



INTERIM  
GROUP  
RESULTS  
FOR THE SIX  
MONTHS ENDED  
28 FEBRUARY 2019

CLICKS GROUP  
LIMITED

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Group turnover up

**6.2%**

Health and beauty sales up

**8.5%**

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Interim dividend up

**15.1%**

Diluted HEPS up

**13.2%**

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# FINANCIAL SUMMARY

		Six months to 28 February 2019	Restated six months to 28 February 2018	% change	Restated year to 31 August 2018
<b>Consolidated statement of comprehensive income</b>					
Turnover	(R'000)	15 334 139	14 432 573	6.2%	29 239 054
Gross profit	(R'000)	3 364 052	3 107 892	8.2%	6 167 852
Total income	(R'000)	4 251 602	3 904 542	8.9%	7 884 999
Headline earnings	(R'000)	763 334	675 868	12.9%	1 469 295
Net financing income/(cost)	(R'000)	13 221	(1 129)		2 065
<b>Consolidated statement of financial position</b>					
Equity	(R'000)	4 388 327	3 703 753	18.5%	4 424 007
Total assets	(R'000)	12 000 833	10 810 875	11.0%	11 588 904
<b>Consolidated statement of cash flows</b>					
Net cash effects from operating activities	(R'000)	52 480	330 365	(84.1%)	1 392 937
Capital expenditure	(R'000)	263 956	269 405	(2.0%)	671 233
Depreciation and amortisation	(R'000)	191 062	167 959	13.8%	339 142
<b>Performance</b>					
Turnover growth	(%)	6.2	10.0		9.1
Comparable stores turnover growth	(%)	4.5	7.2		5.5
Gross profit growth	(%)	8.2	9.9		9.7
Gross profit margin	(%)	21.9	21.5		21.1
Total income growth	(%)	8.9	11.6		10.3
Total income margin	(%)	27.7	27.1		27.0
Operating margin	(%)	6.8	6.5		7.0
Net working capital days		37	41		36
Inventory days		76	75		67
Trade debtor days		36	38		38
Trade creditor days		75	72		69
Current ratio	(:1)	1.2	1.2		1.2
Return on total assets	(%)	12.5	13.0		13.8
Return on shareholders' interest	(%)	35.2	39.2		38.0
Shareholders' interest to total assets	(%)	36.6	34.3		38.2
Interest-bearing debt, including cash, to shareholders' interest at period-end	(%)	(33.1)	(23.9)		(34.4)
<b>Statistics</b>					
Number of permanent employees		15 429	15 345	0.5%	15 067
Number of stores		853	824	3.5%	837
Weighted retail trading area	(m <sup>2</sup> )	342 985	322 227	6.4%	324 643
<b>Share statistics</b>					
Number of ordinary shares in issue (gross), excluding "A" shares	('000)	262 083	253 948	3.2%	253 948
Number of ordinary shares in issue (net of treasury shares)	('000)	252 355	244 505	3.2%	244 505
Weighted average number of shares in issue (net of treasury shares)	('000)	245 582	237 678	3.3%	241 073
Weighted average diluted number of shares in issue (net of treasury shares)	('000)	254 394	254 833	(0.2%)	255 385
Headline earnings per share – basic	(cents)	310.8	284.4	9.3%	609.5
– diluted	(cents)	300.1	265.2	13.2%	575.3
Dividend per share – interim	(cents)	118.0	102.5	15.1%	102.5
– final	(cents)	–	–		277.5
Dividend payout ratio	(%)	38.0	36.0		62.3
Share price – closing	(cents)	18 066	16 905	6.9%	20 300
– high	(cents)	20 484	19 100		21 542
– low	(cents)	15 614	14 938		18 206
Net asset value per share	(cents)	1 739	1 515	14.8%	1 809
Net tangible asset value per share	(cents)	1 515	1 288	17.6%	1 572
Market capitalisation (gross)	(R'000)	47 347 915	42 929 909	10.3%	51 551 444
Market capitalisation (net of treasury shares)	(R'000)	45 590 454	41 333 570	10.3%	49 634 515
Price earnings ratio	(times)	32.2	34.1		35.3
Volume of ordinary shares traded	('000)	154 341	109 029		295 190
Percentage of ordinary shares traded	(%)	62.8	45.9		122.4
Free float	(%)	96.2	96.1		96.1
Shareholders' return	(cents)	(2 116)	2 128		5 800
(Decrease)/Increase in share price	(cents)	(2 234)	2 025		5 420
Dividend per share	(cents)	118	103		380
<b>Other information</b>					
Inflation rate					
CPI	(%)	4.1	4.0		4.9
Internal selling price inflation	(%)	0.5	3.7		1.9
Interest rates					
Prime overdraft rate – closing	(%)	10.25	10.25		10.00
– average	(%)	10.13	10.25		10.00
FTSE/JSE Africa share indices					
All Share Index		56 002	58 325	(4.0%)	58 668
General Retailers Index		6 478	8 647	(11.3%)	7 026
Food and Drug Retailers Index		11 214	12 640	(25.1%)	12 450
Exchange rate					
Rand/US dollar – closing	(R/US\$)	13.95	11.72	19.1%	14.71
– average	(R/US\$)	14.21	13.17	7.9%	12.97

# COMMENTARY

## Overview

Clicks Group delivered another strong health and beauty sales performance in the six months to February 2019 in an environment of low inflation, subdued economic growth and constrained consumer spending.

