



INTERIM
GROUP
RESULTS
FOR THE SIX
MONTHS ENDED
29 FEBRUARY 2020

CLICKS GROUP
L I M I T E D

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Group turnover up

9.9%

Retail health and beauty sales up

9.6%

UPD reported turnover up

12.3%

Profit after tax up

12.9%

Diluted HEPS up

14.4%

Cash on hand of

R2.3 billion

FINANCIAL SUMMARY

		Six months to 29 February 2020	Restated six months to 28 February 2019	% change	Restated year to 31 August 2019
Consolidated statement of comprehensive income					
Turnover	(R'000)	16 856 600	15 334 139	9.9	31 352 109
Gross profit	(R'000)	3 584 349	3 364 052	6.5	6 690 060
Total income	(R'000)	4 601 150	4 251 602	8.2	8 650 540
Headline earnings	(R'000)	851 177	752 853	13.1	1 682 080
Net financing cost	(R'000)	(66 881)	(95 302)	(29.8)	(175 754)
Consolidated statement of financial position					
Equity	(R'000)	4 849 989	4 275 388	13.4	4 786 987
Total assets	(R'000)	15 972 696	14 145 136	12.9	15 069 124
Consolidated statement of cash flows					
Net cash effects from operating activities	(R'000)	410 656	516 195	(20.4)	2 716 462
Capital expenditure	(R'000)	308 997	263 956	17.1	646 714
Depreciation and amortisation	(R'000)	565 238	500 680	12.9	1 036 325
Performance					
Turnover growth	(%)	9.9	6.2		7.2
Comparable stores turnover growth	(%)	5.0	4.5		6.4
Gross profit growth	(%)	6.5	8.2		8.5
Gross profit margin	(%)	21.3	21.9		21.3
Total income growth	(%)	8.2	8.9		9.7
Total income margin	(%)	27.3	27.7		27.6
Operating margin	(%)	7.4	7.4		8.0
Net working capital days		35	37		34
Inventory days		84	76		70
Trade debtor days		32	36		37
Trade creditor days		81	75		73
Current ratio	(:1)	1.1	1.1		1.2
Return on total assets	(%)	10.6	11.0		12.6
Return on shareholders' interest	(%)	34.8	35.2		37.0
Shareholders' interest to total assets	(%)	30.4	30.2		31.8
Interest-bearing debt, including cash, to shareholders' interest at period-end	(%)	6.2	23.6		(5.7)
Statistics					
Number of permanent employees		15 347	15 429	(0.5)	15 413
Number of stores		881	853	3.3	870
Weighted retail trading area	(m ²)	366 851	342 985	7.0	347 566
Share statistics					
Number of ordinary shares in issue (gross), excluding "A" shares	('000)	251 525	262 083	(4.0)	262 083
Number of ordinary shares in issue (net of treasury shares)	('000)	251 525	252 355	(0.3)	251 525
Weighted average number of shares in issue (net of treasury shares)	('000)	251 525	245 582	2.4	249 125
Weighted average diluted number of shares in issue (net of treasury shares)	('000)	251 525	254 394	(1.1)	253 471
Headline earnings per share – basic	(cents)	338.4	306.6	10.4	675.2
– diluted	(cents)	338.4	295.9	14.4	663.6
Dividend per share – interim	(cents)	–	118.0		118.0
– final	(cents)	–	–		327.0
Dividend payout ratio	(%)	–	38.5		65.9
Share price – closing	(cents)	23 550	18 066	30.4	19 900
– high	(cents)	27 014	20 484		21 822
– low	(cents)	19 550	15 614		15 614
Net asset value per share	(cents)	1 928	1 694	13.8	1 903
Net tangible asset value per share	(cents)	1 676	1 470	14.0	1 665
Market capitalisation (gross)	(R'000)	59 234 138	47 347 915	25.1	52 154 517
Market capitalisation (net of treasury shares)	(R'000)	59 234 138	45 590 454	29.9	50 053 475
Price earnings ratio	(times)	37.3	32.7		30.0
Volume of ordinary shares traded	('000)	113 762	154 341		273 840
Percentage of ordinary shares traded	(%)	45.2	62.8		109.9
Free float	(%)	99.9	96.2		95.9
Shareholders' return	(cents)	3 650	(2 116)		45
Increase in share price	(cents)	3 650	(2 234)		(400)
Dividend per share	(cents)	–	118		445
Other information					
Inflation rate					
CPI	(%)	4.6	4.1		4.3
Internal selling price inflation	(%)	2.5	0.5		1.2
Interest rates					
Prime overdraft rate – closing	(%)	9.75	10.25		10.00
– average	(%)	9.92	10.13		10.15
FTSE/JSE Africa share indices					
All Share Index		51 038	56 002	(8.9)	55 260
General Retailers Index		4 603	6 478	(28.9)	5 700
Food and Drug Retailers Index		9 964	11 214	(11.2)	10 332
Exchange rate					
Rand/US dollar – closing	(R/US\$)	15.63	13.95	12.0	15.32
– average	(R/US\$)	14.74	14.21	3.7	14.34

COMMENTARY

Overview

Clicks Group continued its strong growth trend and delivered a highly competitive performance against a background of low economic growth, constrained consumer spending and extensive trading disruption due to electricity load shedding.

Retail health and beauty sales increased by 9.6% as Clicks gained market share across all its core product categories. UPD reported strong sales growth of 12.3% and continued to gain market share after securing new wholesale contracts.

The strong performances from both the retail and distribution businesses, together with efficient capital management, contributed to the group's diluted headline earnings per share increasing by 14.4% to 338 cents.

Owing to the economic upheaval arising from the Covid-19 pandemic, the board has decided to preserve cash and consider an annual dividend at year-end once there is greater certainty.

Financial performance

Group turnover increased by 9.9% to R16.9 billion. Retail sales grew by 8.6% and by 5.0% in comparable stores, with selling price inflation of 2.7%. Distribution turnover increased by 12.3% with price inflation of 2.4% for the half-year.

Total income grew by 8.2% to R4.6 billion, with the group's total income margin declining by 40 basis points to 27.3%. The retail margin was impacted by higher operating costs at the retail Centurion distribution centre due to the implementation of a centralised single picking project. The UPD margin strengthened by 20 basis points as the business gained new wholesale contracts.

Retail expenses grew by 7.3% as the group invested in a net 41 new Clicks stores and 44 new pharmacies over the past 12 months. Comparable retail costs were contained to an increase of 3.8%. UPD expenses, which include the costs related to the new wholesale contracts, grew by 14.5%.

Group operating profit increased by 9.4% to R1.2 billion with the group's operating margin constant at 7.4%. The retail and

distribution businesses both did well to hold margins despite the low inflationary environment and challenging trading conditions.

