



**CLICKS GROUP**  
LIMITED

**INTERIM GROUP  
RESULTS**  
FOR THE SIX MONTHS ENDED  
28 FEBRUARY 2021

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Group turnover up

**7.6%**

Retail health and beauty sales up

**7.2%**

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UPD turnover up

**9.0%**

Diluted headline earnings  
per share up

**9.5%**

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Interim dividend  
per share

**142.5 cents**

**R1.7 billion**

returned to shareholders in  
dividends and buy-backs

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# FINANCIAL SUMMARY

		Six months to 28 February 2021	Six months to 29 February 2020	% change	Year to 31 August 2020
<b>Consolidated statement of comprehensive income</b>					
Turnover	(R'000)	<b>18 133 638</b>	16 856 600	7.6%	34 364 398
Gross profit	(R'000)	<b>3 727 517</b>	3 584 349	4.0%	7 208 346
Total income	(R'000)	<b>4 862 616</b>	4 601 150	5.7%	9 374 661
Headline earnings	(R'000)	<b>920 451</b>	851 177	8.1%	1 887 374
Net financing cost	(R'000)	<b>(90 228)</b>	(66 881)	34.9%	(175 450)
<b>Consolidated statement of financial position</b>					
Equity	(R'000)	<b>4 338 431</b>	4 849 989	(10.5%)	5 193 951
Total assets	(R'000)	<b>16 041 179</b>	15 972 696	0.4%	15 274 205
<b>Consolidated statement of cash flows</b>					
Net cash effects from operating activities	(R'000)	<b>139 805</b>	306 832	(54.4%)	1 516 796
Capital expenditure	(R'000)	<b>269 310</b>	308 997	(12.8%)	590 883
Depreciation and amortisation	(R'000)	<b>618 985</b>	565 238	9.5%	1 177 144
<b>Performance</b>					
Turnover growth	(%)	<b>7.6</b>	9.9		9.6
Comparable stores turnover growth	(%)	<b>3.7</b>	5.0		3.4
Gross profit growth	(%)	<b>4.0</b>	6.5		7.7
Gross profit margin	(%)	<b>20.6</b>	21.3		21.0
Total income growth	(%)	<b>5.7</b>	8.2		8.4
Total income margin	(%)	<b>26.8</b>	27.3		27.3
Operating margin	(%)	<b>7.5</b>	7.4		8.1
Net working capital days		<b>39</b>	35		37
Inventory days		<b>83</b>	84		66
Trade debtor days		<b>38</b>	32		31
Trade creditor days		<b>82</b>	81		60
Current ratio	(:1)	<b>1.1</b>	1.1		1.2
Return on total assets	(%)	<b>10.7</b>	10.6		12.4
Return on shareholders' interest	(%)	<b>37.4</b>	34.8		37.8
Shareholders' interest to total assets	(%)	<b>27.0</b>	30.4		34.0
Interest-bearing debt, including cash, to shareholders' interest at period-end	(%)	<b>40.8</b>	6.2		10.3
<b>Statistics</b>					
Number of permanent employees		<b>15 629</b>	15 347	1.8%	15 582
Number of stores		<b>847</b>	881	(3.9%)	884
Weighted retail trading area	(m <sup>2</sup> )	<b>383 217</b>	366 851	4.5%	370 353
<b>Share statistics</b>					
Number of ordinary shares in issue (gross)	('000)	<b>246 168</b>	251 525	(2.1%)	248 663
Number of ordinary shares in issue (net of treasury shares)	('000)	<b>246 168</b>	251 525	(2.1%)	248 663
Weighted average number of shares in issue (net of treasury shares)	('000)	<b>248 376</b>	251 525	(1.3%)	250 212
Weighted average diluted number of shares in issue (net of treasury shares)	('000)	<b>248 376</b>	251 525	(1.3%)	250 212
Headline earnings per share – basic	(cents)	<b>370.6</b>	338.4	9.5%	754.3
– diluted	(cents)	<b>370.6</b>	338.4	9.5%	754.3
Dividend per share – interim	(cents)	<b>142.5</b>	–		–
– final	(cents)	<b>–</b>	–		450.0
Dividend payout ratio	(%)	<b>38.5</b>	–		59.7
Share price – closing	(cents)	<b>24 476</b>	23 550	3.9%	23 000
– high	(cents)	<b>27 630</b>	27 014		27 289
– low	(cents)	<b>21 863</b>	19 550		19 550
Net asset value per share	(cents)	<b>1 762</b>	1 928	(8.6%)	2 089
Net tangible asset value per share	(cents)	<b>1 478</b>	1 676	(11.8%)	1 819
Market capitalisation (gross)	(R'000)	<b>60 252 080</b>	59 234 138	1.7%	57 192 490
Market capitalisation (net of treasury shares)	(R'000)	<b>60 252 080</b>	59 234 138	1.7%	57 192 490
Price earnings ratio	(times)	<b>35.4</b>	37.3		30.5
Volume of ordinary shares traded	('000)	<b>108 889</b>	113 762		304 942
Percentage of ordinary shares traded	(%)	<b>43.8</b>	45.2		121.9
Free float	(%)	<b>99.9</b>	99.9		99.9
Shareholders' return	(cents)	<b>1 619</b>	3 650		3 550
Increase in share price	(cents)	<b>1 476</b>	3 650		3 100
Dividend per share	(cents)	<b>143</b>	–		450
<b>Other information</b>					
<b>Inflation rate</b>					
CPI	(%)	<b>2.9</b>	4.6		3.1
Internal selling price inflation	(%)	<b>2.9</b>	2.5		2.4
<b>Interest rates</b>					
Prime overdraft rate – closing	(%)	<b>7.00</b>	9.75		7.00
– average	(%)	<b>7.00</b>	9.92		8.71
<b>FTSE/JSE Africa share indices</b>					
All Share Index		<b>60 754</b>	51 038	19.0%	51 225
General Retailers Index		<b>5 254</b>	4 603	14.1%	3 459
Food and Drug Retailers Index		<b>10 664</b>	9 964	7.0%	9 672
<b>Exchange rate</b>					
Rand/US dollar – closing	(R/US\$)	<b>15.06</b>	15.63	(3.7%)	16.58
– average	(R/US\$)	<b>14.76</b>	14.74	0.1%	16.08

# COMMENTARY

## Overview

The strength and resilience of the group's business model has again been demonstrated in the six months to February 2021 as the business continued to encounter the destructive impact of Covid-19 and the related restrictions which have changed consumer shopping patterns and significantly reduced customer footfall in malls.