Retail health and beauty sales grew by 8.5%, with good volume growth and market share gains across most product categories.

UPD, the group's pharmaceutical distributor, reported a stellar performance by increasing operating profit by 27.2% and continuing to gain market share.

The group's performance for the half-year resulted in diluted headline earnings per share (HEPS) increasing by 13.2% to 300.1 cents per share. The interim dividend was increased by 15.1% to 118.0 cents per share.

## Financial performance

Group turnover increased by 6.2% to R15.3 billion. Retail sales grew by 7.7% and by 4.5% in comparable stores, with selling price inflation of only 1.0%. Distribution turnover increased by 5.1% with price deflation of 0.2% for the six months.

Total income grew by 8.9% to R4.3 billion, with the group's total income margin improving by 60 basis points to 27.7%. The retail margin expanded owing to more customers switching to Clicks private label products and the positive mix impact from the stronger growth of front shop relative to pharmacy. UPD's margin benefited mainly from gaining new bulk distribution contracts.

Retail expenses increased by 7.8% as the group invested in 33 new Clicks stores, 35 pharmacies and space extensions in 25 stores over the past 12 months. Comparable retail costs were contained to growth of 5.4%. UPD costs were impacted by the new bulk distribution contracts and grew by 12.4%.

Group operating profit grew by 11.3% to R1 billion, with the operating margin expanding by 30 basis points to 6.8%. The retail and distribution businesses both improved operating

margins despite low selling price inflation and challenging trading conditions.

Inventory was tightly managed to an increase of 6.4%. Retail stock days improved from 81 to 79 days. UPD increased from 43 to 46 days owing to the additional stock bought in during February before the higher increase in the single exit price (SEP) of medicines. Overall working capital continues to be efficiently managed and the group's net working capital improved from 41 to 37 days.

Cash generated by operations before working capital changes rose by 13.7% to R1.3 billion for the six months. Capital expenditure of R264 million was invested mainly in new stores and pharmacies, store refurbishments, supply chain and information technology.

The group returned R686 million to shareholders in dividends and share buy-backs.

## Trading performance

Retail health and beauty sales, which includes Clicks and the franchise brands of The Body Shop, GNC and Claire's, increased by 8.5%, driven by competitive pricing and appealing promotions. Sales in comparable stores increased by 5.2% and showed strong volume growth of 4.5%, with inflation of only 0.7% for the six months.

Clicks opened 17 stores in the past six months and expanded its store footprint to 680, including 496 convenience stores. A total of 18 new pharmacies were opened to extend the pharmacy network to 528. Clicks increased its share of the retail pharmacy market from 23.0% to 23.8% at the end of February 2019.

UPD's total managed turnover, combining wholesale and bulk distribution, increased by 21.9% to R10.2 billion. The business increased its bulk distribution portfolio to 24 clients by gaining four new distribution contracts over the past 12 months. UPD increased wholesale turnover by 5.2%, with market share growing from 25.4% to 26.0%.





## Outlook

Macroeconomic conditions are not anticipated to improve in the short to medium term and management expects the trading environment to remain challenging in the second half of the financial year. Electricity load shedding continues to have a negative impact on consumer confidence and trading.

However, the group's core health and beauty markets as well as the business model are resilient and the group's market-leading brands are well positioned to increase market share.

In this difficult environment Clicks plans to capitalise on opportunities to accelerate its store expansion programme by opening 41 new stores in the financial year, well ahead of the targeted 25 to 30 stores.

UPD has gained two new bulk distribution contracts which commence late in the second half and will also benefit from the slightly higher SEP increase granted for 2019.

Capital investment of R437 million is planned for the second half of the year, split across the store and pharmacy network, and group infrastructure to support the increased scale of the business.

## Full-year earnings forecast

The directors forecast that diluted HEPS for the financial year ending 31 August 2019 will increase by between 10% and 15% over the 2018 financial year.

The forecast is based on the following key assumptions:

- the trading environment will remain constrained in the second half of the financial year and could be further impacted by electricity load shedding; and
- retail selling price inflation is anticipated to average low single-digit levels for the financial year.

Shareholders are advised that this forecast 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 2019 of 118.0 cents

per share (2018: 102.5 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 23.6 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 94.4 cents net of DT.

The company has 262 083 439 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, 25 June 2019
Shares trade "ex" the dividend	Wednesday, 26 June 2019
Record date	Friday, 28 June 2019
Payment to shareholders	Monday, 1 July 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 26 June 2019 and Friday, 28 June 2019, both days inclusive.

