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CLICKS GROUP
LIMITED

**ANNUAL GROUP
RESULTS
FOR THE YEAR ENDED
31 AUGUST 2021**

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Group turnover up

10.2%*

Retail health and beauty
turnover up

8.3%*

UPD turnover up

12.3%*

Group diluted HEPS up

2.6%

Diluted HEPS adjusted for
impact of civil unrest up

8.8%*

Dividend of

490 cents per share

R2.2 billion

returned to shareholders in
dividends and buy-backs

Cash generated by operations

R4.6 billion

* Continuing operations.

Financial SUMMARY

		Year to 31 August 2021	Restated year to 31 August 2020	% change
Consolidated statement of comprehensive income				
Turnover	(R'000)	37 339 028	33 889 151	10.2%
Gross profit	(R'000)	7 271 996	7 067 762	2.9%
Total income	(R'000)	9 881 232	9 221 100	7.2%
Headline earnings from continuing operations	(R'000)	1 961 225	1 924 587	1.9%
Headline earnings	(R'000)	1 911 549	1 887 374	1.3%
Net financing cost	(R'000)	(186 111)	(168 681)	10.3%
Consolidated statement of financial position				
Equity	(R'000)	4 805 193	5 193 951	(7.5%)
Total assets	(R'000)	17 173 482	15 274 205	12.4%
Consolidated statement of cash flows				
Net cash effects from operating activities	(R'000)	2 311 727	1 516 796	52.4%
Capital expenditure	(R'000)	689 735	590 883	16.7%
Depreciation and amortisation	(R'000)	1 260 421	1 177 144	7.1%
Performance				
Turnover growth	(%)	10.2	10.5	
Comparable stores turnover growth	(%)	5.1	4.1	
Gross profit growth	(%)	2.9	9.4	
Gross profit margin	(%)	19.5	20.9	
Total income growth	(%)	7.2	9.8	
Total income margin	(%)	26.5	27.2	
Operating margin	(%)	7.8	8.3	
Net working capital days		30	37	
Inventory days		66	66	
Trade debtor days		38	31	
Trade creditor days		74	60	
Current ratio	(:1)	1.1	1.2	
Return on total assets	(%)	11.8	12.4	
Return on shareholders' interest	(%)	38.2	37.8	
Shareholders' interest to total assets	(%)	28.0	34.0	
Interest-bearing debt, including cash, to shareholders' interest at year-end	(%)	14.9	10.3	
Statistics				
Number of permanent employees		15 871	15 582	1.9%
Number of stores		841	884	(4.9%)
Weighted retail trading area	(m ²)	384 844	370 353	3.9%
Share statistics				
Number of ordinary shares in issue (gross)	('000)	245 557	248 663	(1.2%)
Number of ordinary shares in issue (net of treasury shares)	('000)	245 557	248 663	(1.2%)
Weighted average number of shares in issue (net of treasury shares)	('000)	247 084	250 212	(1.3%)
Weighted average diluted number of shares in issue (net of treasury shares)	('000)	247 084	250 212	(1.3%)
Headline earnings per share from continuing operations – basic	(cents)	793.7	769.2	3.2%
– diluted	(cents)	793.7	769.2	3.2%
Dividend per share	(cents)	142.5	–	
– interim	(cents)	142.5	–	
– final	(cents)	347.5	450.0	
Dividend payout ratio	(%)	63.3	59.7	
Share price	(cents)	30 256	23 000	31.5%
– closing	(cents)	30 256	27 289	
– high	(cents)	30 256	27 289	
– low	(cents)	21 863	19 550	
Net asset value per share	(cents)	1 957	2 089	(6.3%)
Net tangible asset value per share	(cents)	1 642	1 819	(9.7%)
Market capitalisation (gross)	(R'000)	74 295 726	57 192 490	29.9%
Market capitalisation (net of treasury shares)	(R'000)	74 295 726	57 192 490	29.9%
Price earnings ratio	(times)	39.1	30.5	
Volume of ordinary shares traded	('000)	217 040	304 942	
Percentage of ordinary shares traded	(%)	87.8	121.9	
Free float	(%)	99.9	99.9	
Shareholders' return	(cents)	7 746	3 550	
Increase in share price	(cents)	7 256	3 100	
Dividend per share	(cents)	490	450	
Other information				
Inflation rate				
CPI	(%)	4.9	3.1	
Internal selling price inflation	(%)	2.7	2.3	
Interest rates				
Prime overdraft rate – closing	(%)	7.00	7.00	
– average	(%)	7.00	8.71	
FTSE/JSE Africa share indices				
All Share Index		67 428	51 225	31.6%
General Retailers Index		6 992	3 459	102.1%
Food and Drug Retailers Index		12 943	9 672	33.8%
Exchange rate				
Rand/US dollar – closing	(R/US\$)	14.60	16.58	(11.9%)
– average	(R/US\$)	14.78	16.08	(8.1%)

COMMENTARY

FINANCIAL REPORTING

Shareholders are advised that the group is reporting financial information separately for continuing and discontinued operations following the closure of Musica in May 2021. The civil unrest in KwaZulu-Natal (KZN) in July 2021 had a significant impact on the group's financial results and the disclosure of the performance has been adjusted for this impact. The current reporting period includes the impact of Covid-19 for 12 months compared to six months in the prior reporting period.

OVERVIEW

Clicks Group delivered another resilient performance with robust turnover growth in Clicks and UPD, market share gains, expansion of the store and pharmacy network and sustained strong cash generation despite the ongoing impact of Covid-19 on consumer shopping behaviour and the trading disruption from the KZN civil unrest.

Clicks supported the roll-out of the national Covid-19 vaccination programme and has to date administered 1.4 million vaccinations across 525 sites, making it the largest vaccination provider in the private sector.

The group's defensive business model continued to demonstrate its ability to adapt to these changing market dynamics and this contributed to adjusted diluted headline earnings per share from continuing operations increasing by 8.8% to 837 cents. The group declared a total dividend of 490 cents per share based on a 63.3% payout ratio.

UPDATE ON CIVIL UNREST

The civil unrest in KZN resulted in 53 stores and two of the group's distribution centres being looted and damaged. Currently only eight of the stores remain closed, with seven expected to reopen in the 2022 financial year and the final store in the 2023 financial year. The UPD and Clicks distribution centres were reopened on 26 July 2021 and 16 August 2021 respectively.

The group's total South African Special Risks Insurance Association (SASRIA) claim for damages amounts to R726 million. The first interim payment of R217 million (net of VAT) has been received and is accounted for in the 2021 financial year. The balance of the insurance proceeds are expected to be recognised in the 2022 financial year.

FINANCIAL PERFORMANCE

Group turnover increased by 10.2% to R37.3 billion. Retail health and beauty sales grew by 8.3%, with selling price inflation of 3.2%. Distribution turnover increased by 12.3%, with price inflation of 1.9% for the year.

Adjusted total income grew by 8.4% to R10.0 billion with the total income margin 40 basis points lower at 26.8%. The retail health and beauty margin was 10 basis points lower owing to the impact of product mix changes. The distribution margin improved by 10 basis points to 8.6% due to the growth in the bulk distribution business.

Adjusted retail costs were held below turnover growth and increased by 7.7%, with comparable costs being contained to growth of 4%. Adjusted distribution costs increased by 14.9%, well below the 20.6% growth in UPD's total managed turnover.

Adjusted group operating profit increased by 8.2% to exceed R3 billion, with the group's operating margin 10 basis points lower at 8.2%. The retail and distribution businesses both maintained margin despite the headwinds in the trading environment, with the faster growth of UPD adversely impacting the group margin.

Headline earnings from continuing operations grew by 1.9% to R2 billion. Earnings per share from continuing operations increased by 1.0% to 775 cents with HEPS increasing by 3.2% to 794 cents.

Adjusting for the impact of the civil unrest, headline earnings from continuing operations grew by 7.4% and diluted HEPS by 8.8%.

Group inventory days were consistent with the prior year at 66 days. Retail inventory days were higher at 74 days (2020: 71 days) owing to the restocking of the Clicks distribution centre in KZN following the civil unrest. UPD reduced stock days from 38 to 35 days.

Cash generated from operating activities before dividends paid totalled R3.8 billion and increased by 61.6% on the prior year. Capital expenditure of R690 million (2020: R591 million) was invested mainly in new stores and pharmacies, store refurbishments, supply chain and information technology (IT).



The group returned R2.2 billion to shareholders in dividend payments (R1 469 million) and share buy-backs (R752 million). At year-end the group held cash resources of R2.2 billion.