Retail health and beauty sales increased by 7.2%, supported by strong front shop health sales growth of 24.7%. UPD grew turnover by 9.0% and continued to gain market share, driven by the robust growth in the hospital channel during the pandemic and by attracting new wholesale business.

The comparable reporting period was not impacted by Covid-19 and included an additional trading day for the leap year in 2020.

In January 2021 the group announced the closure of Musica with effect from 31 May 2021. The closure of the brand has been managed in a responsible and phased manner to mitigate the impact on shareholders, employees and suppliers.

The resilient retail health and beauty and UPD performances, moderated by the closure of Musica, contributed to diluted headline earnings per share (HEPS) increasing by 9.5% to 371 cents. Excluding the impact of Musica, the group's diluted HEPS would have increased by 14.1%.

An interim cash dividend of 142.5 cents per share has been declared.

## Financial performance

Group turnover increased by 7.6% to R18.1 billion. Retail sales grew by 5.8% and by 3.7% in comparable stores, with selling price inflation of 3.3%. Distribution turnover increased by 9.0% with price inflation of 2.3% for the half-year.

Total income grew by 5.7% to R4.9 billion with the total income margin 50 basis points lower at 26.8%. Within retail, the health and beauty margin was 40 basis points lower owing to the impact of sales category mix changes, in particular declines in the high margin beauty category due to the Covid-19 pandemic. The distribution margin strengthened by 40 basis points to 8.5% due to the benefit of new wholesale and bulk distribution contracts gained in the previous year.

Stringent cost management contributed to the growth in expenses being contained to 4.2%. Retail costs grew by only 3.1%, with comparable health and beauty costs being held in line with the prior year. Distribution costs increased by 13.5%, well below the 18.9% growth in UPD's total managed turnover.

Group operating profit increased by 9.7% to R1.4 billion with the group's operating margin expanding by 10 basis points to 7.5% despite the impact of Covid-19 on the trading environment. The health and beauty margin improved by 30 basis points to 9.1% owing to tight cost control. The distribution margin grew by 20 basis points to 3.2%.

Headline earnings grew by 8.1% to R920 million. Earnings per share increased by 6.2% to 359 cents with headline earnings per share increasing by 9.5% to 371 cents. Diluted headline earnings per share grew by 9.5%.

Group inventory days improved by one day to 83 days. Retail inventory levels were 9.7% higher as management increased front shop stock to mitigate the ongoing disruption in the local and global supply chain. UPD stock cover has been managed to enable the business to respond to a possible third wave of Covid-19 infections.

Cash generated by operating activities before dividends paid totalled R1.3 billion and increased by 11.5% on the prior year. Capital expenditure of R269 million (H1 2020: R309 million) was invested mainly in new stores and pharmacies, store refurbishments, supply chain and information technology.

The group returned R1.1 billion to shareholders in dividend payments and R602 million in share buy-backs. At the February 2021 period-end, the group held cash resources of R1.1 billion.

## Trading performance

Retail health and beauty sales, including Clicks and the international franchise brands GNC, The Body Shop and Claire's, increased by 7.2%, driven by competitive everyday pricing, differentiated product ranges, the Clicks ClubCard, new stores and online sales. Sales in comparable stores increased by 4.0% with selling price inflation averaging 3.2%.

Clicks opened 17 stores in the first six months to expand its retail footprint to 760 stores. The brand opened its 600th pharmacy in February 2021 and increased its national presence to 601 pharmacies with the opening of 16 pharmacies. The Clicks ClubCard active membership base of 8.6 million accounted for 79.1% of sales in the first half.

UPD grew wholesale turnover by 13.8% as the business gained new private hospital business. This contributed to UPD increasing its market share from 27.2% to 30.6% at February 2021 (source IQVIA). UPD's total managed turnover, combining wholesale and bulk distribution, increased by 18.9% to R13.2 billion.



## Outlook

Trading conditions are expected to remain challenging as the group continues to operate in a Covid-19 impacted environment, with the potential risk of a third wave of infections in the months ahead.

The current economic climate has presented opportunities for new retail space and Clicks plans to accelerate its store expansion programme with the opening of 40 new stores, 36 pharmacies and 40 refurbishments for the year.

UPD's largest distribution client has extended its contract for a further five years while the business has gained an additional bulk distribution contract which will commence in the second half of the year.

Capital investment of R745 million is planned for the financial year, focused on the store and pharmacy network as well as IT systems and supply chain infrastructure.

Clicks Group is working closely with government departments and organisations involved in the national vaccine roll-out programme to provide support through both Clicks and UPD.

Clicks has a network of over 600 pharmacies and 192 clinics across the country, to support the programme, with capacity to administer between 600 000 and 700 000 vaccinations each month. To date a total of 62 Clicks pharmacies have been registered by the Department of Health to assist in phase 1 of the programme which involves the vaccination of healthcare workers. UPD is the country's largest national pharmaceutical wholesaler and has the capability and infrastructure to assist in the distribution of all temperature sensitive vaccines.

The roll-out of the vaccination programme is expected to aid the recovery of the economy. The group has a robust balance sheet, generates strong cash flows and is well positioned for growth as the trading environment improves.

## Full-year earnings forecast

The directors forecast that diluted HEPS for the financial year ending 31 August 2021 will increase by between 8% and 13% over the 2020 financial year.

This forecast assumes that the current constrained trading environment will be sustained into the second half of the 2021 financial year and continue to be impacted by Covid-19.

The forecast does not take account of any trading restrictions which may be imposed by government in response to a possible third wave of infections in the months ahead. The forecast also does not consider any potential impact from the group's retail and distribution

businesses' participation in the national Covid-19 vaccination programme.

Shareholders are advised that this forecast is the responsibility of the board of directors and has not been reviewed or reported on by the group's independent auditor.

## Interim dividend

The board of directors has approved an interim gross ordinary dividend for the period ended 28 February 2021 of 142.5 cents per share (2020: nil cents per share). The source of the dividend will be from distributable reserves and it will be paid in cash.

## Additional information

Dividends Tax (DT) of 20% amounting to 28.5 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 114.0 cents net of DT.

The company has 246 168 326 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 interim dividend:

Last day of trade "cum" the dividend	Tuesday, 29 June 2021
Shares trade "ex" the dividend	Wednesday, 30 June 2021
Record date	Friday, 2 July 2021
Payment to shareholders	Monday, 5 July 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 30 June 2021 and Friday, 2 July 2021, both days inclusive.

