

Aix-en-Provence, 22 January 2020 (6.00 p.m.)

## HIGHCO CLOSES 2019 WITH A VERY GOOD FOURTH QUARTER, BETTER THAN EXPECTED AT 6.5% LFL (GROSS PROFIT)

### A seventh consecutive year of growth at 4.6% LFL

- Q4 2019<sup>1</sup> gross profit of €24.74 M, up 6.7% on a reported basis and 6.5% LFL<sup>2</sup>.
- FY 2019<sup>1</sup> gross profit of €95.22 M, up 8.7% on a reported basis and 4.6% LFL<sup>2</sup>.
- Continued strong growth in digital businesses: Q4 up 7.4% LFL, FY 2019 up 7.8% LFL.
- Offline businesses held up well: Q4 up 5.3% LFL, FY 2019 up 0.9% LFL.
- Strong growth in France: Q4 up 7.7% LFL, FY 2019 up 5% LFL.
- Improvement in international business: Q4 up 3.4% LFL, FY 2019 up 3.5% LFL.

### Improved profitability for FY 2019 in line with guidance

- Rise in adjusted operating margin (adjusted headline PBIT/gross profit)<sup>3</sup> of about 20 bp.

### Stock markets: HighCo eligible for France's SME equity savings plans ("PEA-PME")

Gross Profit (in € M) <sup>1</sup>	2019	2018 reported	2018 LFL <sup>2</sup>	2019/2018 Reported change	2019/2018 LFL <sup>2</sup> change
Q1	23.17	20.73	22.48	+11.8%	+3.1%
Q2	25.03	22.47	24.09	+11.4%	+3.9%
Q3	22.28	21.19	21.22	+5.2%	+5.0%
<b>Q4</b>	<b>24.74</b>	<b>23.19</b>	<b>23.22</b>	<b>+6.7%</b>	<b>+6.5%</b>
<b>12-month total</b>	<b>95.22</b>	<b>87.57</b>	<b>91.02</b>	<b>+8.7%</b>	<b>+4.6%</b>

<sup>1</sup> Data currently being audited.

<sup>2</sup> Like for like: Based on a comparable scope (i.e. including Useradgents over 12 months in 2018 and 2019, as of 1 January) and at constant exchange rates (i.e. applying the average exchange rate over the period to data from the compared period).

<sup>3</sup> 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.

<sup>4</sup> Net cash: Cash (asset) minus gross financial debt (liability).



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Didier Chabassieu, Chairman of the Management Board, stated, “*With like-for-like growth of 4.6%, HighCo closes a seventh consecutive year of growth, thanks mainly to a better-than-expected performance in the fourth quarter (up 6.5% like for like). At the dawn of its 30th anniversary, and with continued strong growth in digital businesses, the Group is moving forward in its innovation strategy, working with our clients to meet the retail challenges of tomorrow. As a result, HighCo expects another year of growth in 2020.*”

## VERY GOOD PERFORMANCES IN Q4 2019

The Group’s gross profit totalled **€24.74 M in Q4 2019**, reflecting a **further pick-up in its business growth**, up 6.7% on a reported basis and **6.5% like for like** (Q1 2019: up 3.1%, Q2 2019: up 3.9%, Q3 2019: up 5%). This steady acceleration in business growth over the year has enabled the Group to post **gross profit of €95.22 M for 2019, showing strong growth of 8.7%** on a reported basis and **4.6% like for like**.

The Group’s revenue for FY 2019 came to €175.7 M.

**Growth in Digital remained healthy in Q4 2019, with a like-for-like increase of 7.4%**. The share of Digital in total Group business reached a new high of 58.7% in Q4 2019, up from the reported figure of 58.3% in Q4 2018. Reporting better-than-expected performance, offline businesses grew 5.3% like for like over the quarter.

**Over the year in 2019, the share of Digital business in the Group’s total business activity came to 56.2%** (reported figure of 52.9% in 2018), for a strong like-for-like increase of 7.8%. Thanks to a good performance in the last quarter, offline businesses showed slight growth for 2019, coming out at 0.9% like for like.