Headline earnings grew by 13.1% to R851.2 million. Earnings per share and headline earnings per share increased by 10.2% and 10.4% respectively to 338 cents.

Working capital continues to be efficiently managed and the group's net working capital improved from 37 to 35 days. Retail inventory levels were 12.3% higher owing to increased front shop stock levels shipped earlier due to Covid-19 challenges being experienced in China. The new wholesale contracts in UPD, together with strategic stock buy-ins due to anticipated supply chain challenges in Asia and the annual increase in the single exit price of medicines, have resulted in group inventory increasing by 22.1%. These stock levels are expected to normalise in the second half of the year.

Cash generated by operating activities before dividends paid increased by 2.9% to R1.2 billion for the six months. Capital expenditure of R309 million (2019: R264 million) was invested mainly in new stores and pharmacies, store refurbishments, supply chain and information technology. The group returned R822 million to shareholders in dividend payments, 20.5% higher than the prior period. Cash and cash equivalents increased by R857 million and the group had cash resources of R2.3 billion at the end of February 2020.

Subsequent to the reporting period the group repurchased 2 862 264 shares for a total consideration of R653.3 million as part of its ongoing capital management strategy aimed at enhancing returns to shareholders. The repurchases were made under a closed period mandate approved by the JSE. In order to preserve cash no further share repurchases have been made since South Africa entered the lockdown period.

Trading performance

Retail health and beauty sales, which includes Clicks and the franchise brands GNC, The Body Shop and Claire's, increased by 9.6%, driven by competitive pricing, differentiated



product ranges, the Clicks ClubCard and new stores. Sales in comparable stores increased by 5.8%, with volume growth of 3.5% and inflation of 2.3% for the six months.

Clicks opened 17 stores in the six months to expand its retail footprint to 721 stores and increased its pharmacy network to 572 following the opening of 27 pharmacies. Clicks increased its share of the retail pharmacy market from 24.1% to 24.6% at February 2020 (source IQVIA).

Clicks ClubCard active membership reached 8.4 million and accounted for 78.2% of the brand's sales. ClubCard launched a new affinity partnership with Engen South Africa in December 2019 and earlier this month was appointed as the preferred health and beauty retail partner of the eBucks loyalty programme.

UPD grew wholesale turnover by 17.6% as the business gained new private hospital and buying group contracts. This contributed to UPD increasing its market share from 26.0% to 27.2% at February 2020 (source IQVIA). UPD's total managed turnover, combining wholesale and bulk distribution, increased by 3.3% to R10.6 billion, impacted by the timing of State tenders.

Trading update for seven weeks to 19 April 2020

Following the declaration of the state of disaster in South Africa in response to the Covid-19 pandemic and the subsequent announcement of the national lockdown, Clicks experienced unprecedented levels of sales demand by customers across stores nationally, particularly in hygiene and healthcare products. However, this trend has reversed during the lockdown period.

Retail sales for the seven weeks to 19 April 2020 (the period), being the first seven weeks of the second half of the financial year, increased by 7.9% with health and beauty sales up 9.3%. The period includes the first 24 days of the lockdown during which time Clicks has been restricted to shorter trading hours and limited to only selling essential products. All Musica, The Body Shop and Claire's stores are closed during the lockdown.

UPD's turnover for the period grew by 31.2% due to customers preparing for the Covid-19 impact. UPD is well positioned in terms of its scale and logistics capabilities to support all healthcare facilities with medicine requirements as the country deals with the Covid-19 pandemic.

Group turnover for the period increased by 15.9%.

Outlook

Trading conditions are expected to be extremely tough for the remainder of the financial year as the extent and economic impact of the Covid-19 pandemic are unknown. This could be compounded by electricity load shedding which remains a risk to retail sales, particularly in the higher-demand winter season. The recent sharp depreciation in the value of the Rand could impact on selling price inflation towards the end of the financial year and place further pressure on constrained consumers.

The group's sustained long-term performance is evidence that the strategy and business model remain relevant and resilient. This will be severely tested in the months ahead. The business has a robust balance sheet, generates strong cash flows and its plans to open 38 new Clicks stores and 40 pharmacies in the financial year are unchanged.

Despite the headwinds from the Covid-19 pandemic the group is well positioned in its core markets to respond to the needs of retail and distribution customers during this time of uncertainty and crisis. The directors remain confident in the group's ability to deliver on its medium-term targets.

The financial information in this announcement has not been reviewed or reported on by the group's independent auditor.

By order of the board

Matthew Welz

Company secretary

23 April 2020



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'000	Six months to 29 February 2020	Restated six months to 28 February 2019*	% change	Restated year to 31 August 2019*
Revenue	17 918 650	16 245 459		33 376 010
Turnover	16 856 600	15 334 139	9.9	31 352 109
Cost of merchandise sold	(13 272 251)	(11 970 087)	10.9	(24 662 049)
Gross profit	3 584 349	3 364 052	6.5	6 690 060
Other income	1 016 801	887 550	14.6	1 960 480
Total income	4 601 150	4 251 602	8.2	8 650 540
Expenses	(3 355 532)	(3 113 451)	7.8	(6 144 001)
Depreciation and amortisation	(543 631)	(486 860)	11.7	(1 004 998)
Occupancy costs	(98 396)	(95 242)	3.3	(190 119)
Employment costs	(1 777 682)	(1 678 429)	5.9	(3 341 862)
Other costs	(935 759)	(854 727)	9.5	(1 605 693)
Impairment (allowance)/recovery	(64)	1 807		(1 329)
Operating profit	1 245 618	1 138 151	9.4	2 506 539
Profit/(loss) on disposal of property, plant and equipment	102	491		(351)
Loss on disposal of business	(1 196)	–		–
Profit before financing costs	1 244 524	1 138 642	9.3	2 506 188
Net financing costs	(66 881)	(95 302)	(29.8)	(175 754)
Financial income	45 249	23 770	90.4	63 421
Financial expense	(112 130)	(119 072)	(5.8)	(239 175)
Profit before earnings from associate	1 177 643	1 043 340	12.9	2 330 434
Share of profit of an associate	1 813	1 308		2 803
Profit before taxation	1 179 456	1 044 648	12.9	2 333 237
Income tax expense	(329 402)	(291 442)	13.0	(652 115)
Profit for the period	850 054	753 206	12.9	1 681 122
Other comprehensive income/(loss):				
Items that will not be subsequently reclassified to profit or loss	–	–		6 337
Remeasurement of post-employment benefit obligations	–	–		8 801
Deferred tax on remeasurement	–	–		(2 464)
Items that may be subsequently reclassified to profit or loss				
Exchange differences on translation of foreign subsidiaries	363	(4 474)		(2 222)
Cash flow hedges	14 699	(57 241)		(13 877)
Change in fair value of effective portion	20 415	(79 501)		(19 274)
Deferred tax on movement of effective portion	(5 716)	22 260		5 397
Cost of hedging reserve	(9 874)	(7 421)		(15 827)
Cost of hedging recognised	(13 714)	(10 307)		(21 982)
Deferred tax on cost of hedging	3 840	2 886		6 155
Other comprehensive income/(loss) for the period, net of tax	5 188	(69 136)		(25 589)
Total comprehensive income for the period	855 242	684 070		1 655 533
Reconciliation of headline earnings				
Total profit for the period	850 054	753 206		1 681 122
Adjusted for:				
(Profit)/loss net of tax on disposal of property, plant and equipment	(73)	(353)		254
Loss on disposal of business	1 196	–		–
Goodwill impairment	–	–		704
Headline earnings	851 177	752 853	13.1	1 682 080
Headline earnings per share (cents)				
– basic	338.4	306.6	10.4	675.2
– diluted	338.4	295.9	14.4	663.6
Earnings per share (cents)				
– basic	338.0	306.7	10.2	674.8
– diluted	338.0	296.1	14.2	663.2
Weighted average number of shares in issue (net of treasury shares, '000)	251 525	245 582	2.4	249 125
Weighted average diluted number of shares in issue (net of treasury shares, '000)	251 525	254 394	(1.1)	253 471