Shareholders who have in the past received dividend payments by cheque will no longer be able to do so and are advised to contact the company secretary at [companysecretary@clicksgroup.co.za](mailto:companysecretary@clicksgroup.co.za) to arrange for an alternative payment method.

**David Nurek**  
Chairman

**Vikesh Ramsunder**  
Chief executive officer

**Michael Fleming**  
Chief financial officer

Cape Town  
22 April 2021



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'000	Six months to 28 February 2021	Six months to 29 February 2020	% change	Year to 31 August 2020
Revenue	19 289 587	17 918 650		36 591 196
<b>Turnover</b>	<b>18 133 638</b>	16 856 600	7.6%	34 364 398
Cost of merchandise sold	(14 406 121)	(13 272 251)	8.5%	(27 156 052)
<b>Gross profit</b>	<b>3 727 517</b>	3 584 349	4.0%	7 208 346
Other income	1 135 099	1 016 801	11.6%	2 166 315
<b>Total income</b>	<b>4 862 616</b>	4 601 150	5.7%	9 374 661
Expenses	(3 496 763)	(3 355 532)	4.2%	(6 607 789)
Depreciation and amortisation	(592 955)	(543 631)	9.1%	(1 131 068)
Occupancy costs	(87 524)	(98 396)	(11.0%)	(184 834)
Employment costs	(1 825 408)	(1 777 682)	2.7%	(3 497 422)
Other costs	(989 386)	(935 759)	5.7%	(1 790 687)
Impairment allowance	(1 490)	(64)		(3 778)
<b>Operating profit</b>	<b>1 365 853</b>	1 245 618	9.7%	2 766 872
(Loss)/profit on disposal of property, plant and equipment	(9 800)	102		(8 337)
Impairment of property, plant and equipment and right-of-use assets	(30 417)	-		-
Loss on disposal of business	-	(1 196)		(1 196)
<b>Profit before financing costs</b>	<b>1 325 636</b>	1 244 524	6.5%	2 757 339
Net financing expense	(90 228)	(66 881)	34.9%	(175 450)
Financial income	20 850	45 249	(53.9%)	60 483
Financial expense	(111 078)	(112 130)	(0.9%)	(235 933)
<b>Profit before earnings from associate</b>	<b>1 235 408</b>	1 177 643	4.9%	2 581 889
Share of profit of an associate	1 062	1 813		2 105
<b>Profit before taxation</b>	<b>1 236 470</b>	1 179 456	4.8%	2 583 994
Income tax expense	(344 975)	(329 402)	4.7%	(703 819)
<b>Profit for the period</b>	<b>891 495</b>	850 054	4.9%	1 880 175
<b>Other comprehensive (loss)/income</b>				
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	(9 577)	363		3 895
Cash flow hedges	11 792	14 699		60 461
Change in fair value of effective portion	16 378	20 415		83 973
Deferred tax on movement of effective portion	(4 586)	(5 716)		(23 512)
Cost of hedging reserve	(10 955)	(9 874)		(18 890)
Cost of hedging recognised	(15 215)	(13 714)		(26 236)
Deferred tax on cost of hedging	4 260	3 840		7 346
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(8 740)</b>	5 188		55 422
<b>Total comprehensive income for the period</b>	<b>882 755</b>	855 242		1 935 597
<b>Reconciliation of headline earnings</b>				
Total profit for the period	891 495	850 054		1 880 175
Adjusted for:				
Loss/(profit) on disposal of property, plant and equipment	9 800	(102)		8 337
Impairment of property, plant and equipment and right-of-use assets	30 417	-		-
Loss on disposal of business	-	1 196		1 196
Total tax effect of adjustments	(11 261)	29		(2 334)
<b>Headline earnings</b>	<b>920 451</b>	851 177	8.1%	1 887 374
Headline earnings per share (cents)				
– basic	370.6	338.4	9.5%	754.3
– diluted	370.6	338.4	9.5%	754.3
Earnings per share (cents)				
– basic	358.9	338.0	6.2%	751.4
– diluted	358.9	338.0	6.2%	751.4
Weighted average number of shares in issue (net of treasury shares, '000)	248 376	251 525	(1.3%)	250 212
Weighted average diluted number of shares in issue (net of treasury shares, '000)	248 376	251 525	(1.3%)	250 212

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	As at 28 February 2021	As at 29 February 2020	As at 31 August 2020
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>5 666 059</b>	5 378 431	5 530 507
Property, plant and equipment	2 098 430	2 120 231	2 120 674
Right-of-use assets	2 472 294	2 241 816	2 371 179
Intangible assets	597 225	531 654	568 700
Goodwill	102 806	102 806	102 806
Deferred tax assets	133 459	97 205	110 694
Investment in associate	20 147	20 505	20 062
Loans receivable	10 165	10 153	9 608
Financial assets at fair value through profit or loss	128 945	116 803	113 951
Derivative financial assets	102 588	137 258	112 833
<b>Current assets</b>	<b>10 375 120</b>	10 594 265	9 743 698
Inventories	6 386 331	5 904 831	4 920 919
Trade and other receivables	2 834 246	2 258 907	2 567 215
Loans receivable	1 621	611	1 339
Cash and cash equivalents	1 108 691	2 309 305	2 152 483
Derivative financial assets	44 231	120 611	101 742
<b>Total assets</b>	<b>16 041 179</b>	15 972 696	15 274 205
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>4 338 431</b>	4 849 989	5 193 951
Share capital	2 462	2 515	2 487
Share premium	1 064 953	1 064 953	1 064 953
Cash flow hedge reserve	(3 162)	55 851	11 686
Cost of hedging reserve	(7 680)	(3 852)	(5 968)
Foreign currency translation reserve	(939)	5 106	8 638
Distributable reserve	3 282 797	3 725 416	4 112 155
<b>Non-current liabilities</b>	<b>2 079 480</b>	1 848 570	1 940 022
Lease liabilities	1 953 347	1 732 115	1 795 306
Employee benefits	126 133	116 455	144 716
<b>Current liabilities</b>	<b>9 623 268</b>	9 274 137	8 140 232
Trade and other payables	8 411 149	8 020 688	6 746 977
Lease liabilities	923 267	879 823	890 411
Employee benefits	218 959	272 760	374 429
Income tax payable	64 934	100 866	126 045
Derivative financial liabilities	4 959	–	2 370
<b>Total equity and liabilities</b>	<b>16 041 179</b>	15 972 696	15 274 205

