



CLICKS GROUP
LIMITED

**INTERIM CONDENSED
CONSOLIDATED 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%

UPD turnover up

9.0%

Diluted headline earnings
per share up

9.5%

Interim dividend
per share

142.5 cents

R1.7 billion

returned to shareholders in
dividends and buy-backs

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 9.0% 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 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	Unaudited six months to 28 February 2021	Six months to 29 February 2020	%	Year to 31 August 2020
			change	
Revenue	19 289 587	17 918 650	7.7	36 591 196
Turnover	18 133 638	16 856 600	7.6	34 364 398
Cost of merchandise sold	(14 406 121)	(13 272 251)	8.5	(27 156 052)
Gross profit	3 727 517	3 584 349	4.0	7 208 346
Other income	1 135 099	1 016 801	11.6	2 166 315
Total income	4 862 616	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)
Operating profit	1 365 853	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)
Profit before financing costs	1 325 636	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)
Profit before earnings from associate	1 235 408	1 177 643	4.9	2 581 889
Share of profit of an associate	1 062	1 813		2 105
Profit before taxation	1 236 470	1 179 456	4.8	2 583 994
Income tax expense	(344 975)	(329 402)	4.7	(703 819)
Profit for the period	891 495	850 054	4.9	1 880 175
Other comprehensive (loss)/income:				
Items that will not be subsequently reclassified to profit or loss	-	-		9 956
Remeasurement of post-employment benefit obligations	-	-		13 828
Deferred tax on remeasurement	-	-		(3 872)
Items that may be subsequently reclassified to profit or loss				
Exchange differences on translation of foreign subsidiaries	(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
Other comprehensive (loss)/income for the period, net of tax	(8 740)	5 188		55 422
Total comprehensive income for the period	882 755	855 242		1 935 597
Earnings per share (cents)	358.9	338.0	6.2	751.4
Diluted earnings per share (cents)	358.9	338.0	6.2	751.4

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	Unaudited as at 28 February 2021	As at 29 February 2020	As at 31 August 2020
Non-current assets	5 666 059	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
Current assets	10 375 120	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
Total assets	16 041 179	15 972 696	15 274 205
Equity and liabilities			
Total equity	4 338 431	4 849 989	5 193 951
Non-current liabilities	2 079 480	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
Current liabilities	9 623 268	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
Total equity and liabilities	16 041 179	15 972 696	15 274 205

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

R'000	Unaudited six months to 28 February 2021	Restated six months to 29 February 2020*	Year to 31 August 2020
Operating profit before working capital changes	1 975 053	1 769 775	3 884 623
Working capital changes	(270 154)	(391 224)	(820 884)
Net interest paid	(84 463)	(59 194)	(161 104)
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
Net cash effects from investing activities	(274 611)	(340 466)	(621 961)
Capital expenditure	(269 310)	(308 997)	(590 883)
Other investing activities	(5 301)	(31 469)	(31 078)
Net cash effects from financing activities	(908 986)	(270 615)	(1 355 906)
Purchase of treasury shares	(601 896)	–	(653 367)
Repayment of lease liabilities	(307 090)	(270 615)	(702 539)
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
Cash and cash equivalents at the end of the period	1 108 691	2 309 305	2 152 483

* Restatement relating to the change in accounting policy. Refer to note 1.8.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000	Unaudited six months to 28 February 2021	Six months to 29 February 2020	Year to 31 August 2020
Opening balance	5 193 951	4 786 987	4 786 987
Dividends paid to shareholders	(1 118 982)	(822 486)	(822 485)
Total comprehensive income for the period	882 755	855 242	1 935 597
Shares repurchased and cancelled	(601 896)	–	(653 367)
Transfer of reserves to inventory	(17 397)	30 246	(52 781)
Total	4 338 431	4 849 989	5 193 951
Dividend per share (cents)			
Interim declared/paid	142.5	–	–
Final paid	–	–	450.0
	142.5	–	450.0

SEGMENTAL ANALYSIS

The group's reportable segments under IFRS 8 are Retail and Distribution.