TRADING PERFORMANCE

Retail health and beauty sales, including Clicks and the international franchise brands GNC, The Body Shop and Claire's, increased by 8.3% and by 5.1% in comparable stores. The performance was again driven by competitive everyday pricing, differentiated product ranges, the Clicks ClubCard, new stores and online sales.

Clicks opened its 750th store and expanded its retail footprint to 782 with the opening of 39 new stores. A further 36 pharmacies were opened, extending the national pharmacy presence to 621. The convenience of the Clicks pharmacy network has been instrumental in supporting the national vaccination programme and by year-end Clicks had administered over 596 000 vaccinations across 300 sites. The Clicks ClubCard active membership base increased to 9.2 million and accounted for 80.2% of sales in the year.

UPD grew wholesale turnover by 15.1% as the business generated strong growth in sales to private hospital groups in the second and third waves of Covid-19. This contributed to UPD increasing its market share from 28.9% to 31.2% at August 2021 (source IQVIA). UPD's total managed turnover, combining wholesale and bulk distribution, increased by 20.6% to R28.4 billion.

OUTLOOK

Trading conditions will continue to be constrained owing to the ongoing impact of Covid-19, while store turnover in the civil unrest areas of KZN is still well below the levels of the prior year.

However, the relaxation of lockdown restrictions and the acceleration of the national vaccination programme is expected to aid the recovery in the economy. Clicks has the capacity to administer 600 000 vaccinations per month and will continue to play a key role in supporting this national priority.

Management is confident in the group's ability to achieve its medium-term financial and operating targets, and has increased

its operating margin targets for retail, distribution and the group, which confirms the organic growth prospects in the business.

Capital investment of R846 million is planned for the new financial year, including R168 million for the replacement of assets damaged in the KZN unrest. This will include 25 to 30 new stores and 30 to 35 new pharmacies, in addition to the acquisition of 25 Pick n Pay pharmacies recently approved by the Competition Commission, as well as IT systems and supply chain infrastructure.

FINAL DIVIDEND

The board of directors has approved a final gross ordinary dividend for the period ended 31 August 2021 of 347.5 cents per share (2020: 450.0 cents per share). The source of the dividend will be from distributable reserves and paid in cash.

ADDITIONAL INFORMATION

Dividends tax (DT) of 20% amounting to 69.5 cents per ordinary share will be withheld in terms of the Income Tax Act. Ordinary shareholders who are not exempt from DT will therefore receive a dividend of 278 cents net of DT.

The company has 245 557 066 ordinary shares in issue. Its income tax reference number is 9061/745/71/8.

Shareholders are advised of the following salient dates in respect of the final dividend:

Last day to trade "cum" the dividend	Tuesday, 25 January 2022
Shares trade "ex" the dividend	Wednesday, 26 January 2022
Record date	Friday, 28 January 2022
Payment to shareholders	Monday, 31 January 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 26 January 2022 and Friday, 28 January 2022, both days inclusive.

David Nurek Chairman	Vikesh Ramsunder Chief executive officer	Michael Fleming Chief financial officer
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Cape Town
21 October 2021



Consolidated statement of COMPREHENSIVE INCOME

R'000	Year to 31 August 2021	Restated year to 31 August 2020 ¹	%
			change
Revenue	39 982 414	36 102 951	
Turnover	37 339 028	33 889 151	10.2%
Cost of merchandise sold	(29 733 393)	(26 821 389)	10.9%
Cost of merchandise written off – civil unrest	(333 639)	–	
Gross profit	7 271 996	7 067 762	2.9%
Other income	2 391 845	2 153 338	11.1%
Insurance proceeds – civil unrest	217 391	–	
Total income	9 881 232	9 221 100	7.2%
Expenses	(6 984 370)	(6 408 372)	9.0%
Depreciation and amortisation	(1 180 103)	(1 065 811)	10.7%
Occupancy costs	(161 158)	(167 445)	(3.8%)
Employment costs	(3 659 289)	(3 419 316)	7.0%
Other costs	(1 938 192)	(1 753 087)	10.6%
Other costs – civil unrest	(31 589)	–	
Impairment allowance	(14 039)	(2 713)	
Operating profit	2 896 862	2 812 728	3.0%
Loss on disposal of property, plant and equipment	(4 199)	(6 398)	(34.4%)
Impairment of property, plant and equipment – civil unrest	(61 251)	–	
Loss on disposal of business	–	(1 196)	
Profit before financing costs	2 831 412	2 805 134	0.9%
Net financing expense	(186 111)	(168 681)	10.3%
Financial income	34 150	60 462	(43.5%)
Financial expense	(220 261)	(229 143)	(3.9%)
Profit before earnings from associate	2 645 301	2 636 453	0.3%
Share of (loss)/profit of associates	(3 476)	2 105	
Profit before taxation	2 641 825	2 638 558	0.1%
Income tax expense	(727 724)	(719 774)	1.1%
Profit for the year from continuing operations	1 914 101	1 918 784	(0.2%)
Loss from discontinued operations, net of tax	(76 245)	(38 609)	
Profit for the year	1 837 856	1 880 175	(2.3%)
Other comprehensive (loss)/income:			
Items that will not be subsequently reclassified to profit or loss	–	9 956	
Remeasurement of post-employment benefit obligations	–	13 828	
Deferred tax on remeasurement	–	(3 872)	
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign subsidiaries	(27 335)	3 895	
Cash flow hedges	(14 089)	60 461	
Change in fair value of effective portion	(19 568)	83 973	
Deferred tax on movement of effective portion	5 479	(23 512)	
Cost of hedging reserve	(19 699)	(18 890)	
Cost of hedging recognised	(27 360)	(26 236)	
Deferred tax on cost of hedging	7 661	7 346	
Other comprehensive (loss)/income for the year, net of tax	(61 123)	55 422	
Total comprehensive income for the year	1 776 733	1 935 597	
Reconciliation of headline earnings			
Total profit for the year from continuing operations	1 914 101	1 918 784	
Adjusted for continuing operations:			
Loss on disposal of property, plant and equipment	4 199	6 398	
Impairment of property, plant and equipment and right-of-use assets – civil unrest	61 251	–	
Loss on disposal of business	–	1 196	
Total tax effects of adjustment	(18 326)	(1 791)	
Headline earnings from continuing operations	1 961 225	1 924 587	1.9%
Loss from discontinued operations, net of tax	(76 245)	(38 609)	
Adjusted for discontinuing operations:			
Loss on disposal of property, plant and equipment	6 485	1 939	
Impairment of property, plant and equipment and right-of-use assets	30 417	–	
Total tax effects of adjustment	(10 333)	(543)	
Headline earnings	1 911 549	1 887 374	1.3%
Headline earnings per share (cents)	773.6	754.3	2.6%
– continuing operations	793.7	769.2	3.2%
– discontinued operations	(20.1)	(14.9)	
Diluted headline earnings per share (cents)	773.6	754.3	2.6%
– continuing operations	793.7	769.2	3.2%
– discontinued operations	(20.1)	(14.9)	
Earnings per share (cents)	743.8	751.4	(1.0%)
– continuing operations	774.7	766.9	1.0%
– discontinued operations	(30.9)	(15.5)	
Diluted earnings per share (cents)	743.8	751.4	(1.0%)
– continuing operations	774.7	766.9	1.0%
– discontinued operations	(30.9)	(15.5)	

¹ Restatement relating to the disclosure of the Musica business as a discontinued operation.