* Retrospective adjustment relating to the adoption of IFRS 16 and the correction of a prior-period error. Refer to the interim condensed consolidated results.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	As at 29 February 2020	Restated as at 28 February 2019*	Restated as at 31 August 2019*
ASSETS			
Non-current assets	5 378 431	5 158 394	5 045 548
Property, plant and equipment	2 120 231	1 930 401	2 067 036
Right-of-use asset	2 241 816	2 100 777	2 046 014
Intangible assets	531 654	461 714	497 078
Goodwill	102 806	103 510	102 806
Deferred tax assets	97 205	337 504	95 060
Investment in associate	20 505	20 320	20 091
Loans receivable	10 153	14 491	10 131
Financial assets at fair value through profit or loss	116 803	73 518	75 370
Derivative financial assets	137 258	116 159	131 962
Current assets	10 594 265	8 986 742	10 023 576
Inventories	5 904 831	4 835 256	4 710 169
Trade and other receivables	2 258 907	2 626 468	2 567 123
Income tax receivable	–	–	29 744
Loans receivable	611	691	611
Cash and cash equivalents	2 309 305	1 452 400	2 613 554
Derivative financial assets	120 611	71 927	102 375
Total assets	15 972 696	14 145 136	15 069 124
EQUITY AND LIABILITIES			
Equity	4 849 989	4 275 388	4 786 987
Share capital	2 515	2 621	2 621
Share premium	1 064 953	1 064 953	1 064 953
Treasury shares	–	(756 432)	(913 194)
Cash flow hedge reserve	55 851	(9 414)	23 195
Cost of hedging reserve	(3 852)	(2 560)	(6 267)
Foreign currency translation reserve	5 106	2 491	4 743
Distributable reserve	3 725 416	3 973 729	4 610 936
Non-current liabilities	1 848 570	1 796 273	1 688 563
Lease liability	1 732 115	1 614 286	1 489 563
Employee benefits	116 455	181 987	199 000
Current liabilities	9 274 137	8 073 475	8 593 574
Trade and other payables	8 020 688	6 911 605	7 303 492
Lease liability	879 823	848 822	852 702
Employee benefits	272 760	276 374	366 218
Income tax payable	100 866	35 939	71 162
Derivative financial liabilities	–	735	–
Total equity and liabilities	15 972 696	14 145 136	15 069 124

* Retrospective adjustment relating to the adoption of IFRS 16. Refer to the interim condensed consolidated results.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000	Number of shares '000	Share capital	Share premium
Balance at 1 September 2018	244 505	2 686	513 848
Effect of adoption of new accounting standards*	–	–	–
Balance at 1 September 2018 (restated)	244 505	2 686	513 848
Transactions with owners, recorded directly in equity			
Dividends paid to shareholders	–	–	–
Employee share option scheme vesting	8 135	(65)	551 105
Issue of ordinary shares from vesting of employee share scheme	8 135	81	551 404
“A” ordinary shares repurchased	–	(146)	–
Transaction costs on share issue	–	–	(299)
Share-based payment reserve movement	–	–	–
Net treasury share movement	(285)	–	–
Treasury shares acquired from vesting of employee share scheme	(261)	–	–
Net cost of own shares purchased	(24)	–	–
Total transactions with owners	7 850	(65)	551 105
Total comprehensive income for the period	–	–	–
Profit for the period	–	–	–
Cash flow hedge reserve*	–	–	–
Cost of hedging reserve	–	–	–
Exchange differences on translation of foreign subsidiaries	–	–	–
Transfer of reserve to inventories	–	–	–
Balance at 28 February 2019	252 355	2 621	1 064 953
Transactions with owners, recorded directly in equity			
Dividends paid to shareholders	–	–	–
Net treasury share movement	(830)	–	–
Treasury shares acquired from vesting of employee share scheme	–	–	–
Disposal of treasury shares	261	–	–
Net cost of own shares purchased	(1 091)	–	–
Total transactions with owners	(830)	–	–
Total comprehensive income for the period	–	–	–
Profit for the period	–	–	–
Remeasurement of post-employment benefit obligations	–	–	–
Cash flow hedge reserve	–	–	–
Cost of hedging reserve	–	–	–
Exchange differences on translation of foreign subsidiaries	–	–	–
Transfer of reserve to inventories	–	–	–
Balance at 31 August 2019	251 525	2 621	1 064 953
Transactions with owners, recorded directly in equity			
Dividends paid to shareholders	–	–	–
Treasury shares cancelled	–	(106)	–
Total transactions with owners	–	(106)	–
Total comprehensive income for the period	–	–	–
Profit for the period	–	–	–
Cash flow hedge reserve	–	–	–
Cost of hedging reserve	–	–	–
Exchange differences on translation of foreign subsidiaries	–	–	–
Transfer of reserve to inventories	–	–	–
Balance at 29 February 2020	251 525	2 515	1 064 953

* Retrospective adjustment relating to the adoption of IFRS 16 and a reclassification of reserve movements within the cash flow hedge reserve. Refer to the interim condensed consolidated results.