R'000	Turnover	Profit before taxation	Total assets	Capital expenditure	Total liabilities
Unaudited six months to 28 February 2021					
Retail	13 019 258	1 115 604	9 901 020	223 364	6 751 018
Distribution	8 141 251	257 381	8 811 151	30 033	5 728 773
Inter-segmental	(3 026 871)	(7 132)	(4 167 032)	–	(4 077 780)
Total reportable segmental balance	18 133 638	1 365 853	14 545 139	253 397	8 402 011
Non-reportable segmental balance	–	(129 383)	1 496 040	15 913	3 300 737
Total group balance	18 133 638	1 236 470	16 041 179	269 310	11 702 748
Six months to 29 February 2020					
Retail	12 304 501	1 043 348	9 010 385	274 649	5 982 854
Distribution	7 466 595	220 655	8 497 210	22 640	5 957 530
Inter-segmental	(2 914 496)	(18 385)	(4 569 917)	–	(4 475 485)
Total reportable segmental balance	16 856 600	1 245 618	12 937 678	297 289	7 464 899
Non-reportable segmental balance	–	(66 162)	3 035 018	11 708	3 657 808
Total group balance	16 856 600	1 179 456	15 972 696	308 997	11 122 707
Twelve months to 31 August 2020					
Retail	24 785 362	2 259 784	8 433 077	516 490	6 294 802
Distribution	15 473 637	513 162	7 121 348	39 620	4 292 678
Inter-segmental	(5 894 601)	(6 074)	(3 568 395)	–	(3 486 275)
Total reportable segmental balance	34 364 398	2 766 872	11 986 030	556 110	7 101 205
Non-reportable segmental balance	–	(182 878)	3 288 175	34 773	2 979 049
Total group balance	34 364 398	2 583 994	15 274 205	590 883	10 080 254

SEGMENTAL ANALYSIS CONTINUED

R'000	Unaudited as at 28 February 2021	As at 29 February 2020	As at 31 August 2020
Non-reportable segmental profit before taxation consists of:			
(Loss)/profit on disposal of property, plant and equipment	(9 800)	102	(8 337)
Loss on impairment of property, plant and equipment and right-of-use assets	(30 417)	–	–
Loss on sale of business	–	(1 196)	(1 196)
Financial income	20 850	45 249	60 483
Financial expense	(111 078)	(112 130)	(235 933)
Share of profit of an associate	1 062	1 813	2 105
	(129 383)	(66 162)	(182 878)

SUPPLEMENTARY INFORMATION

		Unaudited as at 28 February 2021	As at 29 February 2020	As at 31 August 2020
Number of ordinary shares in issue (gross)	('000)	246 168	251 525	248 663
Number of ordinary shares in issue (net of treasury shares)	('000)	246 168	251 525	248 663
Weighted average number of shares in issue (net of treasury shares)	('000)	248 376	251 525	250 212
Weighted average diluted number of shares in issue (net of treasury shares)	('000)	248 376	251 525	250 212
Net asset value per share	(cents)	1 762	1 928	2 089
Net tangible asset value per share	(cents)	1 478	1 676	1 819
Depreciation and amortisation	(R'000)	618 985	565 238	1 177 144
Capital expenditure	(R'000)	269 310	308 997	590 883
Capital commitments	(R'000)	475 775	389 003	745 085

ACCOUNTING POLICIES AND NOTES

- 1.1 These condensed consolidated financial statements for the six months ended 28 February 2021 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports and the requirements of the Companies Act of South Africa. The Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 – Interim Financial Reporting.

The information contained in the interim report has neither been audited nor reviewed by the group's external auditors. These condensed consolidated financial results have been prepared under the supervision of M Fleming CA (SA), the chief financial officer of the group.

The accounting policies used in the preparation of the financial results for the six months ended 28 February 2021 are in terms of IFRS and are consistent with those applied in the Audited Annual Financial Statements for the year ended 31 August 2020.

The information presented in note 1.9 constitutes pro forma financial information and is disclosed for informational purposes only. The responsibility for preparing and presenting the pro forma financial information and the completeness and accuracy of the pro forma financial information is that of the directors of the company. This pro forma financial information has not been reviewed by the group's external auditors.

