



INTELLIGENT MARKETING SOLUTIONS

Paris, 27 January 2015

SHARP GROWTH IN DIGITAL AND IMPROVED PROFITABILITY IN 2014

- Q4 2014¹ gross profit of €17.79 M, up 0.9% like for like (LFL²)
- 2014 gross profit of €70.88 M, up 1.0% LFL
- Strength of French businesses (up 4.3% in 2014 LFL), decline in International (down 4.1% in 2014 LFL)
- Sharp growth in Digital (up 18.7% in 2014 LFL). Significant increase in the share of Digital, rising from 28.3% at end-2013 to 34.8% at end-2014. Successful integration of Prixing (mobile) and Milky (social media)
- Improved profitability: 2014 headline PBIT³ estimated in excess of €9.50 M. Operating margin (headline PBIT/gross profit) expected to climb more than 80 basis points

Gross profit (in €m)	2014	2013 ⁴	2014 / 2013 Change LFL ²
Q1	17.40	17.26	+0.8%
Q2	18.68	18.45	+1.3%
Q3	17.01	16.84	+1.0%
Q4	17.79	17.64	+0.9%
Total 2014	70.88	70.18	+1.0%

¹ Data currently being audited.

² Like for like (LFL): Based on a comparable scope, including the acquisition of Milky and at constant exchange rates.

³ Headline PBIT: Profit before interest, tax and restructuring costs.

⁴ In application of IFRS 11 on joint arrangements, the POS Media (Central Europe) and RMT (France) businesses have been accounted for using the equity method since 1 January 2014. Prior to that, the proportionate method had been applied. Consequently, the financial data presented for comparative periods have been restated.

Didier Chabassieu, Chairman of the Management Board, stated: “2014 is in line with our targets, with sharp growth in Digital and improved profitability. Digital represents nearly 35% of our gross profit at the end of 2014 (39.2% in the fourth quarter). The digital shift picked up in France, with a share of 40.1% for the year and 45.4% in the fourth quarter. We are well on our way to reaching our target of 50%. Lastly, for the first time since 2010, our profitability will increase with headline PBIT up by about 10% for 2014.”

Growth of 0.9% in Q4

The Group's gross profit in Q4 2014 amounted to €17.79 M, up 0.9% LFL.

In France, Q4 2014 gross profit reached €11.75 M, up 1.3% LFL.

In International businesses, Q4 2014 gross profit came to €6.04 M, remaining stable on 2013 LFL. This trend is due to the good performance over the quarter in Benelux, with growth of 1.2%, but a further decline in other countries (Spain and the United Kingdom).



INTELLIGENT MARKETING SOLUTIONS

1.0% growth in gross profit in 2014

Gross profit, the Group's main indicator, stood at **€70.88 M for 2014, up 1.0% LFL**.

2014 gross profit in France amounted to **€44.65 M**, representing an **increase of 4.3%** on 2013. As such, the French businesses accounted for 63% of Group gross profit, as against 60% in 2013. This growth is underpinned by the double-digit growth of the DRIVE TO STORE and DATA businesses. The IN-STORE businesses were down due to low investment from brands in points-of-sale media.

Outside France, 2014 gross profit came to **€26.23 M**, accounting for 37% of Group gross profit for the year (versus 40% in 2013). International business fell 4.1% for 2014, due to the decline of 3.8% in **Benelux**, and of 5.7% in **other countries** (Spain and the United Kingdom).

Sharp growth in Digital and successful integration of Prixing and Milky

Digital gross profit continues to grow substantially, up 18.6% in Q4 and 18.7% for 2014. All of our indicators have risen in 2014, in particular:

- 13% rise in the number of digital coupons issued, to reach 33.9 million;
- 34% increase in the number of SMS notifications sent, for a total of 352 million, nearly 1 million SMS per day;
- 76% rise in e-cashback campaigns;
- Strong growth in online food shopping, where HighCo works with the leading Click & Collect websites of French retailers. This business will be a new growth driver for the years to come.

The successful integration of the Prixing mobile application and the social media agency Milky also offers interesting prospects, with:

- The number of downloads of the Prixing application totalled 1.92 million with more than 500,000 connected monthly shoppers;
- Growth in Milky's gross profit of 17% LFL.

The share of Digital grew considerably and now represents nearly 35% of the Group's gross profit (34.8% for 2014 compared with 28.3% for 2013).

Closing of the 2014 financial statements

Based on the year-end closing in progress, HighCo projects **headline PBIT of more than €9.50 M, representing growth of about 10%** (€8.62 M reported in 2013 using comparable methods). Operating margin (headline PBIT/gross profit) is expected to climb more than **80 basis points** in 2014 (12.6% in 2013).

The decline in the POS Media business in Central Europe (particularly Russia and Ukraine) in 2014 has led to a downward revision in the medium-term outlook of this affiliate that is 48%-owned by HighCo. The Group will recognise an impairment loss of nearly €3 M on the value of its stake, without an impact on cash, in its financial statements for the year ending 31 December 2014.

Net cash⁵ including the working capital resources from the DATA businesses totalled €30 M at 31 December 2014 (€28.71 M at 30 June 2014 and €25.45 M at 31 December 2013).

The parent company financial statements will be released on 23 March after market close. A financial analysts' meeting is scheduled for 24 March at 2.30 p.m.

⁵ Net cash: cash (asset) minus gross financial debt (liability).



INTELLIGENT MARKETING SOLUTIONS

Syndicated loan for €20 M, amortised over 6 years

On 8 January 2015, HighCo took out a €20 M syndicated loan from a banking pool including CACIB, Caisse Régionale de Crédit Agricole Mutuel Alpes Provence, BNP Paribas, Natixis and HSBC France. This six-year loan will be used to refinance, at a low cost, the €23 M medium-term credit line set to expire in July 2015.

About HighCo

Since its creation, HighCo has placed innovation at the heart of its values to offer its clients Intelligent Marketing Solutions to influence shopper behaviour with the right dea, at the right time and on the right channel. In 2015, HighCo is proud to celebrate 25 years of innovation in serving brands and retailers.

Operating in 15 countries, HighCo has nearly 900 employees and is listed in compartment C of NYSE Euronext Paris and in the Gaia Index, a selection of 70 responsible Small and Mid Caps.

Your contacts

Olivier Michel
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**.

2014 Annual Earnings: Monday, 23 March 2015
SFAF financial analysts meeting: Tuesday, 24 March 2015
Q1 2015 Gross Profit: Wednesday, 22 April 2015
Q2 and H1 2015 Gross Profit: Thursday, 16 July 2015
2015 Half-year Earnings: Wednesday, 26 August 2015
Conference call on 2015 half-year earnings: Thursday, 27 August 2015
Q3 and 9-month YTD 2015 Gross Profit: Tuesday, 27 October 2015
Q4 2015 Gross Profit: Tuesday, 26 January 2016



HighCo is a component stock of the indices CAC® Small (CACXS), 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.

This English translation is for the convenience of English-speaking readers. Consequently, the translation may not be relied upon to sustain any legal claim, nor should it be used as the basis of any legal opinion.
HighCo expressly disclaims all liability for any inaccuracy herein.