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000	Number of shares '000	Share capital	Share premium
<b>Balance at 1 September 2019</b>	251 525	2 621	1 064 953
<b>Transactions with owners, recorded directly in equity</b>			
Dividends paid to shareholders	–	–	–
Shares cancelled	–	(106)	–
<b>Total transactions with owners</b>	–	(106)	–
<b>Total comprehensive income for the period</b>	–	–	–
Profit for the period	–	–	–
Cash flow hedge reserve	–	–	–
Cost of hedging reserve	–	–	–
Exchange differences on translation of foreign subsidiaries	–	–	–
Transfer of reserve to inventories	–	–	–
<b>Balance at 29 February 2020</b>	251 525	2 515	1 064 953
<b>Transactions with owners, recorded directly in equity</b>			
Shares repurchased and cancelled	(2 862)	(28)	–
<b>Total transactions with owners</b>	(2 862)	(28)	–
<b>Total comprehensive income for the period</b>	–	–	–
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	–	–	–
<b>Balance at 31 August 2020</b>	248 663	2 487	1 064 953
<b>Transactions with owners, recorded directly in equity</b>			
Dividends paid to shareholders	–	–	–
Shares repurchased and cancelled	(2 495)	(25)	–
<b>Total transactions with owners</b>	(2 495)	(25)	–
<b>Total comprehensive income for the period</b>	–	–	–
Profit for the period	–	–	–
Cash flow hedge reserve	–	–	–
Cost of hedging reserve	–	–	–
Exchange differences on translation of foreign subsidiaries	–	–	–
Transfer of reserve to inventories	–	–	–
<b>Balance at 28 February 2021</b>	246 168	2 462	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
-	-	-	-	(822 486)	(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
-	-	-	-	(653 338)	(653 366)
-	-	-	-	(653 338)	(653 366)
-	45 762	(9 016)	3 532	1 040 077	1 080 355
-	-	-	-	1 030 121	1 030 121
-	-	-	-	9 956	9 956
-	45 762	-	-	-	45 762
-	-	(9 016)	-	-	(9 016)
-	-	-	3 532	-	3 532
-	(89 927)	6 900	-	-	(83 027)
-	11 686	(5 968)	8 638	4 112 155	5 193 951
-	-	-	-	(1 118 982)	(1 118 982)
-	-	-	-	(601 871)	(601 896)
-	-	-	-	(1 720 853)	(1 720 878)
-	11 792	(10 955)	(9 577)	891 495	882 755
-	-	-	-	891 495	891 495
-	11 792	-	-	-	11 792
-	-	(10 955)	-	-	(10 955)
-	-	-	(9 577)	-	(9 577)
-	(26 640)	9 243	-	-	(17 397)
-	(3 162)	(7 680)	(939)	3 282 797	4 338 431

## CONSOLIDATED STATEMENT OF CASH FLOWS

R'000	Six months to 28 February 2021	Restated six months to 29 February 2020*	Year to 31 August 2020
<b>Cash effects from operating activities</b>			
Operating profit before working capital changes (refer to note 1)	1 975 053	1 769 775	3 884 623
Working capital changes (refer to note 2)	(270 154)	(391 224)	(820 884)
Cash generated by operations	1 704 899	1 378 551	3 063 739
Interest received	20 850	45 249	60 483
Interest paid	(105 313)	(104 443)	(221 587)
Taxation paid	(428 792)	(260 885)	(634 200)
Acquisition of derivative financial asset used to hedge the long-term incentive scheme	(50 467)	(49 635)	(49 635)
Settlement of derivative financial asset used to hedge the long-term incentive scheme	117 610	120 481	120 481
Cash inflow from operating activities before dividends paid	1 258 787	1 129 318	2 339 281
Dividends paid to shareholders	(1 118 982)	(822 486)	(822 485)
Net cash effects from operating activities	139 805	306 832	1 516 796
<b>Cash effects from investing activities</b>			
Investment in property, plant and equipment and intangibles to maintain operations	(115 335)	(139 403)	(242 093)
Investment in property, plant and equipment and intangibles to expand operations	(153 975)	(169 594)	(348 790)
Proceeds from disposal of property, plant and equipment	699	577	968
Acquisition of investments	(6 000)	(41 833)	(41 833)
Proceeds from disposal of investment in subsidiary (refer to note 3)	–	9 787	9 787
Net cash effects from investing activities	(274 611)	(340 466)	(621 961)
<b>Cash effects from financing activities</b>			
Purchase of treasury shares	(601 896)	–	(653 367)
Repayment of lease liabilities	(307 090)	(270 615)	(702 539)
Net cash effects from financing activities	(908 986)	(270 615)	(1 355 906)
Net decrease in cash and cash equivalents	(1 043 792)	(304 249)	(461 071)
Cash and cash equivalents at the beginning of the period	2 152 483	2 613 554	2 613 554
<b>Cash and cash equivalents at the end of the period</b>	<b>1 108 691</b>	<b>2 309 305</b>	<b>2 152 483</b>

\* Restatement relates to the change in accounting policy. Refer to the interim condensed consolidated results.

## STORE FOOTPRINT

	Clicks	Musica	The Body Shop	GNC	Claire's	Total retail
Number of stores at 28 February 2021	760	25	59	0	3	847
as at 29 February 2020	721	93	61	0	6	881
opened	42	0	0	0	0	42
closed	(3)	(68)	(2)	0	(3)	(76)
Presence in Clicks stores at 28 February 2021			224	577	114	
Number of pharmacies at 28 February 2021						601
as at 29 February 2020						572
new/converted						30
closed						(1)
Number of clinics at 28 February 2021						192