## STRONG GROWTH IN FRANCE

FRANCE	Gross Profit (in € M)		2019/2018 Change		% Total gross profit
	2019	2018 reported	Reported	LFL	
Q1	17.70	15.31	+15.7%	+3.8%	76.4%
Q2	18.62	16.18	+15.1%	+4.6%	74.4%
Q3	16.92	16.25	+4.1%	+3.9%	75.9%
<b>Q4</b>	<b>18.27</b>	<b>16.93</b>	<b>+7.9%</b>	<b>+7.7%</b>	<b>73.8%</b>
<b>12-month total</b>	<b>71.52</b>	<b>64.68</b>	<b>+10.6%</b>	<b>+5.0%</b>	<b>75.1%</b>

**In France, Q4 2019 gross profit totalled €18.27 M, a strong rise of 7.7% like for like**, accounting for 73.8% of the Group’s gross profit. This growth continues to be driven by the very positive trend in digital businesses (up 9.2% like for like); their share of total business generated in France stood at 68% for the quarter.

**For 2019, gross profit in France amounted to €71.52 M, up 5% like for like**, with strong growth in **Digital (up 8.8% like for like)**. The share of Digital in total French business increased from 59.8% for 2018 to **63.9% for 2019**, benefiting from a sustained performance across all businesses.



## IMPROVEMENT IN INTERNATIONAL BUSINESS

INTERNATIONAL	Gross Profit (in € M)		2019/2018 Change		% Total gross profit
	2019	2018 Reported	Reported	LFL	
Q1	5.47	5.42	+0.8%	+0.8%	23.6%
<i>o/w Benelux</i>	5.18	5.14	+0.7%	+0.7%	22.4%
Q2	6.41	6.28	+2.0%	+2.0%	25.6%
<i>o/w Benelux</i>	6.14	6.01	+2.2%	+2.2%	24.5%
Q3	5.37	4.94	+8.7%	+8.7%	24.1%
<i>o/w Benelux</i>	5.10	4.72	+8.2%	+8.2%	22.9%
<b>Q4</b>	<b>6.47</b>	<b>6.26</b>	<b>+3.4%</b>	<b>+3.4%</b>	<b>26.2%</b>
<i>o/w Benelux</i>	6.19	5.93	+4.3%	+4.3%	25.0%
<b>12-month total</b>	<b>23.71</b>	<b>22.90</b>	<b>+3.5%</b>	<b>+3.5%</b>	<b>24.9%</b>
<i>o/w Benelux</i>	22.61	21.80	+3.7%	+3.7%	23.7%

After a good second half with like-for-like growth of 5.7%, **International businesses posted gross profit of €23.71 M for 2019, up 3.5% like for like.**

**In Benelux**, gross profit increased 4.3% like for like over the fourth quarter, enjoying growth in all the region's business segments. Following a 2.6% decline on a like-for-like basis in 2018, **business picked up, with like-for-like growth of 3.7% in 2019.** Despite an unfavourable comparison base (2018: up 7.3% like for like), digital businesses remained buoyant in 2019 (up 2.6% like for like) and accounted for 29.6% of gross profit in Benelux.

Business in Southern Europe remained stable over the year, accounting for 1.2% of the Group's gross profit.

## IMPROVED PROFITABILITY FOR FY 2019 IN LINE WITH GUIDANCE

Based on the year-end closing in progress, **HighCo confirms its 2019 guidance and expects a rise in adjusted operating margin<sup>3</sup> of about 20 bp** (2018 adjusted operating margin: 18.3%).

Estimated net cash<sup>4</sup>, including working capital resources from the Data businesses, totalled approximately €62 M at 31 December 2019 (€52.17 M at 31 December 2018).

The 2019 annual earnings will be released on 24 March after market close. A financial analysts' meeting is scheduled for Wednesday, 25 March at 2.30 p.m.

## STOCK MARKETS: HIGHCO ELIGIBLE FOR FRANCE'S SME EQUITY SAVINGS PLANS

As announced on 21 January, and in line with regulations passed in 2019 (France's Action Plan for Business Growth and Transformation, or PACTE of 22 May 2019), **HighCo is eligible for France's government initiative supporting SME equity savings plans ("PEA-PME")**. This means that HighCo shares can be included in these individual equity savings plans ("PEA-PME").



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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**

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### **Upcoming events**

Publications take place **after market close**.

2019 Annual Earnings: Tuesday, 24 March 2020

SFAF financial analysts meeting: Wednesday, 25 March 2020 at 2:30 p.m. (8 rue de la Rochefoucauld – 75009 Paris)

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



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*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](http://www.highco.com).*

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