The board of directors has determined that dividend cheques amounting to R50.00 or less due to any ordinary shareholder will not be paid unless a written request to the contrary is delivered to the transfer secretaries, Computershare Investor Services Proprietary Limited, by no later than close of business on Tuesday, 25 June 2019, being the day the shares trade "cum" the dividend. Unpaid dividend cheques will be aggregated with other such amounts and donated to a charity to be nominated by the directors.

By order of the board

**Matthew Welz**

Company secretary

17 April 2019



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

R'000	Six months to 28 February 2019	Restated six months to 28 February 2018	% change	Restated year to 31 August 2018
Revenue	16 245 459	15 241 562		30 981 958
<b>Turnover</b>	<b>15 334 139</b>	14 432 573	6.2%	29 239 054
Cost of merchandise sold	(11 970 087)	(11 324 681)	5.7%	(23 071 202)
<b>Gross profit</b>	<b>3 364 052</b>	3 107 892	8.2%	6 167 852
Other income	887 550	796 650	11.4%	1 717 147
<b>Total income</b>	<b>4 251 602</b>	3 904 542	8.9%	7 884 999
Expenses	(3 207 417)	(2 966 136)	8.1%	(5 852 575)
Depreciation and amortisation	(177 242)	(160 500)	10.4%	(319 976)
Occupancy costs	(498 826)	(458 358)	8.8%	(927 661)
Employment costs	(1 678 429)	(1 545 231)	8.6%	(3 094 845)
Other costs	(852 920)	(802 047)	6.3%	(1 510 093)
<b>Operating profit</b>	<b>1 044 185</b>	938 406	11.3%	2 032 424
Profit/(loss) on disposal of property, plant and equipment	491	(112)		(1 287)
<b>Profit before financing costs</b>	<b>1 044 676</b>	938 294	11.3%	2 031 137
Net financing income/(costs)	13 221	(1 129)		2 065
Financial income	23 770	12 339	92.6%	25 757
Financial expense	(10 549)	(13 468)	(21.7%)	(23 692)
<b>Profit before earnings from associate</b>	<b>1 057 897</b>	937 165	12.9%	2 033 202
Share of profit of an associate	1 308	1 345	(2.8%)	2 541
<b>Profit before taxation</b>	<b>1 059 205</b>	938 510	12.9%	2 035 743
Income tax expense	(295 518)	(262 723)	12.5%	(567 375)
<b>Profit for the period</b>	<b>763 687</b>	675 787	13.0%	1 468 368
<b>Other comprehensive (loss)/income:</b>				
Items that may be subsequently reclassified to profit or loss				
Exchange differences on translation of foreign subsidiaries	(4 980)	(405)		9 242
Cash flow hedges	(82 950)	(13 440)		58 154
Change in fair value of effective portion	(115 208)	(18 667)		80 770
Deferred tax on movement of effective portion	32 258	5 227		(22 616)
Cost of hedging reserve	(7 421)	(10 194)		(18 409)
Cost of hedging recognised	(10 307)	(14 159)		(25 568)
Deferred tax on cost of hedging	2 886	3 965		7 159
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<b>(95 351)</b>	(24 039)		48 987
<b>Total comprehensive income for the period</b>	<b>668 336</b>	651 748		1 517 355
<b>Reconciliation of headline earnings</b>				
Total profit for the period	763 687	675 787		1 468 368
Adjusted for:				
(Loss)/profit net of tax on disposal of property, plant and equipment	(353)	81		927
Headline earnings	763 334	675 868	12.9%	1 469 295
Headline earnings per share (cents)				
– basic	310.8	284.4	9.3%	609.5
– diluted	300.1	265.2	13.2%	575.3
Earnings per share (cents)				
– basic	311.0	284.3	9.4%	609.1
– diluted	300.2	265.2	13.2%	575.0
Weighted average number of shares in issue (net of treasury shares, '000)	245 582	237 678	3.3%	241 073
Weighted average diluted number of shares in issue (net of treasury shares, '000)	254 394	254 833	(0.2%)	255 385