## NOTES TO THE CASH FLOW STATEMENT

R'000	Six months to 28 February 2021	Six months to 29 February 2020	Year to 31 August 2020
<b>Cash flow information</b>			
<b>1 Profit before working capital changes</b>			
Profit before tax	<b>1 236 470</b>	1 179 456	2 583 994
Adjustment for:			
Depreciation and amortisation	<b>618 985</b>	565 238	1 177 144
Loss/(profit) on disposal of property, plant and equipment	<b>9 800</b>	(102)	8 337
Release of cash flow hedge to profit or loss	<b>(1 768)</b>	(42 880)	(64 779)
(Increase)/decrease in financial assets at fair value through profit or loss	<b>(8 994)</b>	400	3 252
Impairment of property, plant and equipment and right-of-use assets	<b>30 417</b>	–	–
Loss on disposal of subsidiary	<b>–</b>	1 196	1 196
Net undistributed (profits)/losses of an associate	<b>(85)</b>	(414)	29
Net financing expense	<b>90 228</b>	66 881	175 450
	<b>1 975 053</b>	1 769 775	3 884 623
<b>2 Working capital changes</b>			
Increase in inventories	<b>(1 467 124)</b>	(1 192 247)	(215 715)
(Increase)/decrease in trade and other receivables	<b>(267 031)</b>	298 429	(7 730)
Increase/(decrease) in trade and other payables	<b>1 643 819</b>	686 285	(550 848)
Decrease in employee benefits	<b>(179 818)</b>	(183 691)	(46 591)
	<b>(270 154)</b>	(391 224)	(820 884)
<b>3 Disposal of investment in subsidiary</b>			
The group disposed of its interest in Kala Hari Medical Distributors Proprietary Limited during the previous financial period.			
Proceeds on disposal of subsidiary		9 787	9 787
Net asset value of subsidiary		10 983	10 983
Loss on disposal of subsidiary		(1 196)	(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	
	Feb 2021	Feb 2020		Feb 2021	Feb 2020
Public Investment Corporation (SA)	<b>14.3</b>	13.5	South Africa and rest of Africa	<b>29.1</b>	28.7
Fidelity Management & Research (US)	<b>6.0</b>	7.4	Offshore holdings	<b>70.9</b>	71.3
JPMorgan Asset Management (UK and US)	<b>5.9</b>	5.0	USA and Canada	<b>35.0</b>	38.7
RBC Global Asset Management (UK, US and Canada)	<b>5.8</b>	5.7	United Kingdom and Ireland	<b>13.4</b>	11.9
BlackRock (US and UK)	<b>5.5</b>	4.3	Europe	<b>11.2</b>	9.2
GIC (Singapore)	<b>3.9</b>	4.8	Other countries	<b>11.3</b>	11.5
The Vanguard Group (US)	<b>3.6</b>	3.9			
T. Rowe Price (UK and US)	<b>3.4</b>	2.4			
BMO Financial Group (UK)	<b>3.3</b>	2.5			

# SEGMENTAL ANALYSIS

For the six months ended 28 February 2021 R'000	Retail <sup>1</sup>	
	28 Feb 2021	29 Feb 2020
<b>Statement of financial position</b>		
Property, plant and equipment	1 838 775	1 853 626
Right-of-use assets	2 457 705	2 227 806
Intangible assets	551 489	504 901
Goodwill	6 529	6 529
Inventories	4 021 008	3 663 998
Trade and other receivables	502 027	527 822
Cash and cash equivalents	1 080 756	2 311 079
Other assets	938 771	949 642
<b>Total assets</b>	<b>11 397 060</b>	<b>12 045 403</b>
Employee benefits – non-current	121 606	102 983
Lease liabilities	2 862 624	2 598 275
Trade and other payables	3 961 130	3 355 275
Employee benefits – current	195 901	243 100
Other liabilities	2 910 494	3 341 029
<b>Total liabilities</b>	<b>10 051 755</b>	<b>9 640 662</b>
<b>Net assets</b>	<b>1 345 305</b>	<b>2 404 741</b>
<b>Statement of comprehensive income</b>		
Turnover	13 019 258	12 304 501
Gross profit	3 644 429	3 525 635
Other income	630 354	581 773
Total income	4 274 783	4 107 408
Expenses	(3 159 179)	(3 064 060)
Depreciation and amortisation	(574 750)	(525 026)
Occupancy costs	(87 046)	(97 586)
Employment costs	(1 680 558)	(1 637 521)
Other costs	(816 556)	(803 863)
Impairment allowance	(269)	(64)
Operating profit	1 115 604	1 043 348
<b>Ratios</b>		
Increase in turnover	(%) 5.8	8.6
Selling price inflation	(%) 3.3	2.7
Comparable stores turnover growth	(%) 3.7	5.0
Gross profit margin	(%) 28.0	28.7
Total income margin	(%) 32.8	33.4
Operating expenses as a percentage of turnover	(%) 24.3	24.9
Increase in operating expenses	(%) 3.1	7.3
Increase in operating profit	(%) 6.9	9.0
Operating profit margin	(%) 8.6	8.5
Inventory days	84	82
Trade debtor days	6	6
Trade creditor days	54	48
Net working capital days	36	40
Number of stores	847	881
as at the beginning of the period	881	853
opened	42	47
closed	(76)	(19)
Number of pharmacies	601	572
as at the beginning of the period	572	528
new/converted	30	47
closed	(1)	(3)
Total leased area	(m <sup>2</sup> ) 478 695	445 171
Weighted retail trading area	(m <sup>2</sup> ) 383 217	366 851
Weighted annual sales per m <sup>2</sup>	(R) 62 881	62 267
Number of permanent employees	15 010	14 703

<sup>1</sup> Retail includes Total Clicks + The Body Shop + Musica + Group Services

Distribution		Intragroup elimination		Total operations	
28 Feb 2021	29 Feb 2020	28 Feb 2021	29 Feb 2020	28 Feb 2021	29 Feb 2020
259 655	266 605	-	-	2 098 430	2 120 231
14 589	14 010	-	-	2 472 294	2 241 816
45 736	26 753	-	-	597 225	531 654
96 277	96 277	-	-	102 806	102 806
2 459 532	2 340 222	(94 209)	(99 389)	6 386 331	5 904 831
3 023 003	2 504 311	(690 784)	(773 226)	2 834 246	2 258 907
27 935	(1 774)	-	-	1 108 691	2 309 305
2 884 424	3 250 806	(3 382 039)	(3 697 302)	441 156	503 146
8 811 151	8 497 210	(4 167 032)	(4 569 917)	16 041 179	15 972 696
4 527	13 472	-	-	126 133	116 455
13 990	13 663	-	-	2 876 614	2 611 938
5 147 688	5 445 522	(697 669)	(780 109)	8 411 149	8 020 688
23 058	29 660	-	-	218 959	272 760
539 510	455 213	(3 380 111)	(3 695 376)	69 893	100 866
5 728 773	5 957 530	(4 077 780)	(4 475 485)	11 702 748	11 122 707
3 082 378	2 539 680	(89 252)	(94 432)	4 338 431	4 849 989
8 141 251	7 466 595	(3 026 871)	(2 914 496)	18 133 638	16 856 600
88 138	75 178	(5 050)	(16 464)	3 727 517	3 584 349
601 156	525 898	(96 411)	(90 870)	1 135 099	1 016 801
689 294	601 076	(101 461)	(107 334)	4 862 616	4 601 150
(431 913)	(380 421)	94 329	88 949	(3 496 763)	(3 355 532)
(18 205)	(18 605)	-	-	(592 955)	(543 631)
(1 221)	(1 502)	743	692	(87 524)	(98 396)
(144 850)	(140 161)	-	-	(1 825 408)	(1 777 682)
(266 416)	(220 153)	93 586	88 257	(989 386)	(935 759)
(1 221)	-	-	-	(1 490)	(64)
257 381	220 655	(7 132)	(18 385)	1 365 853	1 245 618
9.0	12.3	3.9	10.1	7.6	9.9
2.3	2.4	-	-	2.9	2.5
-	-	-	-	3.7	5.0
1.1	1.0	-	-	20.6	21.3
8.5	8.1	-	-	26.8	27.3
5.3	5.1	-	-	19.3	19.9
13.5	14.5	-	-	4.2	7.8
16.6	13.5	-	-	9.7	9.4
3.2	3.0	-	-	7.5	7.4
56	58	-	-	83	84
52	49	-	-	38	32
98	105	-	-	82	81
10	2	-	-	39	35
-	-	-	-	847	881
-	-	-	-	881	853
-	-	-	-	42	47
-	-	-	-	(76)	(19)
-	-	-	-	601	572
-	-	-	-	572	528
-	-	-	-	30	47
-	-	-	-	(1)	(3)
-	-	-	-	478 695	445 171
-	-	-	-	383 217	366 851
-	-	-	-	62 881	62 267
619	644	-	-	15 629	15 347