Treasury shares	Share option reserve	Cash flow hedge reserve	Cost of hedging reserve	Foreign currency translation reserve	Distributable reserve	Total equity
(702 703)	578 184	73 536	(4 482)	8 486	3 954 452	4 424 007
–	–	–	–	(1 521)	(101 443)	(102 964)
(702 703)	578 184	73 536	(4 482)	6 965	3 853 009	4 321 043
–	–	–	–	–	(682 486)	(682 486)
146	(551 485)	–	–	–	–	(299)
–	(551 485)	–	–	–	–	–
146	–	–	–	–	–	–
–	–	–	–	–	–	(299)
–	(26 699)	–	–	–	–	(26 699)
(53 875)	–	–	–	–	50 000	(3 875)
(50 000)	–	–	–	–	50 000	–
(3 875)	–	–	–	–	–	(3 875)
(53 729)	(578 184)	–	–	–	(632 486)	(713 359)
–	–	(57 241)	(7 421)	(4 474)	753 206	684 070
–	–	–	–	–	753 206	753 206
–	–	(57 241)	–	–	–	(57 241)
–	–	–	(7 421)	–	–	(7 421)
–	–	–	–	(4 474)	–	(4 474)
–	–	(25 709)	9 343	–	–	(16 366)
(756 432)	–	(9 414)	(2 560)	2 491	3 973 729	4 275 388
–	–	–	–	–	(298 020)	(298 020)
(156 762)	–	–	–	–	974	(155 788)
–	–	–	–	–	–	–
50 000	–	–	–	–	974	50 974
(206 762)	–	–	–	–	–	(206 762)
(156 762)	–	–	–	–	(297 046)	(453 808)
–	–	43 364	(8 406)	2 252	934 253	971 463
–	–	–	–	–	927 916	927 916
–	–	–	–	–	6 337	6 337
–	–	43 364	–	–	–	43 364
–	–	–	(8 406)	–	–	(8 406)
–	–	–	–	2 252	–	2 252
–	–	(10 755)	4 699	–	–	(6 056)
(913 194)	–	23 195	(6 267)	4 743	4 610 936	4 786 987
–	–	–	–	–	(822 486)	(822 486)
913 194	–	–	–	–	(913 088)	–
913 194	–	–	–	–	(1 735 574)	(822 486)
–	–	14 699	(9 874)	363	850 054	855 242
–	–	–	–	–	850 054	850 054
–	–	14 699	–	–	–	14 699
–	–	–	(9 874)	–	–	(9 874)
–	–	–	–	363	–	363
–	–	17 957	12 289	–	–	30 246
–	–	55 851	(3 852)	5 106	3 725 416	4 849 989

CONSOLIDATED STATEMENT OF CASH FLOWS

R'000	Six months to 29 February 2020	Restated six months to 28 February 2019*	Restated year to 31 August 2019*
Cash effects from operating activities			
Operating profit before working capital changes (refer note 1)	1 769 775	1 669 845	3 563 332
Working capital changes (refer note 2)	(391 224)	(489 217)	203 429
Cash generated by operations	1 378 551	1 180 628	3 766 761
Interest received	45 249	23 770	63 421
Interest paid	(619)	(2 811)	(4 476)
Taxation paid	(260 885)	(136 409)	(262 241)
Acquisition of derivative financial asset used to hedge the long-term incentive scheme*	(49 635)	(66 313)	(66 313)
Settlement of derivative financial asset used to hedge the long-term incentive scheme*	120 481	199 816	199 816
Cash inflow from operating activities before dividends paid	1 233 142	1 198 681	3 696 968
Dividends paid to shareholders	(822 486)	(682 486)	(980 506)
Net cash effects from operating activities	410 656	516 195	2 716 462
Cash effects from investing activities			
Investment in property, plant and equipment and intangibles to maintain operations	(139 403)	(64 025)	(215 701)
Investment in property, plant and equipment and intangibles to expand operations	(169 594)	(199 931)	(431 013)
Proceeds from disposal of property, plant and equipment	577	1 433	2 220
Acquisition of investments	(41 833)	–	–
Decrease in loan receivables	–	9 000	9 000
Disposal of investment in subsidiary (refer note 3)	9 787	–	–
Net cash effects from investing activities	(340 466)	(253 523)	(635 494)
Cash effects from financing activities			
Purchase of treasury shares	–	(3 875)	(210 637)
Proceeds from sale of treasury shares	–	–	50 974
Transaction cost on issue of shares	–	–	(299)
Repayment of lease liability	(374 439)	(330 212)	(831 267)
Net cash effects from financing activities	(374 439)	(334 087)	(991 229)
Net (decrease)/increase in cash and cash equivalents	(304 249)	(71 415)	1 089 739
Cash and cash equivalents at the beginning of the period	2 613 554	1 523 815	1 523 815
Cash and cash equivalents at the end of the period	2 309 305	1 452 400	2 613 554

* Retrospective adjustment relating to the adoption of IFRS 16 and the correction of a prior-period error. Refer to the interim condensed consolidated results.

STORE FOOTPRINT

	Clicks	Musica	The Body Shop	GNC	Claire's	Total retail
Number of stores at 29 February 2020	721	93	61	–	6	881
as at 31 August 2019	680	106	61	–	6	853
opened	45	1	1	–	–	47
closed	(4)	(14)	(1)	–	–	(19)
Presence in Clicks stores at 29 February 2020			215	560	152	
Number of pharmacies at 29 February 2020	572	–	–	–	–	572
as at 31 August 2019	528	–	–	–	–	528
new/converted	47	–	–	–	–	47
closed	(3)	–	–	–	–	(3)
Number of clinics at 29 February 2020	195					

NOTES TO THE CASH FLOW STATEMENT

R'000	Six months to 29 February 2020	Restated six months to 28 February 2019*	Restated year to 31 August 2019*
Cash flow information			
1 Profit before working capital changes			
Profit before tax	1 179 456	1 044 648	2 333 237
Adjustment for:			
Depreciation and amortisation	565 238	500 680	1 036 325
(Profit)/loss on disposal of property, plant and equipment	(102)	(491)	351
Release of cash flow hedge to profit or loss	(42 880)	21 018	8 883
Net financing cost	66 881	95 302	175 754
Decrease in financial assets at fair value through profit or loss	400	8 964	7 112
Impairment of goodwill	–	–	704
Impairment of loan	–	–	1 013
Loss on disposal of subsidiary	1 196	–	–
Net undistributed profits of an associate	(414)	(276)	(47)
	1 769 775	1 669 845	3 563 332
2 Working capital changes			
Increase in inventories	(1 192 247)	(588 007)	(461 047)
Decrease/(increase) in trade and other receivables	298 429	(369 575)	(310 230)
Increase in trade and other payables	686 285	681 365	1 086 063
Decrease in employee benefits	(183 691)	(213 000)	(111 357)
	(391 224)	(489 217)	203 429
3 Disposal of investment in subsidiary			
The group disposed of its interest in Kala Hari Medical Distributors Proprietary Limited during the financial period.			
Proceeds on disposal of subsidiary	9 787		
Net asset value of subsidiary	10 983		
Loss on disposal of subsidiary	(1 196)		

* Retrospective adjustment relating to the adoption of IFRS 16. Refer to the interim condensed consolidated results.

