However, digital businesses in Benelux grew 7.6% in 2017, with their share in total gross profit rising from 23.7% to 27.1%. Business in Southern Europe (Spain and Italy) fell slightly by 2.8% like for like in 2017. The region accounts for 1.2% of the Group’s gross profit.



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DEVELOPMENT OF DATA MARKETING WITH THE ACQUISITION OF A LOYALTY CARD DATABASE

As announced on 29 December 2017, HighCo expanded its data marketing businesses with the acquisition of a database containing nearly 9 million loyalty cards and associated transaction data from major food retail chains.

This data enriches CapitalData's Data Management Platform (DMP) in compliance with data protection rules and powers its recommendation algorithms for multi-channel and multi-media one-to-one campaigns. With this database HighCo can accelerate the roll-out of its web-to-store offer aimed at brands to generate traffic and in-store sales in keeping with its initial campaigns, which have been successfully implemented since 2016.

GUIDANCE CONFIRMED FOR IMPROVED PROFITABILITY IN 2017

Based on the 2017 year-end closing in progress, HighCo confirms its 2017 guidance and expects:

- An increase in adjusted headline PBIT³ between 4% and 6% (2016 adjusted headline PBIT: €14.1 M);
- A rise in adjusted operating margin³ equal to or greater than 50 bp (2016 adjusted operating margin: 17.4%).

Estimated net cash⁴, including working capital resources from the Data businesses, totalled more than €45 M at 31 December 2017 (€49.63 M at 31 December 2016).

The 2017 annual earnings will be released on 20 March after market close. A financial analysts' meeting is scheduled for 21 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 700 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**.

2017 Annual Earnings: Tuesday, 20 March 2018
SFAF financial analysts meeting: Wednesday, 21 March 2018 at 2.30 pm (location TBC)
Q1 2018 Gross Profit: Wednesday, 25 April 2018
Q2 and H1 2018 Gross Profit: Wednesday, 18 July 2018
2018 Half-year Earnings: Wednesday, 29 August 2018
Conference call on 2018 half-year earnings: Thursday, 30 August 2018
Q3 and 9-month YTD 2018 Gross Profit: Wednesday, 17 October 2018
Q4 and FY 2018 Gross Profit: Wednesday, 23 January 2019



*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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