# 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 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.

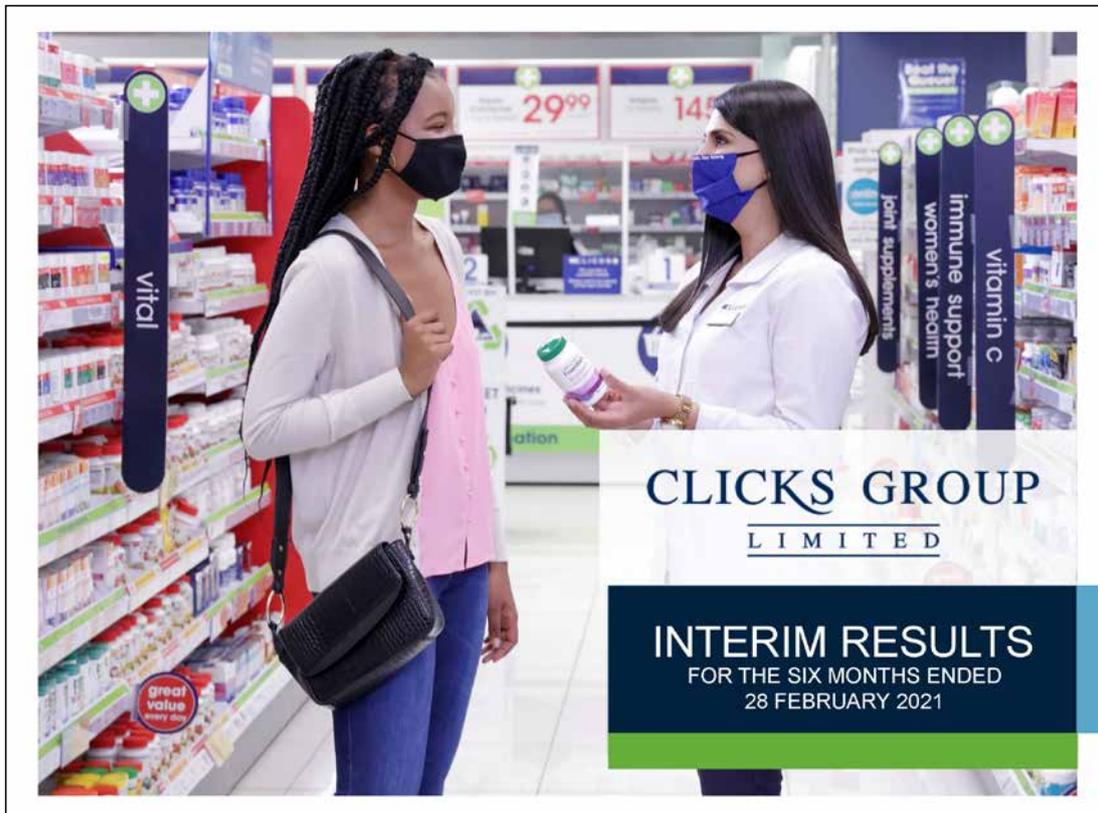
## **Weighted average number of shares**

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

A photograph of a man in a light blue shirt and blue face mask looking at a product in a pharmacy. He is standing in front of a counter with a 'pharmacy' sign above it. There are signs for 'ENTRANCE' and 'TAKE A' visible. A green bar is at the bottom.

CLICKS GROUP INTERIM RESULTS 2021 2

# PRESENTATION



## REVIEW OF THE PERIOD

- Continued good growth in health & beauty sales
  - Comparable period pre outbreak of Covid-19
- Clicks opened 600<sup>th</sup> pharmacy
- UPD gained market share with new contracts
- Stringent cost control
- Strengthening executive management
- Phased closure of Musica
- Diluted headline earnings per share up **9.5%**



## FINANCIAL RESULTS

MICHAEL FLEMING

### FINANCIAL HIGHLIGHTS

- Group turnover up **7.6%**
  - Health & Beauty turnover up **7.2%**
  - UPD reported turnover up **9.0%**
- Operating margin increased from 7.4% to **7.5%**
- Diluted HEPS up **9.5%** to 370.6 cps
  - Up **14.1%** excluding Musica
- Return on equity up from 34.8% to **37.4%**
- Cash balance of **R1.1bn** at period end
  - R602m shares repurchased
- Interim dividend of **142.5 cps** declared

# PRESENTATION

TURNOVER					
R'm	Feb 2021	Feb 2020	% change	% same stores growth	% inflation
Retail	13 019	12 305	5.8	3.7	3.3
Health & Beauty	12 832	11 972	7.2	4.0	3.2
Musica	187	333	(43.7)		
Distribution	8 141	7 467	9.0		2.3
Intragroup turnover	(3 026)	(2 915)	3.9		
<b>Total group</b>	<b>18 134</b>	<b>16 857</b>	<b>7.6</b>		<b>2.9</b>

- 0.8% impact of one less trading day in health & beauty
- UPD benefited from annualisation of new wholesale contracts and growth in hospital business