Consolidated statement of FINANCIAL POSITION

R'000	As at 31 August 2021	As at 31 August 2020
ASSETS		
Non-current assets	5 935 366	5 530 507
Property, plant and equipment	2 138 102	2 120 674
Right-of-use assets	2 601 684	2 371 179
Intangible assets	670 457	568 700
Goodwill	102 806	102 806
Deferred tax assets	106 215	110 694
Investment in associates	27 599	20 062
Loans receivable	9 896	9 608
Financial assets at fair value through profit or loss	125 882	113 951
Derivative financial assets	152 725	112 833
Current assets	11 238 116	9 743 698
Inventories	5 449 364	4 920 919
Trade and other receivables	3 473 074	2 567 215
Loans receivable	12 059	1 339
Cash and cash equivalents	2 206 627	2 152 483
Derivative financial assets	96 992	101 742
Total assets	17 173 482	15 274 205
EQUITY AND LIABILITIES		
Equity	4 805 193	5 193 951
Share capital	2 456	2 487
Share premium	1 064 953	1 064 953
Cash flow hedge reserve	34 817	11 686
Cost of hedging reserve	(7 167)	(5 968)
Foreign currency translation reserve	(18 697)	8 638
Distributable reserve	3 728 831	4 112 155
Non-current liabilities	2 172 869	1 940 022
Lease liabilities	1 975 938	1 795 306
Deferred tax liabilities	11 767	–
Employee benefits	185 164	144 716
Current liabilities	10 195 420	8 140 232
Trade and other payables	8 751 621	6 746 977
Lease liabilities	946 976	890 411
Employee benefits	350 016	374 429
Income tax payable	145 270	126 045
Derivative financial liabilities	1 537	2 370
Total equity and liabilities	17 173 482	15 274 205

Consolidated statement of CHANGES IN EQUITY

R'000	Number of shares '000	Share capital	Share premium
Balance at 1 September 2019	251 525	2 621	1 064 953
Transactions with owners, recorded directly in equity			
Dividends paid to shareholders	–	–	–
Shares cancelled	–	(106)	–
Shares repurchased and cancelled	(2 862)	(28)	–
Total transactions with owners	(2 862)	(134)	–
Total comprehensive income for the year	–	–	–
Profit for the year	–	–	–
Remeasurement of post-employment benefit obligations	–	–	–
Cash flow hedge reserve	–	–	–
Cost of hedging reserve	–	–	–
Exchange differences on translation of foreign subsidiaries	–	–	–
Transfer of reserves to inventory	–	–	–
Balance at 31 August 2020	248 663	2 487	1 064 953
Transactions with owners, recorded directly in equity			
Dividends paid to shareholders	–	–	–
Shares repurchased and cancelled	(3 106)	(31)	–
Total transactions with owners	(3 106)	(31)	–
Total comprehensive income for the year	–	–	–
Profit for the year	–	–	–
Remeasurement of post-employment benefit obligations	–	–	–
Cash flow hedge reserve	–	–	–
Cost of hedging reserve	–	–	–
Exchange differences on translation of foreign subsidiaries	–	–	–
Transfer of reserves to inventory	–	–	–
Balance at 31 August 2021	245 557	2 456	1 064 953

Treasury shares	Cash flow hedge reserve	Cost of hedging reserve	Foreign currency translation reserve	Distributable reserve	Total equity
(913 194)	23 195	(6 267)	4 743	4 610 936	4 786 987
-	-	-	-	(822 485)	(822 485)
913 194	-	-	-	(913 088)	-
-	-	-	-	(653 339)	(653 367)
913 194	-	-	-	(2 388 912)	(1 475 852)
-	60 461	(18 890)	3 895	1 890 131	1 935 597
-	-	-	-	1 880 175	1 880 175
-	-	-	-	9 956	9 956
-	60 461	-	-	-	60 461
-	-	(18 890)	-	-	(18 890)
-	-	-	3 895	-	3 895
-	(71 970)	19 189	-	-	(52 781)
-	11 686	(5 968)	8 638	4 112 155	5 193 951
-	-	-	-	(1 468 901)	(1 468 901)
-	-	-	-	(752 279)	(752 310)
-	-	-	-	(2 221 180)	(2 221 211)
-	(14 089)	(19 699)	(27 335)	1 837 856	1 776 733
-	-	-	-	1 837 856	1 837 856
-	-	-	-	-	-
-	(14 089)	-	-	-	(14 089)
-	-	(19 699)	-	-	(19 699)
-	-	-	(27 335)	-	(27 335)
-	37 220	18 500	-	-	55 720
-	34 817	(7 167)	(18 697)	3 728 831	4 805 193

Consolidated statement of CASH FLOWS

R'000	Year to 31 August 2021	Year to 31 August 2020
Cash effects from operating activities		
Operating profit before working capital changes (refer to note 1)	4 017 185	3 884 623
Working capital changes (refer to note 2)	541 809	(820 884)
Cash generated by operations	4 558 994	3 063 739
Interest received	34 150	60 483
Interest paid	(208 845)	(221 587)
Taxation paid	(670 814)	(634 200)
Acquisition of derivative financial asset used to hedge the long-term incentive scheme	(50 467)	(49 635)
Settlement of derivative financial asset used to hedge the long-term incentive scheme	117 610	120 481
Cash inflow from operating activities before dividends paid	3 780 628	2 339 281
Dividends paid to shareholders	(1 468 901)	(822 485)
Net cash effects from operating activities	2 311 727	1 516 796
Cash effects from investing activities		
Investment in property, plant and equipment and intangible assets to maintain operations	(217 418)	(242 093)
Investment in property, plant and equipment and intangible assets to expand operations	(472 317)	(348 790)
Proceeds from disposal of property, plant and equipment	1 335	968
Acquisition of investments	(6 000)	(41 833)
Investment in associate	(13 000)	–
Proceeds from disposal of investment in subsidiary (refer to note 3)	–	9 787
Loan to associate	(11 008)	–
Net cash effects from investing activities	(718 408)	(621 961)
Cash effects from financing activities		
Purchase of treasury shares	(752 310)	(653 367)
Repayment of lease liabilities	(786 865)	(702 539)
Net cash effects from financing activities	(1 539 175)	(1 355 906)
Net increase/(decrease) in cash and cash equivalents	54 144	(461 071)
Cash and cash equivalents at the beginning of the year	2 152 483	2 613 554
Cash and cash equivalents at the end of the year	2 206 627	2 152 483

Store FOOTPRINT

	Clicks*	Musica	The Body Shop	GNC	Claire's	Total retail
Number of stores at 31 August 2021	782	–	59	–	–	841
as at 31 August 2020	743	78	59	–	4	884
opened	41	–	–	–	–	41
closed	(2)	(78)	–	–	(4)	(84)
Presence in Clicks stores at 31 August 2021			239	606	88	
Number of pharmacies at 31 August 2021	621					621
as at 31 August 2020	585					585
opened	38					38
closed	(2)					(2)
Number of clinics at 31 August 2021	192					

* Including 41 Netcare front shops and 33 Medicross pharmacies as at 31 August 2021.

Notes to the CASH FLOW STATEMENT

R'000	Year to 31 August 2021	Year to 31 August 2020
Cash flow information		
1 Profit before working capital changes		
Profit before tax from continuing operations	2 641 825	2 638 558
Loss before tax from discontinued operations	(106 214)	(54 564)
Adjustment for:		
Depreciation and amortisation	1 260 421	1 177 144
Impairment of and loss on disposal of property, plant and equipment and right-of-use assets	102 351	8 337
Release of cash flow hedge to profit or loss	(66 841)	(64 779)
(Increase)/decrease in financial assets at fair value through profit or loss	(5 931)	3 252
Loss on disposal of subsidiary	–	1 196
Net loss of associates	5 463	29
Net financing expense	186 111	175 450
	4 017 185	3 884 623
2 Working capital changes		
Increase in inventories	(529 644)	(215 715)
Increase in trade and other receivables	(905 859)	(7 730)
Increase/(decrease) in trade and other payables	1 972 693	(550 848)
Increase/(decrease) in employee benefits	4 619	(46 591)
	541 809	(820 884)
3 Disposal of investment in subsidiary		
The group disposed of its interest in Kala Hari Medical Distributors Proprietary Limited during the previous financial year.		
Proceeds on disposal of subsidiary	–	9 787
Net asset value of subsidiary	–	10 983
Loss on disposal of subsidiary	–	(1 196)

Analysis of SHAREHOLDERS

Fund managers managing 3% or more of the issued share capital:

Major fund managers	Percentage of shares		Geographic distribution of shareholders	Percentage of shares	
	Aug 2021	Aug 2020		Aug 2021	Aug 2020
Public Investment Corporation (SA)	15.0	13.7	South Africa and rest of Africa	31.0	27.9
JPMorgan Asset Management (UK and US)	6.8	6.1	Offshore holdings	69.0	72.1
RBC Global Asset Management (UK)	5.5	5.8	USA and Canada	34.5	35.3
BlackRock (US and UK)	4.9	6.1	United Kingdom and Ireland	14.0	13.7
Fidelity Management & Research (US)	4.9	6.1	Europe	11.0	11.0
GIC Asset Management (Singapore)	4.1	3.9	Other countries	9.5	12.1
The Vanguard Group (US)	3.7	3.7			
Federated Hermes (UK)	3.6	–			
T Rowe Price (UK and US)	3.3	3.6			
William Blair (US)	3.2	2.5			
<i>No longer managing 3% or more:</i>					
BMO Financial Group (UK)	2.8	3.8			