- 1.2 Related party transactions for the current period are similar to those disclosed in the group's annual financial statements for the year ended 31 August 2020. No significant related party transactions arose during the current period.
- 1.3 During the period the group repurchased and cancelled 2 494 321 Clicks Group Limited ordinary shares.
- 1.4 The carrying value of all financial instruments approximates fair value. All financial instruments are held at amortised cost, with the exception of derivative instruments which are designated as hedging instruments and the investment in Guardrisk Insurance Company Limited and investments held by the New Clicks Foundation Trust, which are accounted for at fair value through profit or loss. The fair value of financial instruments that are not traded in active markets are determined by using valuation techniques; if all significant inputs required to fair value an instrument are observable, the instrument is included in level 2 and if the significant inputs required to fair value an instrument are unobservable, the instrument is included in level 3. The derivative instruments comprise equity derivative hedges which are calculated using a Monte Carlo option pricing model with reference to the closing share price, 250-day historical volatility, the 12-month trailing dividend yield and the risk-free rate; and forward exchange contracts which are calculated using standard market calculation conventions with reference to the relevant closing market spot rates, forward foreign exchange rates and interest rates. All financial instruments accounted for at fair value through profit or loss are considered to be level 2 instruments with the exception of investments held by the New Clicks Foundation Trust which are considered to be level 1 instruments, since the investments are listed instruments with a valuation based on listed prices. There have been no transfers between levels 1, 2 and 3 instruments during the period. The group applies hedge accounting and where derivative instruments are designated as hedging instruments in a cash flow hedge, fair value gains/losses are recognised in other comprehensive income and released either to profit or loss or the hedged item when the forecast transaction takes place.
- 1.5 The majority of the current and non-current derivative financial assets are to hedge obligations under the cash-settled share compensation scheme.

1.6 **Headline earnings reconciliation**

R'000	Unaudited six months to 28 February 2021	Six months to 29 February 2020	% change	Year to 31 August 2020
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)
Headline earnings	920 451	851 177	8.1	1 887 374
Headline earnings per share (cents)	370.6	338.4	9.5	754.3
Diluted headline earnings per share (cents)	370.6	338.4	9.5	754.3

ACCOUNTING POLICIES AND NOTES CONTINUED

1.7 The group's revenue from contracts with customers is disaggregated as disclosed below:

R'000	Unaudited six months to 28 February 2021	Six months to 29 February 2020	Year to 31 August 2020
Revenue from contracts with customers			
Goods sold to customers	18 133 638	16 856 600	34 364 398
Other income	1 135 099	1 016 801	2 166 315
Distribution and logistics fees	559 346	489 078	1 034 318
Cost recoveries and other	575 753	527 723	1 131 997
	19 268 737	17 873 401	36 530 713

1.8 The statement of cash flows at 29 February 2020 has been restated.

Change in accounting policy

On the adoption of IFRS 16 – Leases, the group considered the disclosure of interest paid on lease liabilities to be more appropriately classified with interest paid and disclosed under operating cash flows instead of financing activities as previously disclosed in the interim results in February 2020. Refer to the group annual financial statements for the year ended 31 August 2020 for disclosure regarding the change in accounting policy.

The impact on the statement of cash flows of the above restatement is as follows:

R'000	29 February 2020	Adjustment	Restated 29 February 2020
Consolidated statement of cash flows			
<i>Cash effects from operating activities</i>			
Interest paid	(619)	(103 824)	(104 443)
Net interest paid	44 630	(103 824)	(59 194)
<i>Cash effects from financing activities</i>			
Repayment of lease liabilities	(374 439)	103 824	(270 615)

ACCOUNTING POLICIES AND NOTES CONTINUED

1.9 Closure of Musica cash-generating unit

On 28 January 2021 the group announced that the board of directors had decided to close the group's heritage entertainment brand, Musica, with effect from 31 May 2021. Musica has closed 53 stores since the commencement of the 2021 financial year. The remaining 25 stores will be closed over the next three months when the majority of the leases terminate.

As a result the cash-generating unit is disclosed as a continuing operation as at 28 February 2021 and will be disclosed as a discontinued operation in accordance with IFRS 5 once the remaining Musica stores are closed and all operations have been terminated.

All assets will be used until all stores are closed. The group recognised an impairment allowance for the property, plant and equipment and right-of-use assets as at 28 February 2021 and has ensured that all assets are measured at the lower of the cost and the recoverable amount.