CLICKS GROUP INTERIM RESULTS 2021 7

TOTAL INCOME					
	Feb 2021 R'm	Feb 2020 R'm	% change	Feb 2021 % margin	Feb 2020 % margin
Retail	4 275	4 107	4.1	32.8	33.4
Health & Beauty	4 228	3 994	5.9	33.0	33.4
Musica	33	113	(71.1)	17.4	34.0
Other	14	-			
Distribution	689	601	14.7	8.5	8.1
Intragroup	(101)	(107)	(5.5)		
<b>Total group</b>	<b>4 863</b>	<b>4 601</b>	<b>5.7</b>	<b>26.8</b>	<b>27.3</b>

- H&B margin impacted by change in mix with lower beauty sales
- New bulk distribution contract in UPD offsetting later SEP increase

CLICKS GROUP INTERIM RESULTS 2021 8

## OPERATING EXPENDITURE - RETAIL

R'm	Feb 2021	Feb 2020	% change
Depreciation – PPE	196	178	10.2
Depreciation – ROU asset	351	311	12.9
Occupancy costs	80	89	(9.8)
Employment costs	1 647	1 589	3.6
Other operating costs	791	780	1.4
<b>Total health &amp; beauty costs</b>	<b>3 065</b>	<b>2 947</b>	<b>4.0</b>
% of turnover	23.9%	24.6%	
Musica costs	94	117	(19.5)
<b>Total retail costs</b>	<b>3 159</b>	<b>3 064</b>	<b>3.1</b>
Finance costs – lease liability	102	99	2.4

- Excellent control of expenses, well below turnover growth
- Comparable H&B costs held in line with prior year

CLICKS GROUP INTERIM RESULTS 2021 9

## CLOSURE OF MUSICA

- Brand to cease trading from 31 May 2021
- 53 stores closed in the first half and 14 after February
  - 11 stores still open and 53 staff still to be transferred
- R4m in stock on balance sheet at February 2021
  - Benefit of consignment stock
  - No stock write-off necessary, but GP impact of clearing stock
- R11m provision for store closures
- R30m impairment of assets
- 18 cps negative impact of Musica on H1 2021 group dHEPS
  - -2 cps in H1 2020 and -15 cps in FY2020

CLICKS GROUP INTERIM RESULTS 2021 10

# PRESENTATION

## OPERATING EXPENDITURE - DISTRIBUTION

R'm	Feb 2021	Feb 2020	% change
Depreciation – PPE	16	18	(11.1)
Depreciation – ROU asset	2	1	
Occupancy costs	1	1	
Employment costs	145	140	3.3
Other operating costs	268	220	21.6
<b>Total distribution costs</b>	<b>432</b>	<b>380</b>	<b>13.5</b>

- Cost growth below total managed turnover growth
- Impact of new wholesale / distribution contracts and additional warehouse rented

CLICKS GROUP INTERIM RESULTS 2021 11

## OPERATING PROFIT

	Feb 2021 R'm	Feb 2020 R'm	% change	Feb 2021 % margin	Feb 2020 % margin
Retail	1 116	1 043	6.9	8.6	8.5
Health & Beauty	1 164	1 048	11.0	9.1	8.8
Musica	(62)	(4)			
Other	14	(1)			
Distribution	257	221	16.6	3.2	3.0
Intragroup	(7)	(18)			
<b>Total group</b>	<b>1 366</b>	<b>1 246</b>	<b>9.7</b>	<b>7.5</b>	<b>7.4</b>

- Both divisions grew margin despite the tough environment

CLICKS GROUP INTERIM RESULTS 2021 12

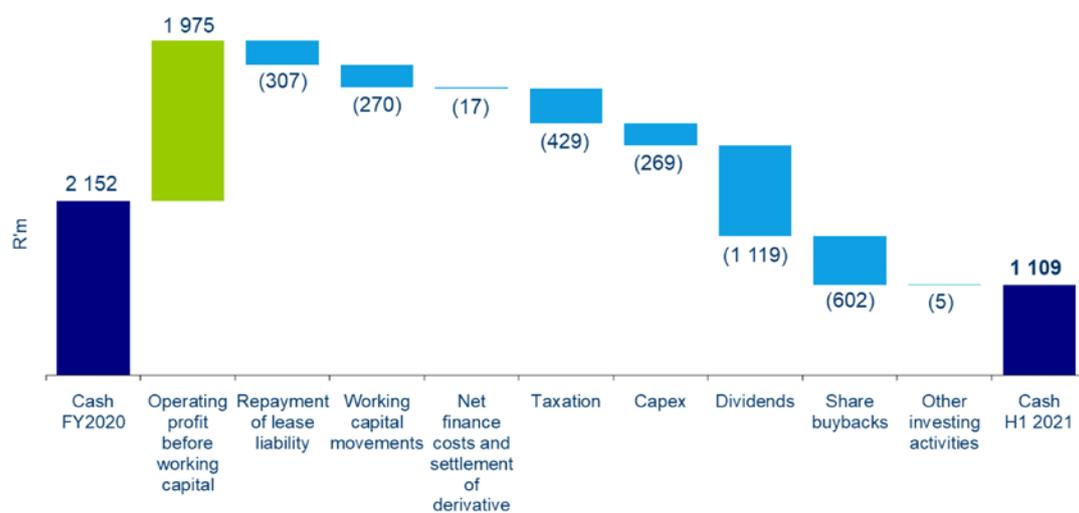
## INVENTORY

	Days in stock		Inventory (R'm)		
	Feb 2021	Feb 2020	Feb 2021	Feb 2020	% change
Retail	84	82	4 021	3 664	9.7
Health & Beauty	85	82	4 017	3 574	12.3
Musica	5	77	4	90	(95.8)
Distribution	56	58	2 459	2 340	5.1
Intragroup inventory			(94)	(99)	
<b>Total group</b>	<b>83</b>	<b>84</b>	<b>6 386</b>	<b>5 905</b>	<b>8.2</b>

- Focused on mitigating supply chain disruption in front shop health

CLICKS GROUP INTERIM RESULTS 2021 13

## CASH MANAGEMENT FOR THE SIX MONTHS



- R1.7 billion returned to shareholders

CLICKS GROUP INTERIM RESULTS 2021 14

# PRESENTATION

## CAPITAL EXPENDITURE

- R745m capex planned for FY2021
  - R317m on stores, including:
    - 40 new Clicks stores
    - 36 new pharmacies
    - 40 store refurbishments
  - R428m focused on IT, supply chain and infrastructure, including:
    - R226m on IT systems



