

Aix-en-Provence, 19 July 2023 (6 p.m.)

HIGHCO: STABLE BUSINESS ACTIVITY IN Q2/H1 2023 (GP up 0.1%/0.3%); STABLE ESTIMATED HALF-YEAR EARNINGS

Slight business growth in Q2/H1 2023

- Q2 2023 gross profit¹ of €19.53 m, up 0.1% on a reported basis and LFL².
- H1 2023 gross profit¹ of €38.43 m, up 0.3% on a reported basis and LFL².
- Growth in digital businesses (Q2 up 5.6% LFL; H1 up 3.4% LFL) and decline in offline businesses (Q2 down 10.1% LFL; H1 down 5.5% LFL).
- Slight business growth in France (Q2 up 0.3% LFL; H1 up 0.6% LFL) and less significant decline in International businesses (Q2 down 1% LFL; H1 down 1.7% LFL).

2023 Half-year Earnings: Forecast of stable HPBIT³ and operating margin³

Current situation with the retail market in France

2023 Guidance reiterated

Gross Profit (in € m) ¹	2023	2022	2023/2022 Change
Q1	18.90	18.80	+0.5%
Q2	19.53	19.51	+0.1%
H1	38.43	38.31	+0.3%

¹ Limited audit by the Statutory Auditors currently in progress.

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).

³ Headline PBIT: Profit before interest, tax and restructuring costs. Operating margin: Headline PBIT/Gross profit.

Didier Chabassieu, Chairman of the Management Board, stated, “HighCo’s start to the year was in line with its expectations, with slight business growth (up 0.3%), and anticipates steady profitability levels.

The M&A deals under way in the retail industry in France are compounded with an already turbulent environment due to the sustained inflation in food prices. The current climate is complex for all market players. The Group’s staff are all hard at work to support their customers.”

SLIGHT BUSINESS GROWTH IN Q2/H1 2023 DRIVEN BY DIGITAL

Following the slight growth in Q1 2023 (up 0.5% LFL), **HighCo showed, as anticipated, virtually stable business growth in Q2 2023 with gross profit of €19.53 m (up 0.1% LFL).**

Digital was up 5.6% driven in Q2 by paperless promotional offers. Meanwhile, offline businesses fell sharply, by 10.1%, over the quarter.

As a result, **the Group's businesses showed slight growth of 0.3% in H1 2023, to €38.43 m.** With growth of 3.4% over the first half of the year, Digital benefited especially from the strength of SMS and push notification activities (up 24% in volume). The share of digital businesses in the Group's total gross profit increased from 65.3% in H1 2022 to 67.3% in H1 2023.

Group revenue for H1 2023 amounted to €76.4 m.

Slight business growth in France and less significant decline in International business

FRANCE	Gross Profit (in € m)		2023/2022 Change	% Total gross profit
	2023	2022		
Q1	16.30	16.14	+1.0%	86.3%
Q2	17.10	17.05	+0.3%	87.5%
H1	33.40	33.19	+0.6%	86.9%

In France, gross profit rose slightly, by 0.3%, to €17.1 m in Q2 2023.

Benefiting from a favourable comparative base (Q1 2022 and Q2 2022 up 6.9% and up 1.4%, respectively), **digital businesses grew by 7.4% in Q2 2023.** Offline businesses, however (Q1 2022 and Q2 2022 down 9.1% and up 7.2%, respectively), showed a sharp decline of 13.2% over the quarter.

H1 2023 showed slight growth of 0.6%, with France accounting for 86.9% of the Group's gross profit in the first half of the year. **Digital businesses rose by 4.6% in the first half of the year**, and their share increased significantly to 68.5% of gross profit. Accounting for more than one-quarter of business in France, Mobile activities remained stable over the first half of the year (down 0.5%), against a challenging 2022 comparative base (up 19.7% in H1 2022). Offline businesses were down by 7% in France in the first half of the year.

INTERNATIONAL	Gross Profit (in € m)		2023/2022 Change	% Total gross profit
	2023	2022		
Q1	2.59	2.65	-2.3%	13.7%
Q2	2.43	2.46	-1.0%	12.5%
H1	5.03	5.11	-1.7%	13.1%

The drop in International business in Q2 2023 (down 1%) was less significant than in recent quarters, and gross profit totalled €2.43 m.

In **Belgium**, as anticipated, gross profit fell slightly by 0.8%. After several years of decline, the traditional promotion management business grew over the period.

Business in **Other countries (Spain and Italy)** continues to hold up (down 1.8% against a comparative base of a 56.8% increase in Q2 2022) and accounts for 2% of the Group's gross profit.

In H1 2023, International business fell 1.7% to €5.03 m, accounting for 13.1% of the Group's gross profit. Down 4.5%, the share of Digital in International businesses represented 59.3% of gross profit.

FORECAST OF STABLE 2023 HALF-YEAR EARNINGS

Based on the half-year closing in progress, **the Group forecasts:**

- **Stable headline PBIT³** (H1 2022: €9.97 m);
- **Stable operating margin³** (H1 2022: 26%).

The 2023 half-year earnings will be released on Wednesday, 13 September after market close. A conference call for financial analysts is scheduled for Thursday, 14 September at 11 a.m.

CURRENT SITUATION WITH THE RETAIL MARKET IN FRANCE

Much has been happening on the French retail market since the beginning of the year: price war, negotiations with consumer goods manufacturers, changes in consumption and shopping habits, mergers, alliances, financial position, and so forth.

HighCo is carefully watching to see how the situation with its long-standing client Casino will play out. So far, the Group has not felt an impact from this situation on its business or on its financial statements for the half-year ended 30 June 2023. HighCo will closely follow this case and any decisions made over the next few weeks, so as to anticipate any potential impacts on the Group in the short and medium term.

2023 GUIDANCE REITERATED

Based on its reported business activity in Q2 2023 and its forecast of stable half-year earnings, the Group **reiterates its guidance for 2023:**

- **Stable gross profit** (2022 gross profit: €77.16 m);
- **Operating margin** (headline PBIT/gross profit) of **approximately 21%** (2022 operating margin: 21%).

About HighCo

As an expert marketing and communication, HighCo supports brands and retailers in accelerating the transformation of retail.

Listed in compartment C of Euronext Paris, and eligible for SME equity savings plans (“PEA-PME”), HighCo has nearly 500 employees.

HighCo has achieved a Gold rating from EcoVadis, meaning that the Group is ranked in the top 5% of companies in terms of CSR performance and responsible purchasing.

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Upcoming events

Publication takes place **after market close**.

2023 Half-year Earnings: Wednesday, 13 September 2023

Conference call on half-year earnings: Thursday, 14 September 2023 at 11 a.m.

Q3 and 9-month YTD 2023 Gross Profit: Wednesday, 18 October 2023

Q4 2023 Gross Profit: Wednesday, 24 January 2024



European Rising Tech
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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).

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Reuters: HIGH.PA

Bloomberg: HCO FP

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