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

R'000	As at 28 February 2019	Restated as at 28 February 2018	Restated as at 31 August 2018
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>3 014 091</b>	2 954 987	3 233 920
Property, plant and equipment	1 930 401	1 640 482	1 843 402
Intangible assets	461 714	451 356	476 761
Goodwill	103 510	103 510	103 510
Deferred tax assets	293 978	610 756	478 608
Investment in associate	20 320	20 665	20 044
Loans receivable	14 491	8 572	15 003
Financial assets at fair value through profit or loss	73 518	25 265	82 482
Derivative financial assets	116 159	94 381	214 110
<b>Current assets</b>	<b>8 986 742</b>	7 855 888	8 354 984
Inventories	4 835 256	4 544 782	4 250 907
Trade and other receivables	2 626 468	2 244 047	2 331 531
Loans receivable	691	9 000	9 675
Cash and cash equivalents	1 452 400	886 543	1 523 815
Derivative financial assets	71 927	171 516	239 056
<b>Total assets</b>	<b>12 000 833</b>	10 810 875	11 588 904
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>4 388 327</b>	3 703 753	4 424 007
Share capital	2 621	2 686	2 686
Share premium	1 064 953	513 848	513 848
Treasury shares	(756 432)	(702 703)	(702 703)
Share option reserve	–	488 806	578 184
Cash flow hedge reserve	(9 414)	1 942	73 536
Cost of hedging reserve	(2 560)	(8 156)	(4 482)
Foreign currency translation reserve	3 506	(1 161)	8 486
Distributable reserve	4 085 653	3 408 491	3 954 452
<b>Non-current liabilities</b>	<b>380 916</b>	357 086	447 546
Employee benefits	181 987	158 396	245 407
Operating lease liability	198 929	198 690	202 139
<b>Current liabilities</b>	<b>7 231 590</b>	6 750 036	6 717 351
Trade and other payables	6 911 605	6 383 803	6 227 123
Employee benefits	276 374	280 950	418 216
Provisions	6 937	4 993	4 993
Income tax payable	35 939	53 624	67 019
Derivative financial liabilities	735	26 666	–
<b>Total equity and liabilities</b>	<b>12 000 833</b>	10 810 875	11 588 904

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'000	Number of shares '000	Share capital	Share premium
<b>Balance at 1 September 2017</b>	236 526	2 752	3 497
Effect of adoption of new accounting standards <sup>1</sup>			
<b>Balance at 1 September 2017 (restated)</b>	236 526	2 752	3 497
<b>Transactions with owners, recorded directly in equity</b>			
Dividends paid to shareholders	–	–	–
Employee share option scheme vesting	7 979	(66)	510 351
Issue of ordinary shares from vesting of employee share scheme	7 979	79	510 634
“A” ordinary shares repurchased	–	(145)	–
Transaction costs on share issue	–	–	(283)
Share-based payment reserve movement	–	–	–
Net treasury share movement	–	–	–
Treasury shares acquired from vesting of employee share scheme	(284)	–	–
Disposal of treasury shares	284	–	–
<b>Total transactions with owners</b>	7 979	(66)	510 351
<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 2018</b>	244 505	2 686	513 848
<b>Transactions with owners, recorded directly in equity</b>			
Dividends paid to shareholders	–	–	–
Withholding tax on distribution to shareholders <sup>2</sup>	–	–	–
Share-based payment reserve movement	–	–	–
<b>Total transactions with owners</b>	–	–	–
<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 2018</b>	244 505	2 686	513 848
<b>Transactions with owners, recorded directly in equity</b>			
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)	–	–
<b>Total transactions with owners</b>	7 850	(65)	551 105
<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 2019</b>	252 355	2 621	1 064 953

<sup>1</sup> Retrospective adjustment relating to the adoption of IFRS 15 and IFRS 9.

<sup>2</sup> Related to retrospective withholding tax overprovision on the 2012 interim dividend.



Treasury shares	Share option reserve	Cash flow hedge reserve	Cost of hedging reserve	Foreign currency translation reserve	Distributable reserve	Total equity
(702 848)	747 613	15 382		(756)	3 234 710	3 300 350
			(10 919)		7 463	(3 456)
(702 848)	747 613	15 382	(10 919)	(756)	3 242 173	3 296 894
-	-	-	-	-	(559 324)	(559 324)
145	(510 713)	-	-	-	-	(283)
-	(510 713)	-	-	-	-	-
145	-	-	-	-	-	-
-	-	-	-	-	-	(283)
-	251 906	-	-	-	-	251 906
-	-	-	-	-	49 855	49 855
(45 820)	-	-	-	-	45 820	-
45 820	-	-	-	-	4 035	49 855
145	(258 807)	-	-	-	(509 469)	(257 846)
-	-	(13 440)	(10 194)	(405)	675 787	651 748
-	-	-	-	-	675 787	675 787
-	-	(13 440)	-	-	-	(13 440)
-	-	-	(10 194)	-	-	(10 194)
-	-	-	-	(405)	-	(405)
-	-	-	12 957	-	-	12 957
(702 703)	488 806	1 942	(8 156)	(1 161)	3 408 491	3 703 753
-	-	-	-	-	(252 254)	(252 254)
-	-	-	-	-	5 634	5 634
-	89 378	-	-	-	-	89 378
-	89 378	-	-	-	(246 620)	(157 242)
-	-	71 594	(8 215)	9 647	792 581	865 607
-	-	-	-	-	792 581	792 581
-	-	-	-	-	-	-
-	-	71 594	-	-	-	71 594
-	-	-	(8 215)	-	-	(8 215)
-	-	-	-	9 647	-	9 647
-	-	-	11 889	-	-	11 889
(702 703)	578 184	73 536	(4 482)	8 486	3 954 452	4 424 007
-	-	-	-	-	(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)
-	-	(82 950)	(7 421)	(4 980)	763 687	668 336
-	-	-	-	-	763 687	763 687
-	-	(82 950)	-	-	-	(82 950)
-	-	-	(7 421)	-	-	(7 421)
-	-	-	-	(4 980)	-	(4 980)
-	-	-	9 343	-	-	9 343
(756 432)	-	(9 414)	(2 560)	3 506	4 085 653	4 388 327