Segmental ANALYSIS

For the year ended 31 August 2021 R'000	Retail – continuing operations ¹		Distribution	
	31 Aug 2021	Restated 31 Aug 2020	31 Aug 2021	31 Aug 2020
Statement of financial position				
Property, plant and equipment	1 887 908	1 835 575	250 194	262 533
Right-of-use assets	2 591 043	2 315 579	10 641	11 722
Intangible assets	590 564	538 239	79 893	30 444
Goodwill	6 529	6 529	96 277	96 277
Inventories	3 912 152	3 382 056	1 657 153	1 572 716
Trade and other receivables	957 864	495 246	3 291 665	2 761 535
Cash and cash equivalents	2 144 949	2 175 902	63 922	6 775
Other assets	1 028 989	872 253	3 144 948	2 379 346
Total assets	13 119 998	11 621 379	8 594 693	7 121 348
Lease liabilities	2 908 693	2 629 687	10 389	11 683
Employee benefits – non-current	174 083	126 852	11 081	15 575
Trade and other payables	4 864 664	3 592 287	4 662 399	3 810 153
Employee benefits – current	308 845	321 764	41 103	45 629
Other liabilities	3 291 337	2 497 879	507 535	409 638
Total liabilities	11 547 622	9 168 469	5 232 507	4 292 678
Net assets	1 572 376	2 452 910	3 362 186	2 828 670
Statement of comprehensive income				
Turnover	26 329 145	24 310 115	17 378 201	15 473 637
Gross profit	7 145 424	6 866 026	164 449	203 772
Other income	1 515 905	1 228 635	1 298 222	1 113 684
Total income	8 661 329	8 094 661	1 462 671	1 317 456
Expenses	(6 263 059)	(5 789 021)	(930 147)	(804 294)
Depreciation and amortisation	(1 143 265)	(1 025 505)	(36 838)	(40 306)
Occupancy costs	(160 052)	(166 298)	(2 575)	(2 714)
Employment costs	(3 358 219)	(3 130 442)	(301 070)	(288 874)
Other costs	(1 595 592)	(1 465 578)	(581 556)	(470 885)
Impairment allowance	(5 931)	(1 198)	(8 108)	(1 515)
Operating profit/(loss)	2 398 270	2 305 640	532 524	513 162
Ratios				
Increase/(decrease) in turnover	(%) 8.3	8.4	12.3	11.2
Selling price inflation	(%) 3.2	2.0	1.9	2.5
Comparable stores turnover growth	(%) 5.1	4.1	–	–
Gross profit margin	(%) 27.1	28.2	0.9	1.3
Total income margin	(%) 32.9	33.3	8.4	8.5
Operating expenses as a percentage of turnover	(%) 23.8	23.8	5.4	5.2
Increase/(decrease) in operating expenses	(%) 8.2	7.9	15.6	17.9
Increase/(decrease) in operating profit	(%) 4.0	11.1	3.8	13.0
Operating profit margin	(%) 9.1	9.5	3.1	3.3
Inventory days	74	71	35	38
Trade debtor days	9	3	52	47
Trade creditor days	60	46	78	69
Number of stores	841	806	–	–
as at 31 August 2020/2021	806	770	–	–
opened	41	44	–	–
closed	(6)	(8)	–	–
Number of pharmacies	621	585	–	–
as at 31 August 2020/2021	585	545	–	–
new/converted	38	41	–	–
closed	(2)	(1)	–	–
Total leased area	(m ²) 476 266	448 476	–	–
Weighted retail trading area	(m ²) 374 798	351 639	–	–
Weighted annual sales per m ²	(R) 68 934	68 922	–	–
Number of permanent employees	15 252	14 429	619	637

¹ Retail includes Total Clicks + The Body Shop + Group Services

Intragroup elimination		Total continuing operations		Musica		Total operations	
31 Aug 2021	31 Aug 2020	31 Aug 2021	Restated 31 Aug 2020	31 Aug 2021	31 Aug 2020	31 Aug 2021	31 Aug 2020
-	-	2 138 102	2 098 108	-	22 566	2 138 102	2 120 674
-	-	2 601 684	2 327 301	-	43 878	2 601 684	2 371 179
-	-	670 457	568 683	-	17	670 457	568 700
-	-	102 806	102 806	-	-	102 806	102 806
(121 010)	(87 078)	5 448 295	4 867 694	1 069	53 225	5 449 364	4 920 919
(776 498)	(699 946)	3 473 031	2 556 835	43	10 380	3 473 074	2 567 215
-	-	2 208 871	2 182 677	(2 244)	(30 194)	2 206 627	2 152 483
(3 642 569)	(2 781 371)	531 368	470 228	-	1	531 368	470 229
(4 540 077)	(3 568 395)	17 174 614	15 174 332	(1 132)	99 873	17 173 482	15 274 205
-	-	2 919 082	2 641 370	3 832	44 347	2 922 914	2 685 717
-	-	185 164	142 427	-	2 289	185 164	144 716
(783 384)	(706 830)	8 743 679	6 695 610	7 942	51 367	8 751 621	6 746 977
-	-	349 948	367 393	68	7 036	350 016	374 429
(3 640 640)	(2 779 445)	158 232	128 072	342	343	158 574	128 415
(4 424 024)	(3 486 275)	12 356 105	9 974 872	12 184	105 382	12 368 289	10 080 254
(116 053)	(82 120)	4 818 509	5 199 460	(13 316)	(5 509)	4 805 193	5 193 951
(6 368 318)	(5 894 601)	37 339 028	33 889 151	197 019	475 247	37 536 047	34 364 398
(37 877)	(2 036)	7 271 996	7 067 762	28 331	140 584	7 300 327	7 208 346
(204 891)	(188 981)	2 609 236	2 153 338	7 184	12 977	2 616 420	2 166 315
(242 768)	(191 017)	9 881 232	9 221 100	35 515	153 561	9 916 747	9 374 661
208 836	184 943	(6 984 370)	(6 408 372)	(103 092)	(199 417)	(7 087 462)	(6 607 789)
-	-	(1 180 103)	(1 065 811)	(28 291)	(65 257)	(1 208 394)	(1 131 068)
1 469	1 567	(161 158)	(167 445)	(8 248)	(17 389)	(169 406)	(184 834)
-	-	(3 659 289)	(3 419 316)	(42 384)	(78 106)	(3 701 673)	(3 497 422)
207 367	183 376	(1 969 781)	(1 753 087)	(23 599)	(37 600)	(1 993 380)	(1 790 687)
-	-	(14 039)	(2 713)	(570)	(1 065)	(14 609)	(3 778)
(33 932)	(6 074)	2 896 862	2 812 728	(67 577)	(45 856)	2 829 285	2 766 872
8.0	4.1	10.2	10.5	(58.5)	(30.2)	9.2	9.6
-	-	2.7	2.3	-	16.7	2.7	2.4
-	-	5.1	4.1	-	(23.4)	5.1	3.4
-	-	19.5	20.9	14.4	29.6	19.4	21.0
-	-	26.5	27.2	18.0	32.3	26.4	27.3
-	-	18.7	18.9	52.3	42.0	18.9	19.2
-	-	9.0	8.9	(48.3)	(23.0)	7.3	7.5
-	-	3.0	11.8	(47.4)	(397.7)	2.3	10.4
-	-	7.8	8.3	(34.3)	(9.6)	7.5	8.1
-	-	66	66	-	58	66	66
-	-	38	31	-	-	38	31
-	-	74	61	-	31	74	60
-	-	841	806	-	78	841	884
-	-	806	770	78	100	884	870
-	-	41	44	-	1	41	45
-	-	(6)	(8)	(78)	(23)	(84)	(31)
-	-	621	585	-	-	621	585
-	-	585	545	-	-	585	545
-	-	38	41	-	-	38	41
-	-	(2)	(1)	-	-	(2)	(1)
-	-	476 266	448 476	-	18 986	476 266	467 340
-	-	374 798	351 639	10 046	18 647	384 844	370 353
-	-	68 934	68 922	19 613	25 487	67 647	66 733
-	-	15 871	15 066	-	516	15 871	15 582

DEFINITIONS

Capital expenditure

Maintenance capital expenditure
Capital expenditure incurred in replacing existing capital or capital expenditure with a return below the group's required return.

Growth capital expenditure
Capital expenditure that is not maintenance capital expenditure.

Cash flow

Financing activities
Activities that result in changes to the capital and funding structure of the group.

Investing activities

Activities relating to the acquisition, holding and disposal of capital assets and long-term investments.

