HighCo
INTELLIGENT MARKETING

Aix-en-Provence, 23 March 2021 (6.00 p.m.)

HIGHCO: BETTER-THAN-EXPECTED FINANCIAL PERFORMANCE IN THE CHALLENGING CONTEXT OF 2020

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

- Full-year 2020 gross profit of €74.16 M, down 10.3% LFL[1], with H2 2020 down 5.7% LFL.
- Good resilience of Digital in 2020 thanks to Mobile business: down 5.6% LFL, accounting for 67.3% of the Group's total business in 2020.

Better-than-expected results, profitability remaining healthy, and strong increase in dividend

- Adjusted headline PBIT[2] of €12.18 M, down 28.8%.
- Adjusted operating margin[2] of 16.4%.
- Recurring operating income of €12.18 M, down 24.6%.
- Adjusted attributable net income[3] of €5.77 M, down 36.5%.
- Dividend of €0.27 per share to be proposed at the AGM in May 2021, for a strong 68.8% increase (compared with the dividends paid in 2019).

Strong cash generation

- Operating cash flow of €13 M (excluding IFRS 16), for a limited decline of €1.21 M or 8.5%.
- Net cash excluding operating working capital of €13.42 M at 31 December 2020, representing an increase of €10.17 M compared to 31 December 2019.

2021 Guidance: Return to business and growth in adjusted operating margin to more than 17%

Didier Chabassieu, Chairman of the Management Board, stated, "*After a year of this unprecedented health and economic crisis, HighCo's financial performance has come out better than expected. I'm extremely proud of the Group's resilience, which, thanks to the dedication of its employees, has continued to support its customers in this challenging environment. Building on this performance, the Group has the resources to pay out a higher dividend and, through its startup studio HighCo Venturi, accelerate its innovation strategy in order to create its growth drivers.*"

HighCo INTELLIGENT MARKETING

(€ M)	2020	2019 restated	2020/2019 Change restated
Gross profit	74.16	82.69	-10.3%
Adjusted headline PBIT[2]	**12.18**	**17.12**	**-28.8%**
Adjusted operating margin[2] (%)	***16.4%***	***20.7%***	***-430 bp***
Recurring operating income	12.18	16.15	-24.6%
Adjusted attributable net income[3]	**5.77**	**9.10**	**-36.5%**
Net cash[4] excluding operating working capital	13.42	3.25[5]	+€10.17M

1 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.
2 Adjusted headline profit before interest and tax: Recurring operating income before restructuring costs (2020: €0.78 M; 2019: €0.34 M) and excluding the impact of performance share plans (2020: income of €0.78 M; 2019: loss of €0.62 M). Adjusted operating margin: Adjusted headline PBIT/Gross profit.
3 Adjusted attributable net income: Attributable net income excluding the net after-tax impact of performance share plans (2020: income of €0.56 M; 2019: loss of €0.45 M), excluding other operating income and expenses (2020: none; 2019: income of €0.12 M€), and excluding net income from assets held for sale and discontinued operations (2020: loss of €2.06 M; 2019: income of €0.55 M).
4 Net cash (or net cash surplus): Cash and cash equivalents less gross current and non-current financial debt, excluding finance lease debt.
5 At 31 December 2019, excluding finance lease debt.

HighCo INTELLIGENT MARKETING

2020 FINANCIAL PERFORMANCE

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

In the unprecedented health and economic crisis, **the Group confirmed its resilience in 2020 with gross profit down 10.3% to reach €74.16 M**, thanks to significantly better business activity in H2 (down 5.7%) than in H1 (down 14.7%) on a like-for-like basis.

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). **The share of Digital in total Group business increased significantly, from 56.2% at end-2019 (including Shelf Service) to 67.3%** at end-2020.

With a decline of 10.1% in 2020, France posted gross profit of €64.32 M, representing 86.7% of the Group's gross profit. 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.
With gross profit of €9.84 M, International businesses were down 11.9% in 2020, representing 13.3% of the Group's gross profit. In Benelux, business was down 13.1% over the year. As a reminder, the Group sold its in-store activities in Benelux in October 2020.

Better-than-expected results, profitability remaining healthy, and strong increase in dividend

Resilient business activity combined with sound cost management helped limit the **drop in adjusted headline PBIT to €12.18 M**, representing a decline of 28.8%. The decline was less steep than expected thanks to **4.3% growth in adjusted headline PBIT in the second half of the year**.
Adjusted operating margin (adjusted headline PBIT/gross profit) **was revised upwards** in H2 (from 10% to 12% then 16%) to finally **come out at 16.4%** (drop of 210 basis points from 2019, incl. Shelf Service).
Adjusted headline PBIT came to €10.01 M for France (down 30.9%) and €2.18 M for the International businesses (down 17.7%).