## CONSOLIDATED STATEMENT OF CASH FLOWS

R'000	Six months to 28 February 2019	Restated six months to 28 February 2018	Restated year to 31 August 2018
<b>Cash effects from operating activities</b>			
Operating profit before working capital changes (refer note 1)	<b>1 263 051</b>	1 110 552	2 264 349
Working capital changes (refer note 2)	<b>(412 635)</b>	(52 983)	191 206
Cash generated by operations	<b>850 416</b>	1 057 569	2 455 555
Interest received	<b>23 770</b>	12 339	25 757
Interest paid	<b>(2 811)</b>	(6 246)	(9 456)
Taxation paid	<b>(136 409)</b>	(173 973)	(267 341)
Cash inflow from operating activities before dividends paid	<b>734 966</b>	889 689	2 204 515
Dividends paid to shareholders	<b>(682 486)</b>	(559 324)	(811 578)
Net cash effects from operating activities	<b>52 480</b>	330 365	1 392 937
<b>Cash effects from investing activities</b>			
Investment in property, plant and equipment and intangibles to maintain operations	<b>(64 025)</b>	(48 631)	(121 286)
Investment in property, plant and equipment and intangibles to expand operations	<b>(199 931)</b>	(220 774)	(549 947)
Proceeds from disposal of property, plant and equipment	<b>1 433</b>	1 034	2 179
Disposal of investments	–	–	16 744
Acquisition of investments	–	–	(62 414)
Decrease/(increase) in loan receivables	<b>9 000</b>	(4 500)	(12 176)
Net cash effects from investing activities	<b>(253 523)</b>	(272 871)	(726 900)
<b>Cash effects from financing activities</b>			
Purchase of treasury shares	<b>(3 875)</b>	–	–
Proceeds from sale of treasury shares	–	–	49 855
Acquisition of derivative financial asset	<b>(66 313)</b>	(62 272)	(83 115)
Transaction cost on issue of shares	–	–	(283)
Settlement of derivative financial asset	<b>199 816</b>	190 848	190 848
Net cash effects from financing activities	<b>129 628</b>	128 576	157 305
Net (decrease)/increase in cash and cash equivalents	<b>(71 415)</b>	186 070	823 342
Cash and cash equivalents at the beginning of the period	<b>1 523 815</b>	700 473	700 473
<b>Cash and cash equivalents at the end of the period</b>	<b>1 452 400</b>	886 543	1 523 815

## STORE FOOTPRINT

	Clicks	Musica	The Body Shop	GNC	Claire's	Total retail
Number of stores at 28 February 2019	<b>680</b>	<b>106</b>	<b>61</b>	–	<b>6</b>	<b>853</b>
as at 31 August 2018	<b>663</b>	<b>109</b>	<b>59</b>	–	<b>6</b>	<b>837</b>
opened	<b>18</b>	–	<b>3</b>	–	–	<b>21</b>
closed	<b>(1)</b>	<b>(3)</b>	<b>(1)</b>	–	–	<b>(5)</b>
Presence in Clicks stores at 28 February 2019			<b>189</b>	<b>542</b>	<b>150</b>	
Number of pharmacies at 28 February 2019	<b>528</b>					<b>528</b>
as at 31 August 2018	<b>510</b>					<b>510</b>
new/converted	<b>18</b>					<b>18</b>
closed	–					–
Number of clinics at 28 February 2019	<b>204</b>					<b>204</b>

## NOTES TO THE CASH FLOW STATEMENT

R'000	Six months to 28 February 2019	Restated six months to 28 February 2018	Restated year to 31 August 2018
<b>Cash flow information</b>			
<b>1 Profit before working capital changes</b>			
Profit before tax	<b>1 059 205</b>	938 510	2 035 743
Adjustment for:			
Depreciation and amortisation	<b>191 062</b>	167 959	339 142
Operating lease accrual	<b>(3 210)</b>	5 664	9 113
(Profit)/loss on disposal of property, plant and equipment	<b>(491)</b>	112	1 287
Release of cash flow hedge to profit or loss	<b>21 018</b>	(55 263)	(160 386)
Equity-settled share option costs	<b>–</b>	50 752	50 752
Net financing (income)/cost	<b>(13 221)</b>	1 129	(2 065)
Decrease/(increase) in financial assets at fair value through profit or loss	<b>8 964</b>	2 315	(9 232)
Net undistributed profits of an associate	<b>(276)</b>	(626)	(5)
	<b>1 263 051</b>	1 110 552	2 264 349
<b>2 Working capital changes</b>			
Increase in inventories	<b>(588 007)</b>	(764 604)	(464 919)
(Increase)/decrease in trade and other receivables	<b>(294 937)</b>	18 527	(118 812)
Increase in trade and other payables	<b>681 365</b>	866 401	730 981
(Decrease)/increase in employee benefits	<b>(213 000)</b>	(171 567)	45 696
Increase/(decrease) in provisions	<b>1 944</b>	(1 740)	(1 740)
	<b>(412 635)</b>	(52 983)	191 206