Operating activities

Activities that are not financing or investing activities that arise from the operations conducted by the group.

Comparable stores turnover growth

Turnover growth expressed as a percentage of growth for stores that have been operating for the full period during the current and previous financial years.

Current ratio

Current assets at year-end divided by current liabilities at year-end.

Dividend per share

Dividend per share is the actual interim cash dividend paid and the final cash dividend declared, expressed as cents per share.

Earnings per share

Earnings per share
Profit for the year divided by the weighted average number of shares in issue for the year.

Diluted earnings per share

Profit for the year divided by the weighted average diluted number of shares in issue for the year.

Headline earnings per share

Headline earnings divided by the weighted average number of shares in issue for the year.

Diluted headline earnings per share

Headline earnings divided by the weighted average diluted number of shares in issue for the year.

Effective tax rate

The tax charge in the income statement as a percentage of profit before tax.

Free float

The number of ordinary shares that are freely tradable on the JSE Limited, excluding treasury shares and shares held by directors and employee share schemes.

Gross profit margin

Gross profit expressed as a percentage of turnover.

Headline earnings

Profit for the year adjusted for the after-tax effect of certain capital items.

IFRS

International Financial Reporting Standards, as adopted by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB.

Clicks Group's consolidated financial statements are prepared in accordance with IFRS.

Interest-bearing debt, including cash, to shareholders' interest at year-end

Interest-bearing debt (including bank overdraft), net of cash balances, at the end of the year divided by shareholders' interest at the end of the year.

Inventory days

Closing inventory at year-end divided by the cost of merchandise sold during the year, multiplied by 365 days.

Issued shares

Ordinary shares and unlisted "A" shares having a par value of one cent each in the authorised share capital of Clicks Group Limited.

Market capitalisation

The closing market price per share at year-end multiplied by the number of ordinary shares in issue at year-end.

Net asset value per share

Net assets at year-end divided by the number of ordinary shares in issue at year-end (net of treasury shares).

Net tangible asset value per share

Net assets at year-end, less intangible assets (such as goodwill and trademarks), divided by the number of ordinary shares in issue at year-end (net of treasury shares).

Operating profit

Operating profit before financing costs, as reported in the group consolidated

statement of comprehensive income adjusted to exclude profit/loss on disposal of property, plant and equipment.

Operating profit margin

Operating profit expressed as a percentage of turnover.

Percentage of ordinary shares traded

The number of ordinary shares traded on the JSE Limited during the year as a percentage of the weighted average number of ordinary shares in issue (net of treasury shares).

Price earnings ratio

The closing market price per share at year-end divided by diluted headline earnings per share for the year.

Return on shareholders' interest ("ROE")

Headline earnings expressed as a percentage of the average shareholders' interest for the year.

Return on total assets ("ROA")

Headline earnings expressed as a percentage of the average total assets for the year.

Return on invested capital (ROIC)

Operating profit as reported in the group consolidated statement of comprehensive income adjusted for the group effective tax rate, expressed as a percentage of invested capital.

Invested capital comprises equity, non-current liabilities and the current portion of the lease liability.

Return on net assets ("RONA")

Operating profit as defined for RONA divided by average net assets for the year as defined for RONA.

Operating profit as defined for RONA is the reported operating profit for the group inclusive of capital gains and losses relating to continuing operations of the business and excluding the employee short-term bonus.

Net assets as defined for RONA are the average assets less liabilities for the year excluding taxation and financial-related assets and liabilities (cash, overdrafts, loans receivable, derivative financial assets, financial assets/liabilities at fair value through profit or loss, interest-bearing borrowings, deferred tax and taxation payable).

Segmental reporting

The group has two reportable segments, being the retail division and the distribution division.

Selling price inflation

The change in the weighted average selling price of a sample of products for the year relative to the previous year expressed as a percentage of the weighted average selling price of the same sample of products for the previous year. Only products sold in both the current and previous years are included in the sample.

Shareholders' interest

Share capital and share premium (reduced by the cost of treasury shares) and other reserves comprising equity.

Shareholders' interest to total assets

The shareholders' interest divided by the total assets at year-end.

Total income

Gross profit plus other income.

Total income margin

Total income expressed as a percentage of turnover.

Trade creditor days

Closing trade creditors at year-end (adjusted to exclude VAT) divided by the cost of merchandise sold during the year, multiplied by 365 days.

Trade debtor days

Closing trade debtors at year-end (adjusted to exclude VAT) divided by sales for the year, multiplied by 365 days.

Treasury shares

Issued shares in Clicks Group Limited held by a group company in terms of an approved share repurchase programme and the Clicks Group Employee Share Ownership Trust.

Weighted average number of shares

The number of ordinary shares in issue, increased by shares issued during the year and reduced by treasury shares purchased or shares cancelled during the year, weighted on a time basis for the period during which they have participated in the income of the group.

Weighted average diluted number of shares

The weighted average number of ordinary shares adjusted for the effects of all dilutive potential shares.

PRESENTATION



PRESENTATION OUTLINE

- Review of the year
- Financial results
- Trading performance
- Strategy & outlook
- Questions

Mask Studio

Mask Studio

Hydro Skin

CLICKS GROUP ANNUAL RESULTS 2021 2

PRESENTATION



REVIEW OF THE YEAR

- Trading impacted by Covid-19 and civil unrest
- Vaccine rollout gaining momentum, with Clicks' 525 sites doing almost 1.4 million vaccinations to date
- Opened 750th Clicks store
- Closure of Musica
- Strong growth in UPD
- Performance highlights the resilience and defensiveness of the group
 - Continuing adjusted dHEPS up **8.8%**
 - Declared dividend of 490 cents per share, up **8.9%**

IMPACT OF CIVIL UNREST IN JULY 2021

- 53 stores in KZN and Gauteng were looted and vandalised = 6% of store base
- 34 stores reopened by 31 August, a further 11 opened since, and 8 remain closed – 7 to open in FY2022 and 1 in FY2023
- The UPD and Clicks DCs in KZN were both looted and damaged



Clicks DC, Mahogany Ridge, Durban

CLICKS GROUP ANNUAL RESULTS 2021 5

IMPACT OF CIVIL UNREST IN JULY 2021

- Store closures due to damages and temporary store closures resulted in R250m in estimated lost sales in FY2021
- Claim for business interruption cover not yet finalised
- Trading in affected areas remains well below the previous year



Clicks store, Pinetown

CLICKS GROUP ANNUAL RESULTS 2021 6

PRESENTATION

REVIEW OF THE YEAR

- Sustained strong cash generation
- Focus on innovation in technology, products and service
- Investment in new stores, pharmacies, supply chain and IT
- ESG integrated into ways of working
 - Recognised as Top Employer* in retail sector for 5th year
 - Board succession plan – new board members appointed
 - 64% black and 36% female representation on the board
 - Included in FTSE4Good Index for last five years
- Thank our people for their dedication and commitment in a significantly disrupted and stressful working environment

* Top Employers Institute

CLICKS GROUP ANNUAL RESULTS 2021 7



FINANCIAL HIGHLIGHTS

- Turnover up **10.2%***
 - Retail Health & Beauty turnover up **8.3%**
 - UPD reported turnover up **12.3%**
- Operating margin from 8.3% to **8.2%***
- Group diluted HEPS up **2.6%** to 773.6 cps
 - Continuing adjusted dHEPS up **8.8%***
- Cash of **R4.6 billion** generated by operations
- **R2.2bn** returned to shareholders
- Return on equity up from 37.8% to **38.2%**
- Dividend of 490 cps at **63%** payout ratio

* Continuing operations, FY2021 adjusted for impact of civil unrest

CLICKS GROUP ANNUAL RESULTS 2021 9

IMPACT OF CIVIL UNREST IN JULY 2021

- SASRIA claim of R726m
 - Stock of R522m (carrying value R334m)
 - Replacement of fixed assets of R181m (carrying value R61m)
 - Costs of R23m
- Additional costs for private security services to protect the DCs and air transportation costs to supply UPD customers in KZN
- Receipt of insurance proceeds
 - First interim payment of R217m received from SASRIA in September
 - Balance of proceeds expected in FY2022
- Claim for business interruption cover not yet finalised

CLICKS GROUP ANNUAL RESULTS 2021 10

PRESENTATION

IMPACT OF CIVIL UNREST & INSURANCE CLAIM			
Continuing operations R'm	Reported 2021	Adjustment	Adjusted 2021
Turnover	37 339	-	37 339
Gross profit	7 272	334 Stock written off	7 606
Other income	2 609	(217) Insurance claim received to date	2 392
Expenses	(6 984)	31 Costs relating to civil unrest	(6 953)
Operating profit	2 897	148	3 045
Taxation	(728)	(58)	(786)
Headline earnings	1 961	107	2 068 +7.4%
dHEPS (cents)	793.7	43.1	836.8 +8.8%