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	
	Feb 2020	Feb 2019		Feb 2020	Feb 2019
Public Investment Corporation (SA)	13.5	12.4	South Africa and rest of Africa	28.7	30.5
Fidelity Management & Research (US)	7.4	5.2	Offshore holdings	71.3	69.5
RBC Global Asset Management (UK, US and Canada)	5.7	3.5	USA and Canada	38.7	42.9
JPMorgan Asset Management (UK and US)	5.0	4.1	United Kingdom and Ireland	11.9	9.5
GIC (Singapore)	4.8	3.5	Europe	9.2	8.0
BlackRock (US and UK)	4.3	4.4	Other countries	11.5	9.1
The Vanguard Group (US)	3.9	3.7			
<i>Fund managers no longer managing over 3%:</i>					
T. Rowe Price (UK and US)	2.4	3.5			
Baillie Gifford & Co (UK)	0.4	5.0			

SEGMENTAL ANALYSIS

For the six months ended 29 February 2020 R'000	Retail ¹	
	29 Feb 2020	Restated 28 Feb 2019
Statement of financial position		
Property, plant and equipment	1 853 626	1 671 751
Right-of-use asset	2 227 806	2 100 777
Intangible assets	504 901	441 300
Goodwill	6 529	6 529
Inventories	3 663 998	3 263 595
Trade and other receivables	527 822	497 136
Cash and cash equivalents	2 311 079	1 421 155
Other assets	949 642	1 033 961
Total assets	12 045 403	10 436 204
Employee benefits – non-current	102 983	169 952
Lease liability	2 598 275	2 463 108
Trade and other payables	3 355 275	3 228 614
Employee benefits – current	243 100	250 999
Other liabilities	3 341 029	2 067 955
Total liabilities	9 640 662	8 180 628
Net assets	2 404 741	2 255 576
Statement of comprehensive income		
Turnover	12 304 501	11 329 682
Gross profit	3 525 635	3 282 666
Other income	581 773	530 047
Total income	4 107 408	3 812 713
Expenses	(3 064 060)	(2 855 074)
Depreciation and amortisation	(525 026)	(468 671)
Occupancy costs	(97 586)	(94 396)
Employment costs	(1 637 521)	(1 547 304)
Other costs	(803 863)	(746 168)
Impairment (allowance)/recovery	(64)	1 465
Operating profit	1 043 348	957 639
Ratios		
Increase in turnover	(%) 8.6	7.7
Selling price inflation/(deflation)	(%) 2.7	1.0
Comparable stores turnover growth	(%) 5.0	4.5
Gross profit margin	(%) 28.7	29.0
Total income margin	(%) 33.4	33.7
Operating expenses as a percentage of turnover	(%) 24.9	25.2
Increase in operating expenses ²	(%) 7.3	7.8
Increase in operating profit ²	(%) 9.0	9.4
Operating profit margin	(%) 8.5	8.5
Inventory days	82	79
Trade debtor days	6	6
Trade creditor days	48	42
Net working capital days	40	43
Number of stores	881	853
as at the beginning of the period	853	824
opened	47	38
closed	(19)	(9)
Number of pharmacies	572	528
as at the beginning of the period	528	493
new/converted	47	36
closed	(3)	(1)
Total leased area	(m ²) 445 171	419 621
Weighted retail trading area	(m ²) 366 851	342 985
Weighted annual sales per m ²	(R) 62 267	61 325
Number of permanent employees	14 703	14 763

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

² Comparative growth not restated due to IFRS only requiring restatement of one year's comparative on the statement of comprehensive income. The February 2018 results were not restated.

Distribution		Intragroup elimination		Total operations	
29 Feb 2020	Restated 28 Feb 2019	29 Feb 2020	28 Feb 2019	29 Feb 2020	Restated 28 Feb 2019
266 605	258 650	–	–	2 120 231	1 930 401
14 010	–	–	–	2 241 816	2 100 777
26 753	20 414	–	–	531 654	461 714
96 277	96 981	–	–	102 806	103 510
2 340 222	1 652 447	(99 389)	(80 786)	5 904 831	4 835 256
2 504 311	2 789 357	(773 226)	(660 025)	2 258 907	2 626 468
(1 774)	31 245	–	–	2 309 305	1 452 400
3 250 806	2 077 677	(3 697 302)	(2 477 028)	503 146	634 610
8 497 210	6 926 771	(4 569 917)	(3 217 839)	15 972 696	14 145 136
13 472	12 035	–	–	116 455	181 987
13 663	–	–	–	2 611 938	2 463 108
5 445 522	4 345 731	(780 109)	(662 740)	8 020 688	6 911 605
29 660	25 375	–	–	272 760	276 374
455 213	447 989	(3 695 376)	(2 479 270)	100 866	36 674
5 957 530	4 831 130	(4 475 485)	(3 142 010)	11 122 707	9 869 748
2 539 680	2 095 641	(94 432)	(75 829)	4 849 989	4 275 388
7 466 595	6 650 524	(2 914 496)	(2 646 067)	16 856 600	15 334 139
75 178	89 484	(16 464)	(8 098)	3 584 349	3 364 052
525 898	437 026	(90 870)	(79 523)	1 016 801	887 550
601 076	526 510	(107 334)	(87 621)	4 601 150	4 251 602
(380 421)	(332 180)	88 949	73 803	(3 355 532)	(3 113 451)
(18 605)	(18 189)	–	–	(543 631)	(486 860)
(1 502)	(1 532)	692	686	(98 396)	(95 242)
(140 161)	(131 125)	–	–	(1 777 682)	(1 678 429)
(220 153)	(181 676)	88 257	73 117	(935 759)	(854 727)
–	342	–	–	(64)	1 807
220 655	194 330	(18 385)	(13 818)	1 245 618	1 138 151
12.3	5.1	10.1	9.5	9.9	6.2
2.4	(0.2)	–	–	2.5	0.5
–	–	–	–	5.0	4.5
1.0	1.3	–	–	21.3	21.9
8.1	7.9	–	–	27.3	27.7
5.1	5.0	–	–	19.9	20.3
14.5	12.4	–	–	7.8	8.1
13.5	27.2	–	–	9.4	11.3
3.0	2.9	–	–	7.4	7.4
58	46	–	–	84	76
49	52	–	–	32	36
105	101	–	–	81	75
2	(3)	–	–	35	37
–	–	–	–	881	853
–	–	–	–	853	824
–	–	–	–	47	38
–	–	–	–	(19)	(9)
–	–	–	–	572	528
–	–	–	–	528	493
–	–	–	–	47	36
–	–	–	–	(3)	(1)
–	–	–	–	445 171	419 621
–	–	–	–	366 851	342 985
–	–	–	–	62 267	61 325
644	666	–	–	15 347	15 429

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 periods.