Musica statement of comprehensive income information

R'000	Unaudited six months to 28 February 2021	Six months to 29 February 2020	Year to 31 August 2020
Turnover	187 589	333 155	475 247
Cost of merchandise sold	(158 552)	(228 743)	(334 663)
Gross profit	29 037	104 412	140 584
Other income	3 671	8 695	12 977
Total income	32 708	113 107	153 561
Expenses	(94 453)	(117 308)	(199 417)
Trading expenses	(83 276)	(115 568)	(196 433)
Provision for store closure costs	(11 177)	(1 740)	(2 984)
Operating loss	(61 745)	(4 201)	(45 856)
(Loss)/profit on disposal of property, plant and equipment	(6 485)	42	(1 939)
Impairment of property, plant and equipment and right-of-use assets	(30 417)	–	–
Loss before financing costs	(98 647)	(4 159)	(47 795)
Financial expenses	(1 458)	(4 089)	(6 769)
Loss before taxation	(100 105)	(8 248)	(54 564)
Income tax	28 180	2 627	15 955
Loss for the period	(71 925)	(5 621)	(38 609)

Musica statement of financial position information

Assets

Property, plant and equipment	–	28 543	22 566
Right-of-use assets	–	63 386	43 878
Intangible assets	–	53	17
Inventories	3 750	90 052	53 225
Trade and other receivables	5 089	8 758	10 380
	8 839	190 792	130 066

Liabilities

Employee benefits – non-current	1 517	1 596	2 289
Lease liabilities	21 088	73 933	44 347
Trade and other payables	56 947	87 629	51 367
Employee benefits – current	3 169	8 658	7 036
	82 721	171 816	105 039

ACCOUNTING POLICIES AND NOTES CONTINUED

Musica statement of cash flows information

R'000	Unaudited six months to 28 February 2021	Six months to 29 February 2020	%	Year to 31 August 2020
			change	
Net cash outflows attributable to Musica				
Cash effects from operating activities	20 806	62 622		45 026
Cash effects from investing activities	(48)	(5 620)		(5 737)
Cash effects from financing activities	(24 689)	(27 906)		(60 113)
Net decrease in cash utilised by Musica	(3 931)	29 096		(20 824)
Musica impact on headline earnings				
The following indicates the impact of the Musica cash-generating unit on headline earnings, headline earnings per share and earnings per share.				
Total Musica loss for the period	(71 925)	(5 621)		(38 609)
Adjusted for:				
Loss/(profit) on disposal of property, plant and equipment	6 485	(42)		1 939
Impairment of property, plant and equipment and right-of-use assets	30 417	–		–
Total tax effect of adjustments	(10 333)	12		(543)
Impact on headline earnings	(45 356)	(5 651)		(37 213)
Headline loss per share attributable to Musica (cents)				
– Basic	(18.3)	(2.2)		(14.9)
– Diluted	(18.3)	(2.2)		(14.9)
Loss per share attributable to Musica (cents)				
– Basic	(29.0)	(2.2)		(15.4)
– Diluted	(29.0)	(2.2)		(15.4)
Headline earnings excluding Musica				
The following indicates the group headline earnings, earnings per share and headline earnings per share excluding the Musica cash-generating unit.				
Total group profit for the period	891 495	850 054		1 880 175
Adjusted for:				
Musica loss for the period	71 925	5 621		38 609
Profit for the period excluding Musica	963 420	855 675		1 918 784
Adjusted for:				
Loss/(profit) on disposal of property, plant and equipment excluding Musica	3 315	(60)		6 398
Loss on disposal of business	–	1 196		1 196
Total tax effect of adjustments	(928)	17		(1 791)
Headline earnings excluding Musica	965 807	856 828	12.7	1 924 587
Headline earnings per share excluding Musica (cents)				
– Basic	388.8	340.7	14.1	769.2
– Diluted	388.8	340.7	14.1	769.2
Basic earnings per share excluding Musica (cents)				
– Basic	387.9	340.2	14.0	766.9
– Diluted	387.9	340.2	14.0	766.9

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

Directors: DM Nurek* (Chairman), F Abrahams*, JA Bester*, F Daniels*, BD Engelbrecht, M Fleming (Chief Financial Officer), PM Moumakwa**, MJN Njeke*, V Ramsunder (Chief Executive Officer), M Rosen*
* Independent non-executive # Appointed 1 April 2021

Company secretary: M Welz

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

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

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

Sponsor: Investec Bank Limited

This information, together with additional detail, is available on the Clicks Group Limited website:

www.clicksgroup.co.za

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