CLICKS GROUP ANNUAL RESULTS 2021 11

TURNOVER					
R'm	2021	2020	% change	% same stores growth	% inflation
Retail health & beauty	26 329	24 310	8.3	5.1	3.2
Distribution	17 378	15 474	12.3		1.9
Intragroup turnover	(6 368)	(5 895)	8.0		
Total group	37 339	33 889	10.2		2.7

- Comparable volume growth in retail despite impact of Covid-19 and economic impact of civil unrest
- Strong growth in hospital business benefited UPD

Note: Continuing operations

CLICKS GROUP ANNUAL RESULTS 2021 12

TOTAL INCOME

	2021 R'm	2020 R'm	% change	2021 % margin	2020 % margin
Retail health & beauty	8 746	8 095	8.1	33.2	33.3
Distribution	1 494	1 317	13.4	8.6	8.5
Intragroup	(243)	(191)			
Total group	9 997	9 221	8.4	26.8	27.2

- Retail margin impacted by mix and promotions
- UPD benefited from new contracts, offsetting lower SEP increase (3.68% in February 2021 vs 4.53% in February 2020)

Note: Continuing operations, FY2021 adjusted to exclude stock write-off of R334m and insurance proceeds of R217m

CLICKS GROUP ANNUAL RESULTS 2021 13

OPERATING EXPENDITURE - RETAIL

R'm	2021	2020	% change
Depreciation – PP&E	399	366	9.3
Depreciation – ROU asset	744	660	12.7
Occupancy costs	160	166	(3.8)
Employment costs	3 358	3 130	7.3
Other operating costs	1 576	1 467	7.4
Total retail costs	6 237	5 789	7.7
% of turnover	23.7%	23.8%	
Finance costs – lease liability	195	206	(5.4)

- Comparable retail costs contained to **4.0%**

Note: Continuing operations, FY2021 adjusted to exclude R26m costs related to civil unrest

CLICKS GROUP ANNUAL RESULTS 2021 14

PRESENTATION

OPERATING EXPENDITURE - DISTRIBUTION

R'm	2021	2020	% change
Depreciation – PP&E	30	36	(17.2)
Depreciation – ROU asset	6	4	75.1
Occupancy costs	3	3	(5.1)
Employment costs	301	289	4.2
Other operating costs	584	472	23.6
Total distribution costs	924	804	14.9

- Impact of costs related to new wholesale and bulk distribution clients

Note: Continuing operations, FY2021 adjusted to exclude R5m costs related to civil unrest

CLICKS GROUP ANNUAL RESULTS 2021 15

OPERATING PROFIT

	2021 R'm	2020 R'm	% change	2021 % margin	2020 % margin
Retail	2 509	2 306	8.8	9.5	9.5
Distribution	569	513	11.0	3.3	3.3
Intragroup	(34)	(6)			
Total group	3 045	2 813	8.2	8.2	8.3

- Both divisions did extremely well to hold margin, but faster growth of UPD impacted group margin

Note: Continuing operations, FY2021 adjusted for impact of civil unrest

CLICKS GROUP ANNUAL RESULTS 2021 16

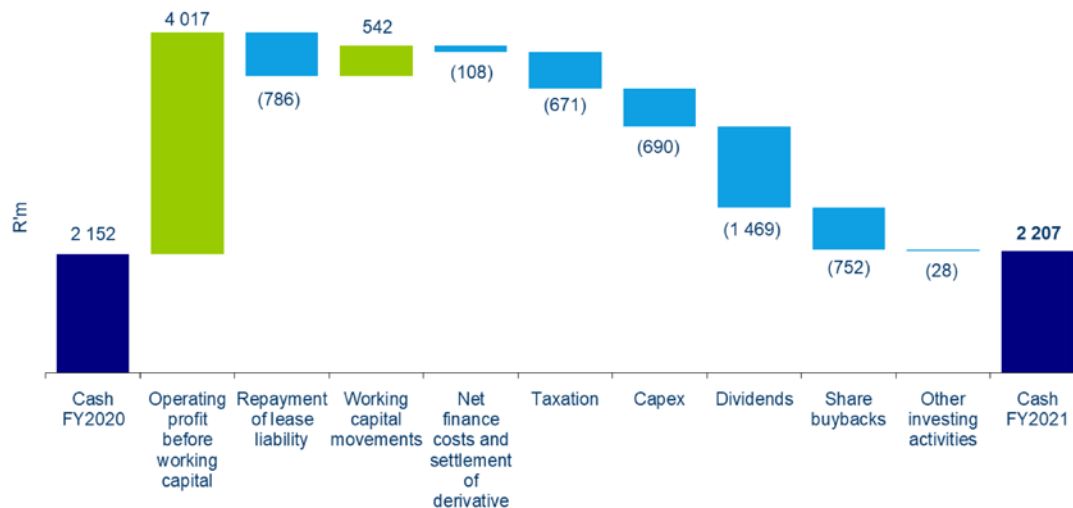
INVENTORY

	Days in stock		Inventory (R'm)		
	2021	2020	2021	2020	% change
Retail	74	71	3 913	3 435	13.9
Distribution	35	38	1 657	1 573	5.4
Intragroup inventory			(121)	(87)	
Total group	66	66	5 449	4 921	10.7

- Retail inventory days impacted by restocking of KZN DC
- Net working capital days improved from 37 to 30

CLICKS GROUP ANNUAL RESULTS 2021 17

CASH MANAGEMENT



- Secured extended creditor terms while waiting for insurance payout

CLICKS GROUP ANNUAL RESULTS 2021 18

PRESENTATION

CAPITAL EXPENDITURE

- R846m capex planned for FY2022, including R168m for replacement of assets damaged in the civil unrest and R46m carried forward from FY2021
 - R495m on stores, including:
 - 25 – 30 new Clicks stores and 30 – 35 new pharmacies
 - 45 normal store refurbishments
 - R351m on infrastructure, including:
 - R74m on UPD IT and warehouse equipment
 - R277m on retail systems and infrastructure

CLICKS GROUP ANNUAL RESULTS 2021 19

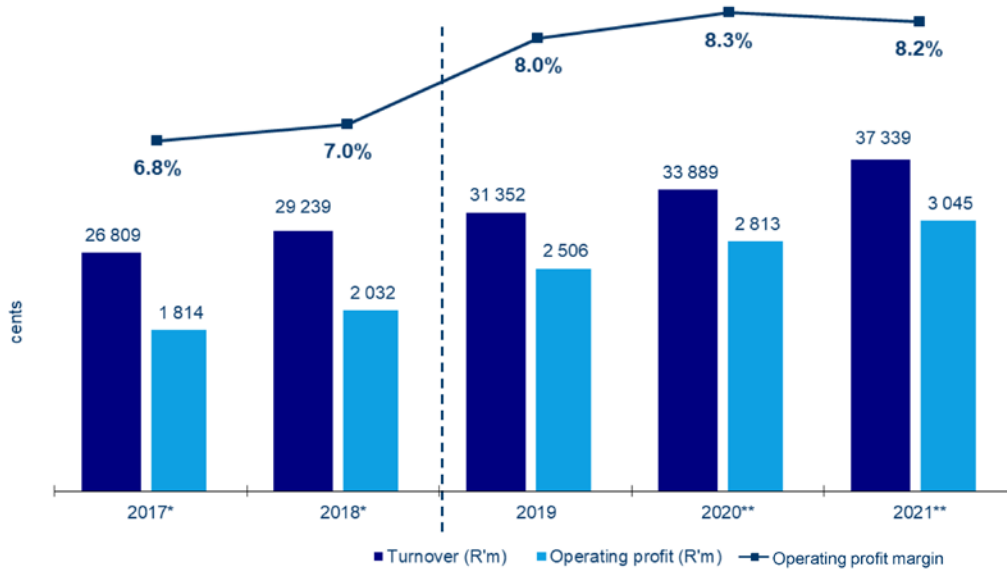
MEDIUM-TERM FINANCIAL TARGETS

	Achieved in FY2021	Medium-term target
ROE (%)	38.2	40 – 50
ROIC (%)	25.9	20 – 30
ROA (%)	11.8	11 – 15
Net working capital days	30	30 – 35
Group operating margin (%)	8.2*	8.0 – 9.0
Retail health & beauty	9.5*	9.0 – 10.0
Distribution	3.3*	2.8 – 3.3
Dividend payout ratio (%)	63.3	60 – 65

