

Aix-en-Provence, 20 January 2021 (6.00 p.m.)

HIGHCO: GOOD RESILIENCE OF BUSINESS ACTIVITY AND BETTER-THAN-EXPECTED FINANCIAL PERFORMANCE IN 2020

Business activity (GP) significantly better in H2 (down 5.7%) than in H1 (down 14.7%)

- Q4 2020 gross profit¹ of €19.67 M, down 7.1% LFL².
- H2 2020 gross profit¹ of €38.19 M, down 5.7% LFL².
- FY 2020 gross profit¹ of €74.16 M, down 10.3% LFL².
- Good resilience of Digital in 2020 thanks to Mobile business: H2 down 3.1% LFL; FY 2020 down 5.6% LFL.
- Less steep decline in France: H2 down 5.2% LFL; FY 2020 down 10.1% LFL.

2020 financial performance better than expected

- Adjusted operating margin (adjusted headline PBIT/gross profit)³ rose significantly from more than 12% to more than 16%.
- Net cash at end-December 2020 expected to rise sharply.
- Early repayment in full of the €30 M government-backed loan.
- Recommended dividend payout higher than 2019 dividend (€0.16 per share).

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

Gross Profit (in € M) ¹	2020 ²	2019 LFL ²	2020/2019 LFL ² change
Q1	18.19	20.59	-11.7%
Q2	17.78	21.61	-17.7%
Q3	18.52	19.32	-4.1%
Q4	19.67	21.17	-7.1%
12-month total	74.16	82.69	-10.3%

¹ Data currently being audited.

² Like for like: Based on a comparable scope and at constant exchange rates (i.e. applying the average exchange rate over the period to data from the compared period). Furthermore, in application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, Shelf Service businesses were reported as discontinued operations as of the fourth quarter of 2020. For reasons of consistency, the data reported for 2019 and for the first nine months of 2020 has been restated to account for the impact of Shelf Service. As a result, LFL data is equal to restated data in 2019.

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.

Didier Chabassieu, Chairman of the Management Board, stated, “I’m proud of the work our managers and their teams have accomplished, which has enabled HighCo to achieve a financial performance in 2020 that was better than expected. The resilience of our businesses combined with sound cost control has provided the Group with the financial solidity it needs to move forward in its innovation strategy. Through its startup studio HighCo Venturi, the Group is developing solutions to shift towards digital promotions and support our clients in meeting the new challenges faced by the retail industry.”

BUSINESS ACTIVITY (GP) SIGNIFICANTLY BETTER IN H2 (DOWN 5.7%) THAN IN H1 (DOWN 14.7%)

HighCo posted a decline in business of 5.7% in H2 2020 on a like-for-like basis, on the strong end of range in announced guidance (5% to 7% decline for H2 2020). Q4 2020 gross profit came to €19.67 M, down 7.1% (like for like).

Digital held up better over the year in 2020 (down 5.6% like for like), mainly due to growth in Mobile businesses in the second half of the year (up 5.3% like for like). At end-December 2020, the share of Digital in total Group business increased significantly, from 56.2% in 2019 (including Shelf Service) to 67.3%.

Despite the unprecedented health and economic crisis, the Group confirmed its resilience in 2020 with gross profit down 10.3% to reach €74.16 M.

The Group’s revenue for FY 2020 came to €136.4 M.

France: Less significant decline than in international business

FRANCE	Gross Profit (in € M)		2020/2019 LFL change	% Total gross profit ²
	2020	2019 LFL		
Q1	15.30	17.70	-13.6%	84.1%
Q2	15.66	18.62	-15.9%	88.1%
Q3	16.21	16.92	-4.2%	87.5%
Q4	17.16	18.27	-6.1%	87.2%
12-month total	64.32	71.52	-10.1%	86.7%

Down 5.2% for H2 2020, France posted gross profit of €33.37 M, as the impact of the crisis on activity was partly offset by the good performance of Drive and Mobile businesses, which grew in the last quarter.

Business activity fell 10.1% for the full year 2020, with France accounting for 86.7% of the Group’s gross profit.

INTERNATIONAL	Gross Profit (in € M)		2020/2019 LFL change	% Total gross profit ²
	2020 ²	2019 restated/LFL ²		
Q1	2.90	2.89	+0.3%	15.9%
Q2	2.12	2.98	-28.7%	11.9%
Q3	2.31	2.40	-3.7%	12.5%
Q4	2.51	2.90	-13.5%	12.8%
12-month total	9.84	11.17	-11.9%	13.3%

With gross profit of €4.82 M, International businesses were down 9.1% in H2 2020. In Benelux, following a 16% drop in business in the first half of the year, H2 showed a decline of only 10%. As a reminder, in October 2020 the Group sold its in-store activities in Benelux, while accelerating the digital transformation of its Belgian businesses. **For the full year 2020, International business fell 11.9% to €9.84 M**, accounting for 13.3% of the Group's gross profit.

2020 FINANCIAL PERFORMANCE BETTER THAN EXPECTED

Based on the year-end closing in progress, its sound cost control and the sale of Shelf Service, **the Group has significantly raised its guidance for operating margin. HighCo now expects adjusted operating margin³ up from more than 12% to more than 16%** (reported 2019 adjusted operating margin of 18.5%).

At end-December 2020, net cash, excluding the government-backed loan and operating working capital, **is expected to increase sharply** (€8.01 M at 30 June 2020).

In light of this cash generation and the Group's solid financial position, **the Management Board decided to repay the €30 M government-backed loan in full**. Taken out in May 2020, the loan was never used.

Moreover, **the Management Board will recommend** to the Supervisory Board to propose at the next Annual General Meeting **a higher dividend payout** than in 2019 (for FY 2018), i.e. a dividend per share of more than €0.16.

The Management Board also announced that it will resume its share buyback programme.

2020 annual earnings will be released on 23 March after market close. A conference call for financial analysts is scheduled for Wednesday, 24 March at 2.30 p.m.

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

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

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 600 employees and since 2010 has been included in the Gaia Index, a selection of 70 responsible Small and Mid Caps.

Your contacts

Cécile Collina-Hue
Managing Director
+33 1 77 75 65 06
comfi@highco.com

Cynthia Lerat
Press Relations
+33 1 77 75 65 16
c.lerat@highco.com

Upcoming events

Publications take place **after market close**.

2020 Annual Earnings: Tuesday, 23 March 2021
Conference call on 2020 annual earnings: Wednesday, 24 March 2021 at 2.30 p.m.
Q1 2021 Gross Profit: Wednesday, 21 April 2021
Q2 and H1 2021 Gross Profit: Tuesday, 20 July 2021
2021 Half-year Earnings: Wednesday, 25 August 2021
Conference call on 2021 half-year earnings: Thursday, 26 August 2021
Q3 and 9-month YTD 2021 Gross Profit: Wednesday, 20 October 2021
Q4 and FY 2021 Gross Profit: Wednesday, 19 January 2022



HighCo is a component stock of the indices CAC® Small (CACS), CAC® Mid&Small (CACMS), CAC® All-Tradable (CACT), Euronext® Tech Croissance (FRTPR) and Enternext® PEA-PME 150 (ENPME).

ISIN: FR000054231

Reuters: HIGH.PA

Bloomberg: HCO FP

For further financial information and press releases, go to www.highco.com.