## 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 2019	Feb 2018		Feb 2019	Feb 2018
Public Investment Corporation (SA)	<b>12.4%</b>	14.4%	South Africa and rest of Africa	<b>30.5%</b>	36.8%
Fidelity Management & Research (US)	<b>5.2%</b>	4.8%	Offshore holdings	<b>69.5%</b>	63.2%
Baillie Gifford & Co (UK)	<b>5.0%</b>	5.0%	USA and Canada	<b>42.9%</b>	42.0%
BlackRock (US and UK)	<b>4.4%</b>	1.6%	United Kingdom and Ireland	<b>9.5%</b>	8.2%
JPMorgan Asset Management (UK and US)	<b>4.1%</b>	3.5%	Europe	<b>8.0%</b>	6.6%
The Vanguard Group (US)	<b>3.7%</b>	3.2%	Other countries	<b>9.1%</b>	6.4%
RBC Global Asset Management (UK, US and Canada)	<b>3.5%</b>	2.5%			
GIC (Singapore)	<b>3.5%</b>	4.2%			
T. Rowe Price (UK and US)	<b>3.5%</b>	2.8%			
<i>Fund manager no longer managing over 3%:</i>					
Mawer Investment Management (Canada)	<b>–</b>	3.4%			

# SEGMENTAL ANALYSIS

For the six months ended 28 February 2019 R'000	Retail <sup>1</sup>	
	28 Feb 2019	Restated <sup>2</sup> 28 Feb 2018
<b>Statement of financial position</b>		
Property, plant and equipment	1 671 751	1 386 257
Intangible assets	441 300	437 183
Goodwill	6 529	6 529
Inventories	3 263 595	3 099 750
Trade and other receivables	497 136	473 966
Cash and cash equivalents	1 421 155	867 248
Other assets	990 434	1 389 868
<b>Total assets</b>	<b>8 291 900</b>	<b>7 660 801</b>
Employee benefits – non-current	169 952	147 293
Operating lease liability	198 929	198 690
Trade and other payables	3 228 614	3 144 536
Employee benefits – current	250 999	254 607
Other liabilities	2 074 892	1 895 125
<b>Total liabilities</b>	<b>5 923 386</b>	<b>5 640 251</b>
<b>Net assets</b>	<b>2 368 514</b>	<b>2 020 550</b>
<b>Statement of comprehensive income</b>		
Turnover	11 329 682	10 522 153
Gross profit	3 282 666	3 040 238
Other income	530 047	484 378
Total income	3 812 713	3 524 616
Expenses	(2 949 040)	(2 735 351)
Depreciation and amortisation	(159 053)	(143 166)
Occupancy costs	(497 980)	(457 678)
Employment costs	(1 547 304)	(1 427 655)
Other operating costs	(744 703)	(706 852)
Operating profit	863 673	789 265
<b>Ratios</b>		
Increase/(decrease) in turnover	(%) 7.7	13.2
Selling price inflation/(deflation)	(%) 1.0	2.6
Comparable stores turnover growth	(%) 4.5	7.2
Gross profit margin	(%) 29.0	28.9
Total income margin	(%) 33.7	33.5
Operating expenses as a percentage of turnover	(%) 26.0	26.0
Increase/(decrease) in operating expenses	(%) 7.8	12.4
Increase/(decrease) in operating profit	(%) 9.4	12.7
Operating profit margin	(%) 7.6	7.5
Inventory days	79	81
Trade debtor days	6	4
Trade creditor days	42	45
Net working capital days	43	40
Number of stores	853	824
as at the beginning of the period	824	795
opened	38	33
closed	(9)	(4)
Number of pharmacies	528	493
as at the beginning of the period	493	473
new/converted	36	22
closed	(1)	(2)
Total leased area	(m <sup>2</sup> ) 419 621	407 854
Weighted retail trading area	(m <sup>2</sup> ) 342 985	322 227
Weighted annual sales per m <sup>2</sup>	(R) 61 325	60 728
Number of permanent employees	14 763	14 844

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

<sup>2</sup> Retrospective adjustment relating to the adoption of IFRS 15 and IFRS 9