Current ratio

Current assets at period-end divided by current liabilities at period-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 period divided by the weighted average number of shares in issue for the period.

Diluted earnings per share

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

Headline earnings per share

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

Diluted headline earnings per share

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

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 period 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 period-end

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

Inventory days

Closing inventory at period-end divided by the annualised cost of merchandise sold during the period, 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 period-end multiplied by the number of ordinary shares in issue at period-end.

Net asset value per share

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

Net tangible asset value per share

Net assets at period-end, less intangible assets (such as goodwill and trademarks),

divided by the number of ordinary shares in issue at period-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 period 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 period-end divided by diluted headline earnings per share for the period.

Return on shareholders' interest (ROE)

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

Return on total assets (ROA)

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

Return on net assets (RONA)

Operating profit as defined for RONA divided by average net assets for the period 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 period 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 period relative to the previous period expressed as a percentage of the weighted average selling price of the same sample of products for the previous period. Only products sold in both the current and previous periods 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 the period-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 period-end (adjusted to exclude VAT) divided by the annualised cost of merchandise sold during the period, multiplied by 365 days.

Trade debtor days

Closing trade debtors at period-end (adjusted to exclude VAT) divided by the annualised sales for the period, 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.

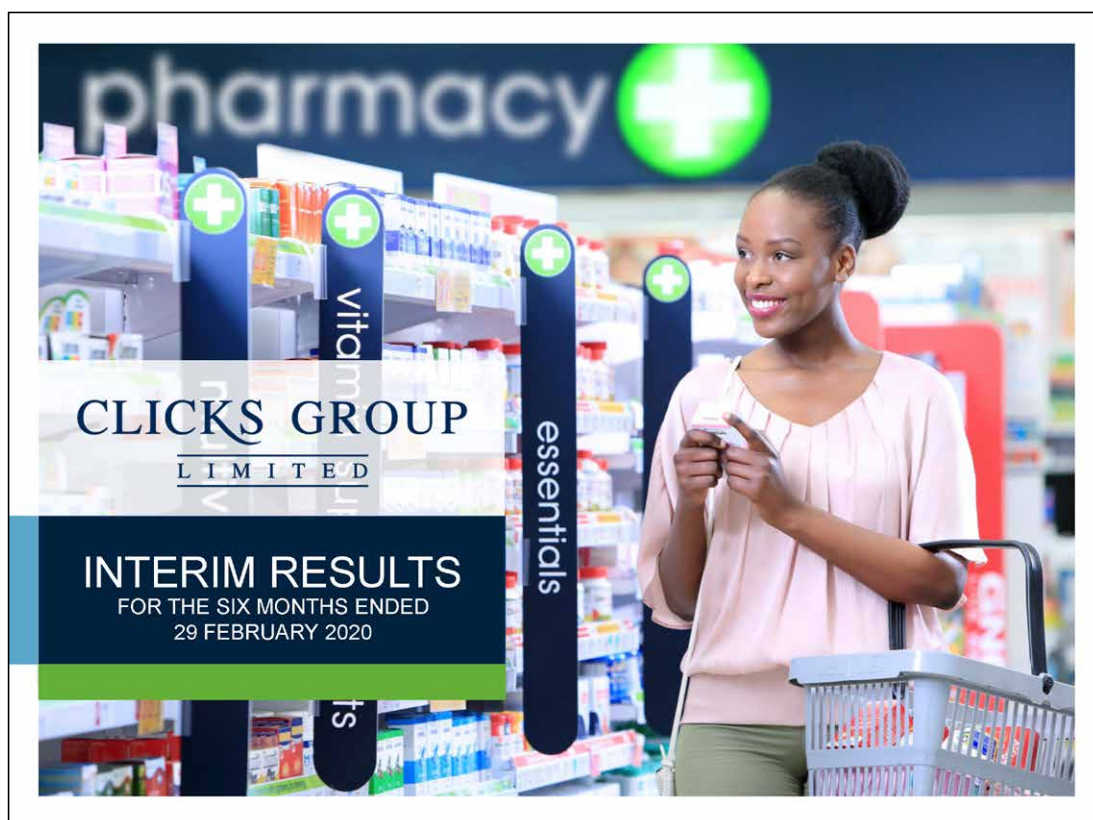
Weighted average number of shares

The number of ordinary shares in issue, increased by shares issued during the period and reduced by treasury shares purchased or shares cancelled during the period, 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 period
- Financial results
- Trading performance
- Outlook
- Questions



CLICKS GROUP INTERIM RESULTS 2020 2

PRESENTATION



REVIEW OF THE PERIOD

- Strong growth in health & beauty sales
 - Good volume growth, despite increased load shedding and consumers being under pressure
 - Black Friday changing customer behaviour
 - Continued market share gains
- UPD gained share with new wholesale contracts
- Good working capital management and strong cash generation
- Diluted headline earnings per share up **14.4%**



FINANCIAL HIGHLIGHTS

- Group turnover up **9.9%**
 - Health & Beauty turnover up **9.6%**
 - UPD reported turnover up **12.3%**
- Operating margin maintained at **7.4%**
- Diluted HEPS up **14.4%** to 338.4 cps
- Return on equity at **34.8%**
- Cash balance of **R2.3bn** at period end
- No interim dividend – will consider an annual dividend at year end

CLICKS GROUP INTERIM RESULTS 2020 6

PRESENTATION

TURNOVER

R'm	Feb 2020	Feb 2019	% change	% same stores growth	% inflation
Retail	12 305	11 330	8.6	5.0	2.7
Health & Beauty			9.6		
Musica			(17.9)		
Distribution	7 467	6 650	12.3		2.4
Intragroup turnover	(2 915)	(2 646)	10.1		
Total group	16 857	15 334	9.9		2.5

- Strong volume growth in health & beauty brands
- UPD benefited from new wholesale contracts

CLICKS GROUP INTERIM RESULTS 2020 7

TOTAL INCOME

	Feb 2020 R'm	Feb 2019 R'm	% change	Feb 2020 % margin	Feb 2019 % margin
Retail	4 107	3 813	7.7	33.4	33.7
Distribution	601	527	14.2	8.1	7.9
Intragroup	(107)	(88)			
Total group	4 601	4 252	8.2	27.3	27.7