* Continuing operations, adjusted for impact of civil unrest

CLICKS GROUP ANNUAL RESULTS 2021 20

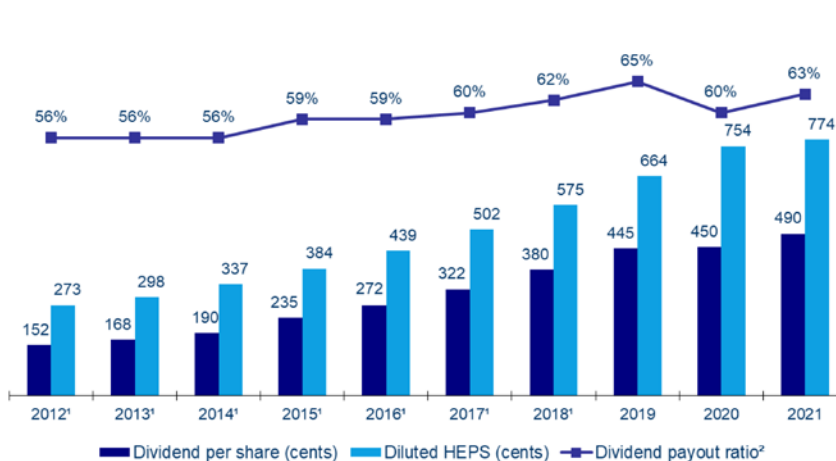
GROWTH IN TURNOVER, PROFIT AND MARGIN



* Total operations, pre-IFRS 16 operating profit and margin ** Continuing operations, FY2021 adjusted for impact of civil unrest

CLICKS GROUP ANNUAL RESULTS 2021 21

SUSTAINED FINANCIAL PERFORMANCE



10-year CAGRs

Total shareholder return³:
24.5%

Diluted HEPS:
12.0%

Dividend per share:
14.6%

¹ Pre-IFRS 16 ² Based on HEPS ³ Based on reinvestment of dividends paid and the closing share price

CLICKS GROUP ANNUAL RESULTS 2021 22

PRESENTATION



TRADING PERFORMANCE

VIKESH RAMSUNDER

HEALTH & BEAUTY SALES PERFORMANCE

	% change	% contribution
Pharmacy	10.2	29.5
Front shop health	14.8	27.7
Beauty and personal care	4.5	27.9
General merchandise	1.0	14.9
Total turnover	8.3	100.0

- Comparable stores turnover growth of **5.1%**
 - Inflation 3.2%
 - Volume growth of 1.9%
- Administered 596 180 vaccines in FY2021, R214m in sales

CLICKS GROUP ANNUAL RESULTS 2021 24

MARKET SHARES



%	Aug 2021	Aug 2020
Health		
Retail pharmacy*	23.4	23.6
Front shop health**	32.5	31.8
Baby**	19.6	18.5
Beauty		
Skincare**	40.7	40.3
Haircare**	30.9	30.8
Personal care**	18.8	18.0
General merchandise		
Small electrical appliances***	17.1	19.0

* Per IQVIA (Private Retail Pharmacy S1-6) (restated) ** Per AC Nielsen (restated) *** Per GfK (restated)

CLICKS GROUP ANNUAL RESULTS 2021 25

PERFORMANCE AND STRATEGY



▪ Maintaining value

- Price competitive with all national retailers
- Promotional sales +11.7% to 41.5% of turnover
- R545 million cashback paid to ClubCard members
- In pharmacy, generics +10.5% to 55% of sales and 69% of volume

Clicks price index* vs:

Retailer A	93.5%
Retailer B	97.2%
Retailer C	97.6%
Retailer D	100.0%

* Excluding 3 for 2 promotions



CLICKS GROUP ANNUAL RESULTS 2021 26

PRESENTATION

PERFORMANCE AND STRATEGY



▪ Differentiating our product offer

- Private label up from 23.8% to 24.5% of sales (front shop 30.1%, pharmacy 9.7%)
- Trialling standalone baby store to showcase online range
- The Body Shop sales in Clicks +5.2%, but standalone stores -4.1%
- The Body Shop contract extended
- Launched new SMME supplier listing portal and invested R1.2 billion in SMME suppliers in the past year, up 69%



CLICKS GROUP ANNUAL RESULTS 2021 27

PERFORMANCE AND STRATEGY



▪ Engaging customers through personalisation

- 9.2m active ClubCard members, 80.2% of sales
- Clicks app downloaded by 2.3m customers
- Continued investment in online
- Partnership with ARC
- Voted best loyalty programme¹
- Coolest health and beauty brand²



1 South African Loyalty Awards
2 Sunday Times Generation Next Awards

CLICKS GROUP ANNUAL RESULTS 2021 28

PERFORMANCE AND STRATEGY



■ Extending convenience

- 782 Clicks stores with 621 pharmacies*
- 50% of population < 5.5km of a pharmacy
- Online sales grew 46.9%, but only 1.4% of front shop sales
- Trial of digital pharmacy lockers
- Received competition authority approval of acquisition of 25 Pick n Pay pharmacies in October

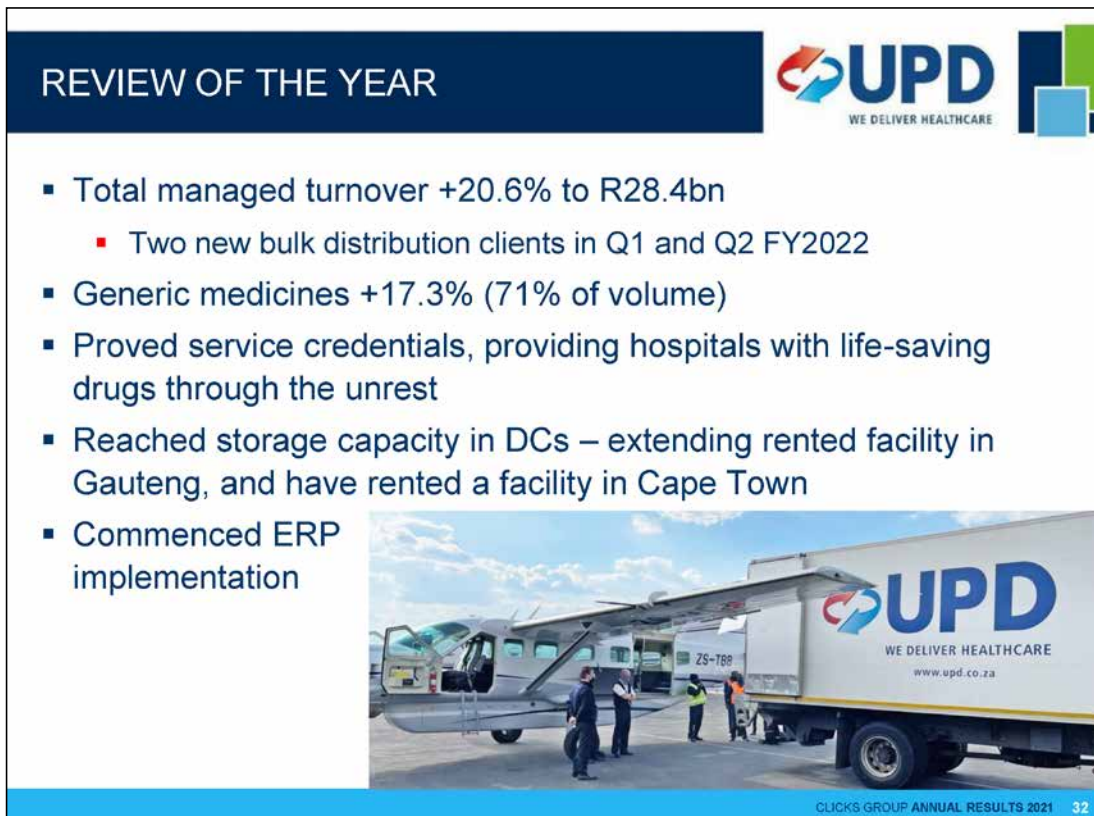
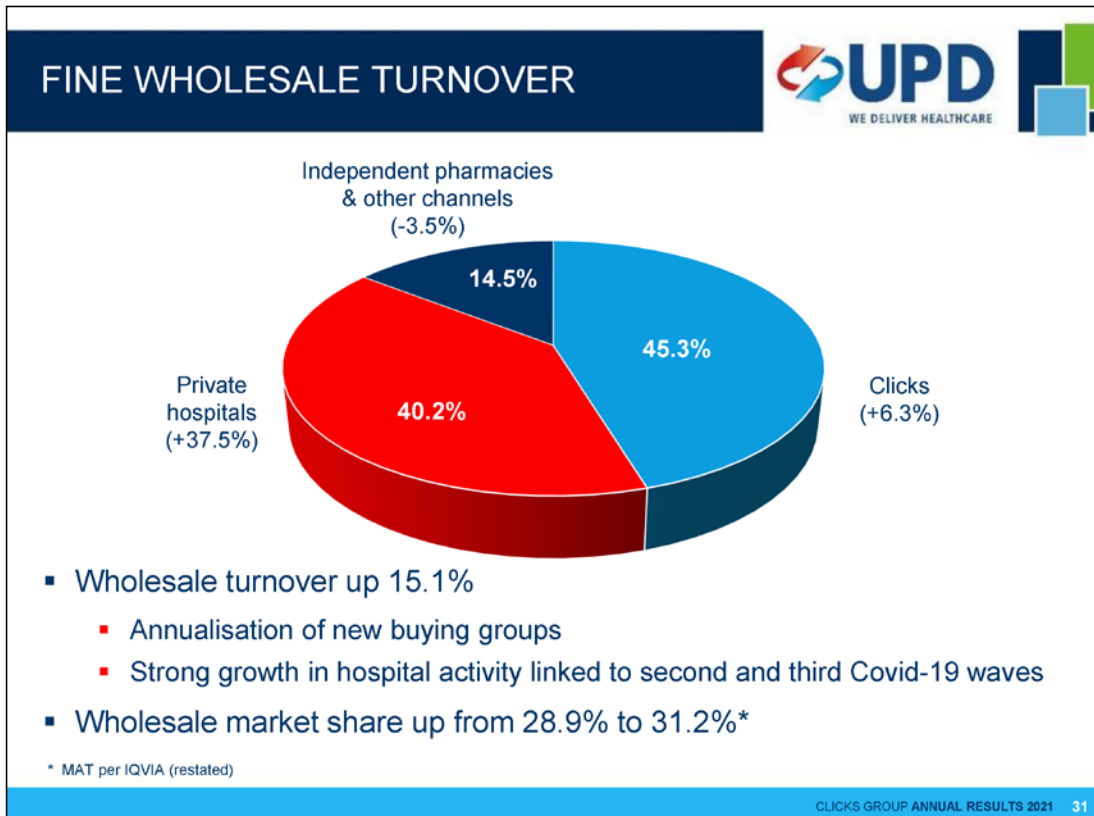
Format	Total**
Convenience	581
Destination	201
Total	782