Distribution		Intragroup elimination		Total operations	
28 Feb 2019	Restated <sup>2</sup> 28 Feb 2018	28 Feb 2019	28 Feb 2018	28 Feb 2019	Restated <sup>2</sup> 28 Feb 2018
258 650	254 225	-	-	1 930 401	1 640 482
20 414	14 173	-	-	461 714	451 356
96 981	96 981	-	-	103 510	103 510
1 652 447	1 490 394	(80 786)	(45 362)	4 835 256	4 544 782
2 789 357	2 342 606	(660 025)	(572 525)	2 626 468	2 244 047
31 245	19 295	-	-	1 452 400	886 543
2 077 678	1 811 916	(2 477 028)	(2 261 629)	591 084	940 155
6 926 772	6 029 590	(3 217 839)	(2 879 516)	12 000 833	10 810 875
12 035	11 103	-	-	181 987	158 396
-	-	-	-	198 929	198 690
4 345 731	3 816 859	(662 740)	(577 592)	6 911 605	6 383 803
25 375	26 343	-	-	276 374	280 950
447 989	451 678	(2 479 270)	(2 261 520)	43 611	85 283
4 831 130	4 305 983	(3 142 010)	(2 839 112)	7 612 506	7 107 122
2 095 642	1 723 607	(75 829)	(40 404)	4 388 327	3 703 753
6 650 524	6 327 735	(2 646 067)	(2 417 315)	15 334 139	14 432 573
89 484	69 246	(8 098)	(1 592)	3 364 052	3 107 892
437 026	379 011	(79 523)	(66 739)	887 550	796 650
526 510	448 257	(87 621)	(68 331)	4 251 602	3 904 542
(332 180)	(295 528)	73 803	64 743	(3 207 417)	(2 966 136)
(18 189)	(17 334)	-	-	(177 242)	(160 500)
(1 532)	(1 324)	686	644	(498 826)	(458 358)
(131 125)	(117 576)	-	-	(1 678 429)	(1 545 231)
(181 334)	(159 294)	73 117	64 099	(852 920)	(802 047)
194 330	152 729	(13 818)	(3 588)	1 044 185	938 406
5.1	8.0	9.5	19.1	6.2	10.0
(0.2)	5.7	-	-	0.5	3.7
-	-	-	-	4.5	7.2
1.3	1.1	-	-	21.9	21.5
7.9	7.1	-	-	27.7	27.1
5.0	4.7	-	-	20.9	20.6
12.4	5.3	-	-	8.1	11.6
27.2	9.4	-	-	11.3	11.7
2.9	2.4	-	-	6.8	6.5
46	43	-	-	76	75
52	54	-	-	36	38
101	92	-	-	75	72
(3)	5	-	-	37	41
-	-	-	-	853	824
-	-	-	-	824	795
-	-	-	-	38	33
-	-	-	-	(9)	(4)
-	-	-	-	528	493
-	-	-	-	493	473
-	-	-	-	36	22
-	-	-	-	(1)	(2)
-	-	-	-	419 621	407 854
-	-	-	-	342 985	322 227
-	-	-	-	61 325	60 728
666	501	-	-	15 429	15 345

## 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

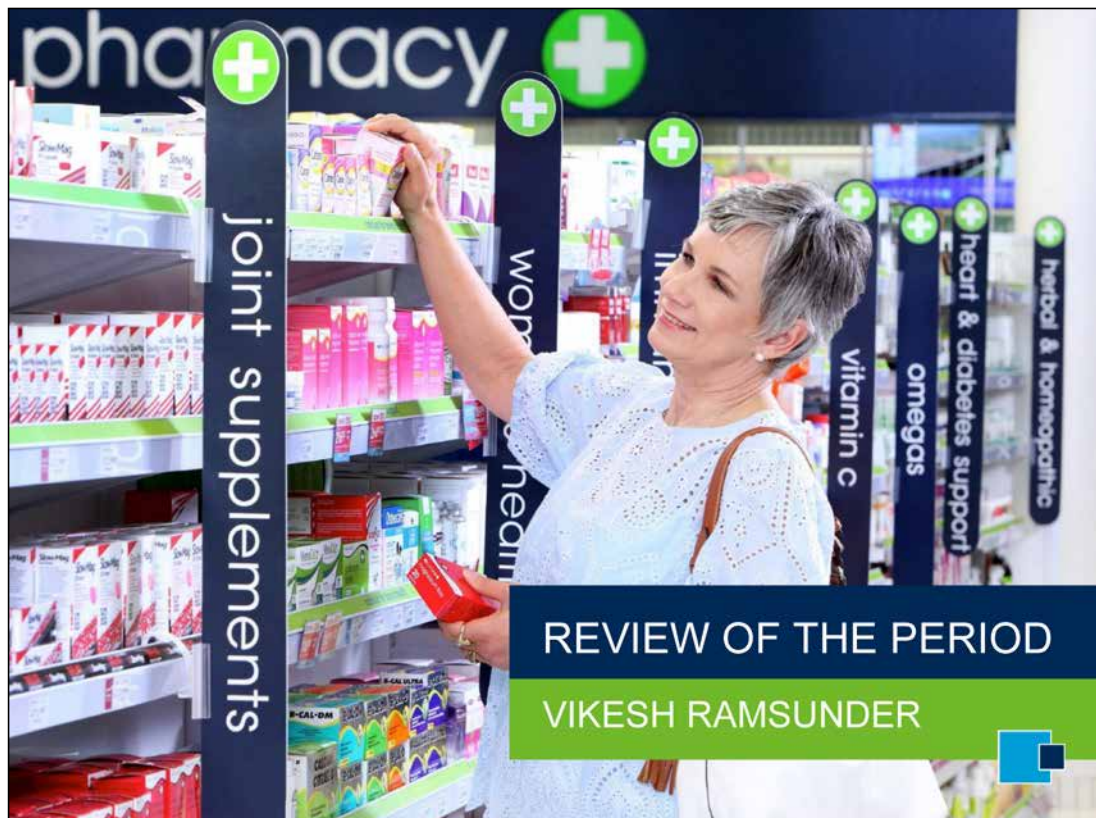
- Review of the period
- Financial results
- Trading performance
- Outlook
- Questions