- Retail margin impacted by higher operating costs at Centurion DC
- UPD benefiting from mix of new wholesale contracts

CLICKS GROUP INTERIM RESULTS 2020 8

OPERATING EXPENDITURE - RETAIL

R'm	Feb 2020	Feb 2019*	% change
Depreciation – PPE	182	159	14.3
Depreciation – ROU asset	343	310	10.9
Occupancy costs	98	94	3.4
Employment costs	1 637	1 547	5.8
Other operating costs	804	745	8.0
Total retail costs	3 064	2 855	7.3
% of turnover	24.9%	25.2%	
Finance costs – lease liability	103	109	(4.9)

- Good control of expenses, well below turnover growth
- Comparable retail costs contained to 3.8%

* Restated for IFRS 16

CLICKS GROUP INTERIM RESULTS 2020 9

OPERATING EXPENDITURE - DISTRIBUTION

R'm	Feb 2020	Feb 2019*	% change
Depreciation – PPE	18	18	(4.5)
Depreciation – ROU asset	1	-	
Occupancy costs	1	2	(2.0)
Employment costs	140	131	6.9
Other operating costs	220	181	21.4
Total distribution costs	380	332	14.5

- Impact of new wholesale contracts

* Restated for IFRS 16

CLICKS GROUP INTERIM RESULTS 2020 10

PRESENTATION

OPERATING PROFIT

	Feb 2020 R'm	Feb 2019* R'm	% change	Feb 2020 % margin	Feb 2019* % margin
Retail	1 043	958	9.0	8.5	8.5
Distribution	221	194	13.5	3.0	2.9
Intragroup	(18)	(14)			
Total group	1 246	1 138	9.4	7.4	7.4

- Both divisions did well to hold margin in a tough environment

* Restated for IFRS 16

CLICKS GROUP INTERIM RESULTS 2020 11

INVENTORY

	<u>Days in stock</u>		<u>Inventory (R'm)</u>		
	Feb 2020	Feb 2019	Feb 2020	Feb 2019	% change
Retail	82	79	3 664	3 264	12.3
Distribution	58	46	2 340	1 652	41.6
Intragroup inventory			(99)	(81)	
Total group	84	76	5 905	4 835	22.1

- Stock levels increased ahead of SEP increase
- Net working capital days improved from 37 to 35 days

CLICKS GROUP INTERIM RESULTS 2020 12

CASH GENERATION

R'm	Feb 2020	Feb 2019*
Profit before tax	1 179	1 045
Non-cash adjustments	590	625
Operating profit before working capital changes	1 769	1 670
Working capital changes	(391)	(489)
Net interest and tax paid	(216)	(116)
Net settlement of derivative	71	133
Cash inflow from operations	1 233	1 198

* Restated for IFRS 16

CLICKS GROUP INTERIM RESULTS 2020 13

CASH UTILISATION

R'm	Feb 2020	Feb 2019*
Cash inflow from operations	1 233	1 198
Capital expenditure	(309)	(264)
Dividends paid	(822)	(682)
Other investing & financing activities	(32)	7
Repayment of lease liability	(374)	(330)
Net cash utilised	(304)	(71)
Cash and cash equivalents at period end	2 309	1 452

* Restated for IFRS 16

CLICKS GROUP INTERIM RESULTS 2020 14

PRESENTATION

CAPITAL MANAGEMENT

- R653m shares bought back to date in H2
- R389m capex planned for H2 2020
 - R151m on stores, including:
 - 21 new Clicks stores
 - 13 new pharmacies
 - R198m on infrastructure, including:
 - R137m on retail systems and infrastructure
 - R61m on UPD IT and warehouse equipment

CLICKS GROUP INTERIM RESULTS 2020 15

MEDIUM-TERM FINANCIAL TARGETS

Restated for IFRS 16	Medium-term target
ROE (%)	50 – 60
ROA (%)	11 – 15
Net working capital days	30 – 35
Group operating margin (%)	7.5 – 8.5
Retail	8.5 – 9.5
Distribution	2.5 – 3.0
Dividend payout ratio (%)	60 – 65

CLICKS GROUP INTERIM RESULTS 2020 16




HEALTH & BEAUTY SALES PERFORMANCE

	% change	% contribution
Pharmacy	8.3	28.8
Front shop health	11.8	23.5
Beauty and personal care	9.1	31.3
General merchandise	9.7	16.4
Total turnover	9.6	100.0

- Comparable stores turnover growth of **5.8%**
 - Inflation only 2.3%
 - Volume growth of 3.5%

PRESENTATION

MARKET SHARE GAINS		
		
%	Feb 2020	Feb 2019
Health		
Retail pharmacy*	24.6	24.1
Front shop health**	31.7	31.2
Baby**	18.1	16.5
Beauty		
Skincare**	39.1	36.5
Haircare**	30.1	28.8
Personal care**	19.8	19.0
General merchandise		
Small electrical appliances***	17.2	14.5

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

CLICKS GROUP INTERIM RESULTS 2020 19

PERFORMANCE AND STRATEGY									
									
<ul style="list-style-type: none"> ▪ Maintaining value <ul style="list-style-type: none"> ▪ Price competitive with all national retailers ▪ Promotional sales +15.0% to 40.3% of turnover ▪ In pharmacy, generics +9.7% to 56% of sales and 68% of volume ▪ Differentiating our product offer <ul style="list-style-type: none"> ▪ Private label up to 23.5% of sales (front shop 29.5%, pharmacy 8.1%) 	<div> <p>Clicks price index* vs:</p> <table> <tr> <td>Retailer A</td><td>97.0%</td></tr> <tr> <td>Retailer B</td><td>94.0%</td></tr> <tr> <td>Retailer C</td><td>95.3%</td></tr> <tr> <td>Retailer D</td><td>98.8%</td></tr> </table> <p>* Excluding 3 for 2 promotions</p> </div> <div>  </div>	Retailer A	97.0%	Retailer B	94.0%	Retailer C	95.3%	Retailer D	98.8%
Retailer A	97.0%								
Retailer B	94.0%								
Retailer C	95.3%								
Retailer D	98.8%								

CLICKS GROUP INTERIM RESULTS 2020 20

PERFORMANCE AND STRATEGY



▪ Engaging customers through **personalisation**

- 8.4m active ClubCard members, 78.2% of sales
- Clicks app downloaded by 754 000 customers
- Launched “pick your own promotion”
- New partners – Engen in H1, eBucks in H2



▪ Enabling efficient **healthcare** access

- Repeat prescription service
- Submit scripts via the Clicks app for collection
- Online delivery of chronic medication through Clicks Direct Medicines