With income of €0.78 M from the write-back of the provision on performance share plans (2019 restated: loss of €0.62 M), higher restructuring costs at €0.78 M (2019 restated: €0.34 M) and no other operating income and expenses (2019 restated: income of €0.12 M), **recurring operating income and operating income for 2020 came out at €12.18 M**, down 24.6% and 25.1% respectively.

The 2020 tax expense decreased 28.4%, totalling €4.24 M (2019 restated: expense of €5.92 M).

The non-cash loss from assets held for sale and discontinued operations amounted to €2.06 M in 2020 (2019 restated: income of €0.55 M) mainly due to the sale of the Shelf Service businesses in Benelux.

Adjusted attributable net income fell 36.5% to €5.77 M (2019 restated: €9.1 M). The reported figure came to €4.27 M, for a decrease of 54.1% (2019 restated: €9.32 M).

The Group recorded 2020 EPS of €0.28, down 36.4% compared with restated EPS for 2019 (€0.44).

Based on this healthy financial performance, at the next General Meeting scheduled for 17 May 2021, **a dividend payment of €0.27 per share will be proposed, representing a sharp 68.8% increase** compared with the dividend of €0.16 per share paid in 2019 (for FY 2018).

HighCo
INTELLIGENT MARKETING

Strong cash generation

The net cash position rose €14.42 M to €76.96 M as at 31 December 2020. This was mainly due to **cash flow, which amounted to €13 M** (excluding the impact of IFRS 16).
Excluding operating working capital (€63.53 M at 31 December 2020), **net cash totalled €13.42 M, up by €10.17 M** with respect to 31 December 2019.

Lastly, the Group would like to point out that it repaid the €30 M government-backed loan, in full and in advance, in January 2021.

HIGHLIGHTS

Moving forward in its digital transformation strategy

In this complex health and economic environment characterised by the retail industry's accelerated shift towards digital technology, HighCo has continued investing in its **major strategic focus, the digital transformation of its businesses**. At end-2020, digital businesses accounted for 67.3% of all Group business (56.2% at end-2019).

Supporting its clients in the face of new challenges

Food retail has experienced a record year, undergoing **fundamental changes**: **ramp-up of click & collect services**, multiple **partnerships between physical chains and pure players**, structuring of **marketplaces**, etc.
Meanwhile, consumers significantly changed their **shopping behaviour**, going to stores that were geographically closest to them and massively shifting to **click & collect formats and contactless payment**.

In this complex environment, retailers faced **new challenges** and had no option but to **accelerate the digital transformation of their marketing**.
The Group advanced in its **innovation strategy** through the set-up of its **startup studio, HighCo Venturi**, to create its growth drivers and the solutions that the market needs.
With access to human and financial resources, HighCo Venturi chose to give priority to digitising two main promotional tools, **discount coupons** and **flyers**:

- For mobile discount coupons:
    - **Develop the first universal mobile coupon** recognised by the check-out systems at **all points of sale**, the prerequisite to launching mobile coupons in large food retail chains;
    - **Build a platform to issue personalised mobile coupons**.
- For digital flyers: Launch a platform where food e-commerce retailers can **convert their sales and promotional communication content into digital formats**, thereby offering them a valid alternative to paper flyers.

HighCo
INTELLIGENT MARKETING

2021 GUIDANCE

Given the current health and economic environment, for 2021 HighCo forecasts:
- A **return to growth in gross profit** (2020 gross profit: €74.16 M);
- **Rise in adjusted operating margin** (adjusted headline PBIT/gross profit) to more than **17%** (2020 adjusted operating margin: 16.4%).

The Group's financial resources will be allocated to:
- Ramp-up of the **startup studio HighCo Venturi** (operating investments of more than €4 M);
- Capital expenditure of between €2 M and €3 M (€2.9 M in 2020);
- Shareholder returns with the **payment of a much higher dividend** (about €5.6 M) and resumption of the share buyback programme, which will involve more than €1 M (suspended in 2020).

ANNUAL GENERAL MEETING OF 17 MAY 2021

HighCo's joint annual general meeting will be held at the head office in Aix-en-Provence on 17 May 2021 at 10.30 a.m. (CET).
In the health context due to the Covid-19 pandemic, the rules and conditions for attending this meeting may change depending how the situation develops and in line with regulations.

The Supervisory Board examined the financial statements for the year ended 31 December 2020. 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 universal registration document.

A conference call with analysts will take place on Wednesday, 24 March 2021 at 2.30 p.m. (CET). The presentation will be available at the beginning of the meeting on the Company's website (www.highco.com) under Investors > Financial Information > Financial analysts meetings.

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 nearly 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**.

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: FR0000054231
Reuters: HIGH.PA
Bloomberg: HCO FP
For further financial information and press releases, go to www.highco.com.