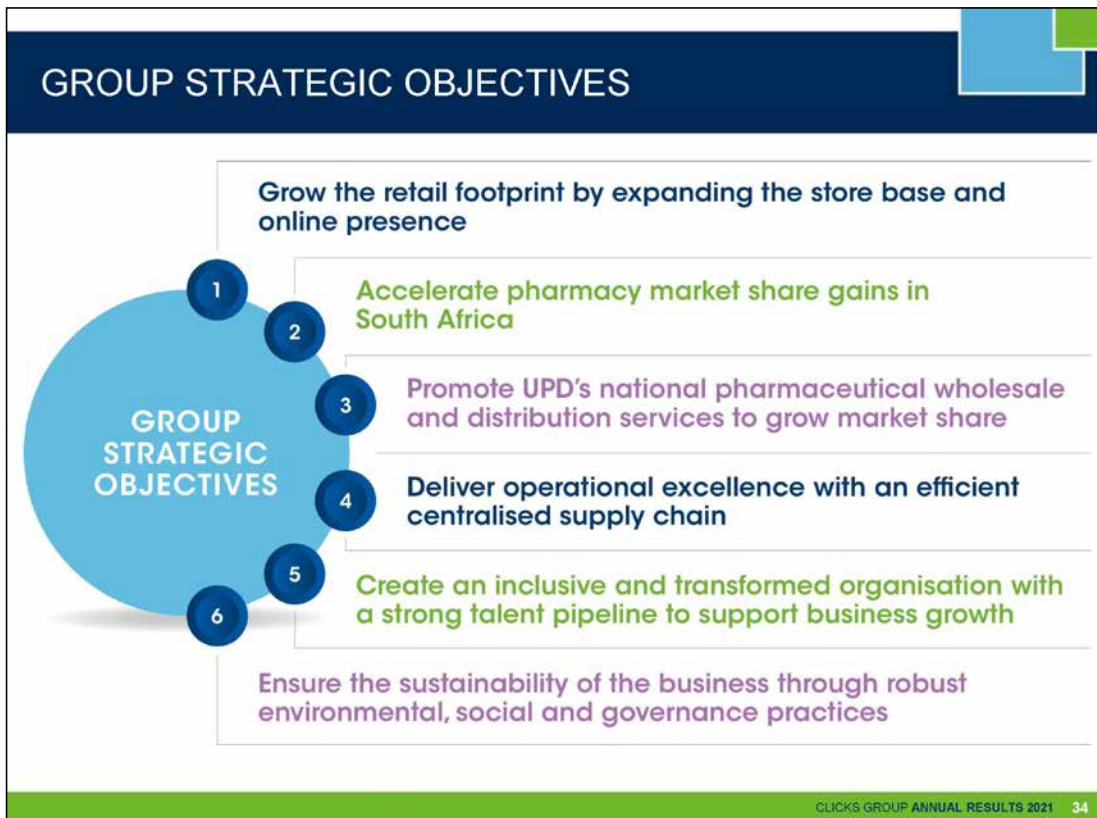


* 73 SA stores still to get a dispensary
 ** Includes stores still closed due to civil unrest damage



PRESENTATION





PRESENTATION

OUTLOOK FOR FY2022

- Continued impact of Covid-19 and civil unrest into FY2022
- Committed to supporting the national vaccination programme
- Expect to sustain volume growth
- Integrating new IT systems
- Investing in digital engagement
- Consumer environment will remain extremely constrained
- Business model continues to be resilient, with proven ability to adapt to changing market dynamics
- Confident of the group's ability to continue delivering on medium-term targets

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DISCLAIMER

Clicks Group has acted in good faith and has made every reasonable effort to ensure the accuracy and completeness of the information contained in this presentation, including all information that may be defined as 'forward-looking statements' within the meaning of United States securities legislation.

Forward-looking statements may be identified by words such as 'believe', 'anticipate', 'expect', 'plan', 'estimate', 'intend', 'project', 'target', 'predict' and 'hope'.

Forward-looking statements are not statements of fact, but statements by the management of Clicks Group based on its current estimates, projections, expectations, beliefs and assumptions regarding the group's future performance.

No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements.

The risks and uncertainties inherent in the forward-looking statements contained in this presentation include, but are not limited to: changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; domestic business and market conditions; changes in the domestic regulatory and legislative environments; changes to domestic operational, social, economic and political risks; and the effects of both current and future litigation.

Clicks Group does not undertake to update any forward-looking statements contained in this presentation and does not assume responsibility for any loss or damage whatsoever and howsoever arising as a result of the reliance by any party thereon, including, but not limited to, loss of earnings, profits, or consequential loss or damage.

Corporate INFORMATION

Registered address: Cnr Searle and Pontac Streets, Cape Town 8001. PO Box 5142, Cape Town 8000

Directors: DM Nurek* (Chairman), F Abrahams*, JA Bester*, F Daniels*, BD Engelbrecht, M Fleming (Chief Financial Officer), PM Moumakwa**#, MJN Njeke*, V Ramsunder (Chief Executive Officer), M Rosen*, SS Ntsaluba*##

* Independent non-executive # Appointed 1 April 2021 ## Appointed 1 September 2021

Company secretary: M Welz

Transfer secretaries: Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196. Private Bag X9000, Saxonwold 2132

Sponsor: Investec Bank Limited

Registration number: 1996/000645/06 **Income tax number:** 9061/745/71/8

Share code: CLS **ISIN:** ZAE000134854 **CUSIP:** 18682W205 **LEI:** 378900E967958A677472

Tier 1 Investor Relations:

	Tel	Cell	E-mail
Sue Hemp	+27 (0)21 702 3102	+27 (0)83 703 3131	sue@tier1ir.co.za
Graeme Lillie	+27 (0)21 702 3102	+27 (0)82 468 1507	graeme@tier1ir.co.za

www.clicksgroup.co.za

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