CLICKS GROUP INTERIM RESULTS 2020 21

PERFORMANCE AND STRATEGY



▪ Extending **convenience**

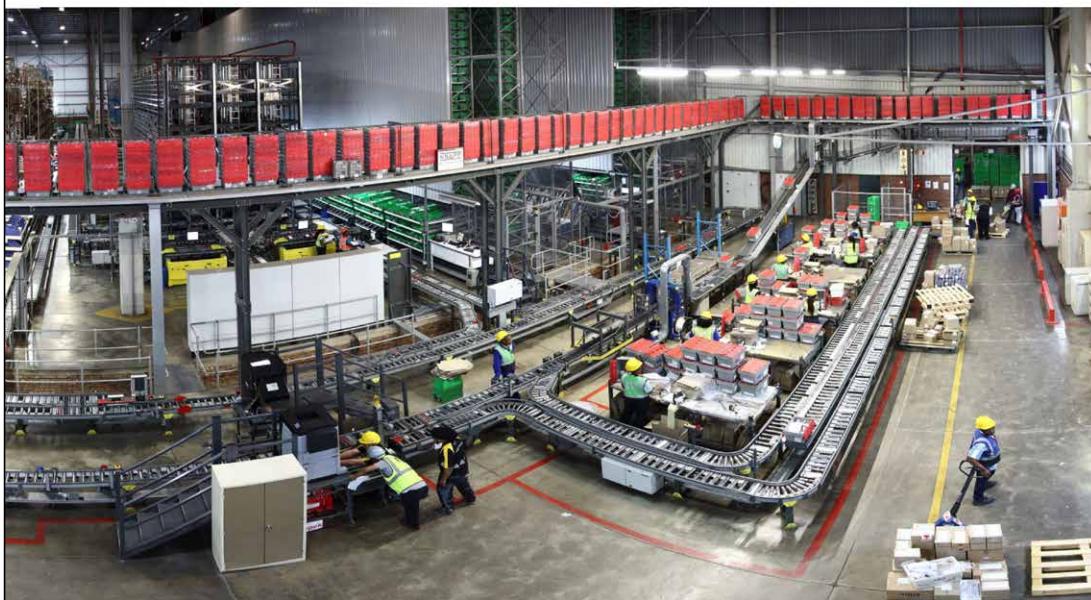
- 721 Clicks stores with 572 pharmacies
- 50% of customers < 5 km of a pharmacy
- 65 SA stores still to get a dispensary
- 33 Clicks stores refurbished
- Online is the fastest growing store

Format	Total
Convenience	530
Destination	191
Total	721

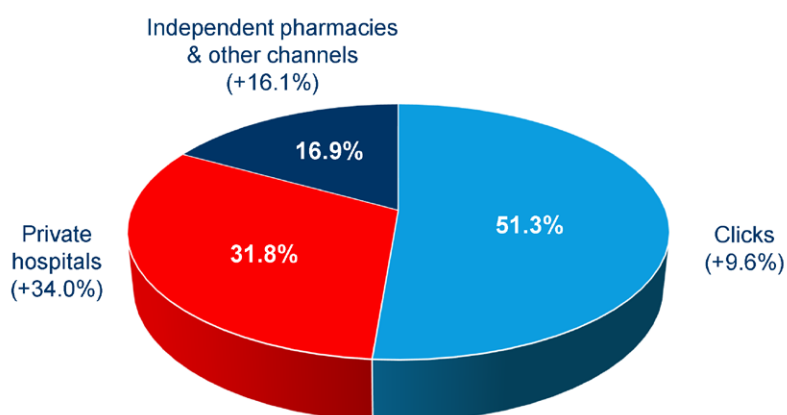


CLICKS GROUP INTERIM RESULTS 2020 22

PRESENTATION



FINE WHOLESALE TURNOVER



- Wholesale turnover up 17.6%
 - 2 new wholesale buying groups
- Wholesale market share up from 26.0% to 27.2%*

* MAT per IQVIA

PERFORMANCE AND OUTLOOK



- Total managed turnover +3.3% to R10.6bn
 - Bulk distribution business impacted by delay in issuing of state tenders
- Generic medicines +18.1% (68.8% of volume)
- Benefit of higher SEP increase in 2020
 - Maximum of 4.53% vs 3.78% in 2019
- Secured license for additional rented warehouse
- Stocked up for Covid-19 requirements of customers



CLICKS GROUP INTERIM RESULTS 2020 25

OUTLOOK

VIKESH RAMSUNDER

PRESENTATION

RESPONSE TO COVID-19 PANDEMIC

- As a leading healthcare provider we recognise our broader societal role and humanitarian responsibility in protecting our communities
- Aligned with government's conviction to flatten the curve
- WHO and NICD hygiene protocols maintained across all stores
- Safety and health of staff and customers is paramount
- Convenient access to medication to minimise time away from home
- Commitment to fair pricing and ensuring prices on essential hygiene products not increased
- Limiting quantities to six units per product per customer

CLICKS GROUP INTERIM RESULTS 2020 27

RESPONSE TO COVID-19 PANDEMIC (CONTINUED)

- Flu vaccinations offered to store staff at no cost
- Bonuses to be paid to customer-facing staff
- Executive and non-executive directors donating one third of salaries and fees for three months to the Solidarity Fund
- Free clinic services for customers with no medical cover extended to five days a week
- Donating 10 000 flu vaccines to Department of Health for frontline public healthcare workers

CLICKS GROUP INTERIM RESULTS 2020 28

TRADING UPDATE FOR 7 WEEKS TO 19 APRIL 2020

- Unprecedented demand across health and hygiene categories after state of disaster declared in SA
- Dramatic slowdown in sales over lockdown period as customers had stocked up on essentials and stayed home
 - Only essential products sold in Clicks during lockdown
 - Musica, The Body Shop and Claire's stores closed
- Retail sales up 7.9%
 - Health & beauty sales up 9.3%
- UPD turnover up 31.2%
- Group turnover up 15.9%

CLICKS GROUP INTERIM RESULTS 2020 29

OUTLOOK

- Trading environment will be incredibly tough in H2
- Extent and duration of the pandemic remain unknown
- Load shedding is a further risk, particularly over winter
- 35% depreciation in the Rand since 2 January 2020
- Store and pharmacy plans unchanged
- Strategy and business model are resilient
- Robust balance sheet and strong cash flow generation
- Not providing full year earnings guidance due to uncertainty
- Confident of delivering on medium-term targets

CLICKS GROUP INTERIM RESULTS 2020 30

PRESENTATION



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.

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CORPORATE INFORMATION

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* Independent non-executive

Company secretary: M Welz

Transfer secretaries: Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196. PO Box 61051, Marshalltown 2107

Sponsor: Investec Bank Limited

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

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