CLICKS GROUP INTERIM RESULTS 2021 15



## TRADING PERFORMANCE

VIKESH RAMSUNDER

## HEALTH & BEAUTY SALES PERFORMANCE

	% change	% contribution
Pharmacy	3.0	27.5
Front shop health	24.7	27.5
Beauty and personal care	1.3	29.6
General merchandise	0.6	15.4
<b>Total turnover</b>	<b>7.2</b>	<b>100.0</b>

- Comparable stores turnover growth of **4.0%**
  - Inflation 3.2%
  - Volume growth 0.8%

CLICKS GROUP INTERIM RESULTS 2021 17

## MARKET SHARE GAINS



%	Feb 2021	Feb 2020
<b>Health</b>		
Retail pharmacy*	23.4	24.2
Front shop health**	32.9	31.2
Baby**	19.6	16.8
<b>Beauty</b>		
Skincare**	40.2	40.1
Haircare**	31.1	30.4
Personal care**	18.6	18.3
<b>General merchandise</b>		
Small electrical appliances***	17.8	17.2

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

CLICKS GROUP INTERIM RESULTS 2021 18

# PRESENTATION

PERFORMANCE AND STRATEGY



- **Maintaining value**
  - Price competitive with all national retailers
  - Promotional sales +12.1% to 41.8% of turnover
  - In pharmacy, generics +4.7% to 57.5% of sales and 70.3% of volume
  
- **Differentiating our product offer**
  - Private label up to 24.5% of sales (front shop 30.0%, pharmacy 9.4%)
  - Focused on tiering of private label
    - Expanding Clicks Expert to more categories

Clicks price index* vs:	
Retailer A	96.4%
Retailer B	97.0%
Retailer C	93.5%
Retailer D	98.0%

\* Excluding 3 for 2 promotions



CLICKS GROUP INTERIM RESULTS 2021 19

PERFORMANCE AND STRATEGY



- **Engaging customers through personalisation**
  - 8.6m active ClubCard members, 79.1% of sales
  - Clicks app downloaded by 1.8m customers
  - Personalised deals and digital engagement
  - Launch personalised landing page
  
- **Enabling efficient healthcare access**
  - Repeat prescription service
  - Submit scripts via Clicks app for collection
  - Free delivery of chronic medicines from pharmacies since November 2020
  - Telemedicine service in 85 clinics


CLICKS GROUP INTERIM RESULTS 2021 20

## PERFORMANCE AND STRATEGY



### ▪ Extending **convenience**

- 760 Clicks stores with 601 pharmacies
- 50% of customers < 6 km of a pharmacy
- 77 SA stores still to get a dispensary
- 19 Clicks stores refurbished
- Convenience locations continue to outperform destination malls
- Online sales +167.4% to 1.3% of front shop sales (direct delivery increased to 84.5% of online)
- Launching on Vodacom 'super app'

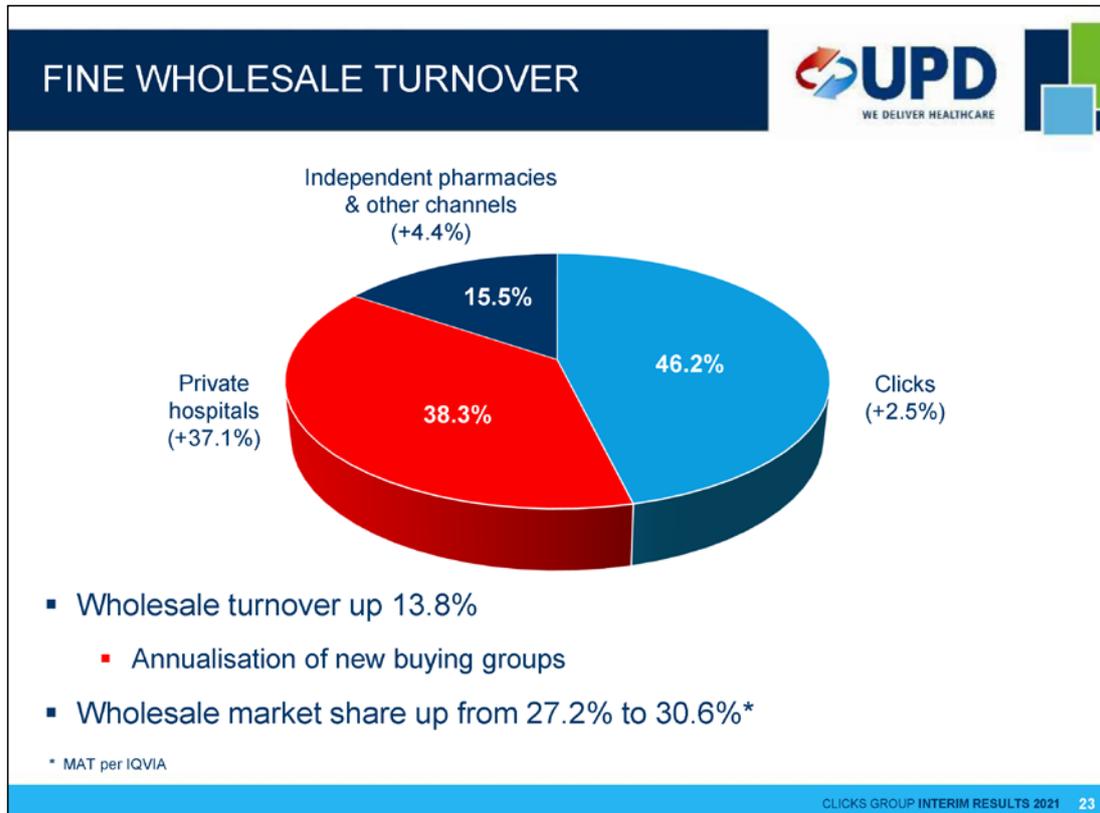


Format	Total
Convenience	561
Destination	199
<b>Total</b>	<b>760</b>

CLICKS GROUP INTERIM RESULTS 2021 21



# PRESENTATION





## OUTLOOK

- Trading environment will remain tough in H2
- Will exceed store opening target
- IT and supply chain investments go live in H2
- Forecast **8% - 13%** growth in group diluted HEPS for FY2021
- Capacity to assist in Covid-19 vaccine rollout in SA
  - 62 pharmacies registered as part of healthcare workers programme
  - 601 pharmacies and 192 clinics across the country – could handle 600 000 – 700 000 vaccinations per month
  - UPD has cold chain capability to distribute all vaccines
- Vaccine rollout will benefit economic growth

# 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.

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.

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# 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 Mومakwa\*#, MJN Njeke\*, V Ramsunder (Chief Executive Officer), M Rosen\*

\* Independent non-executive # Appointed 1 April 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

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