CLICKS GROUP INTERIM RESULTS 2019 2



# PRESENTATION



## REVIEW OF THE PERIOD

- Good health & beauty sales performance
  - Strong volume growth, with low inflation
  - Market share gains
- Strong performance from UPD
  - Benefiting from four new bulk distribution contracts
- Diluted headline earnings per share up **13.2%**
- Further **R1.5 billion** value created via BBBEE share scheme
  - Total of R2.8 billion – average of R355 000 per employee
  - R100m donated to New Clicks Foundation to provide bursaries





## FINANCIAL HIGHLIGHTS

- Group turnover up **6.2%**
  - Health & beauty turnover up **8.5%**
  - UPD reported turnover up **5.1%**
- Operating margin up from 6.5% to **6.8%**
- Diluted HEPS up **13.2%** to 300.1 cps
- Further 8.1m shares issued for BBEE share scheme
- Return on equity of **35.2%**
- Interim dividend of 118.0 cps, up **15.1%**

# PRESENTATION

## TURNOVER

R'm	Feb 2019	Feb 2018	% change	% same stores growth	% inflation
Retail	11 330	10 522	7.7	4.5	1.0
Health & beauty			8.5		
Musica			(11.0)		
Distribution	6 650	6 328	5.1		(0.2)
Intragroup turnover	(2 646)	(2 417)	9.5		
<b>Total group</b>	<b>15 334</b>	<b>14 433</b>	<b>6.2</b>		<b>0.5</b>

- Strong volume growth in health & beauty brands
- UPD total managed turnover increased 21.9%  
(reported turnover does not include bulk distribution agency contracts)

CLICKS GROUP INTERIM RESULTS 2019 7

## TOTAL INCOME

	Feb 2019 R'm	Feb 2018* R'm	% change	Feb 2019 % margin	Feb 2018* % margin
Retail	3 813	3 525	8.2	33.7	33.5
Distribution	527	448	17.5	7.9	7.1
Intragroup	(88)	(68)			
<b>Total group</b>	<b>4 252</b>	<b>3 905</b>	<b>8.9</b>	<b>27.7</b>	<b>27.1</b>

- Retail margin growth driven by:
  - Shift to private label products
  - Mix impact
- UPD benefited from new contracts and timing of SEP increase

\* Restated for IFRS 15

CLICKS GROUP INTERIM RESULTS 2019 8

## OPERATING EXPENDITURE - RETAIL

R'm	Feb 2019	Feb 2018	% change
Depreciation and amortisation	159	143	11.1
Occupancy costs	498	458	8.8
Employment costs	1 547	1 427	8.4
Other operating costs	745	707	5.4
<b>Total retail costs</b>	<b>2 949</b>	<b>2 735</b>	<b>7.8</b>
% of turnover	26.0%	26.0%	

- Opened net 33 Clicks stores and 35 pharmacies in the last 12 months
- Comparable retail cost growth contained to **5.4%**

CLICKS GROUP INTERIM RESULTS 2019 9

## OPERATING EXPENDITURE - DISTRIBUTION

R'm	Feb 2019	Feb 2018	% change
Depreciation and amortisation	18	17	4.9
Occupancy costs	2	2	15.7
Employment costs	131	118	11.5
Other operating costs	181	159	13.8
<b>Total distribution costs</b>	<b>332</b>	<b>296</b>	<b>12.4</b>

- Expenses impacted by new bulk distribution contracts

CLICKS GROUP INTERIM RESULTS 2019 10

# PRESENTATION

## OPERATING PROFIT

	Feb 2019 R'm	Feb 2018* R'm	% change	Feb 2019 % margin	Feb 2018* % margin
Retail	864	789	9.4	7.6	7.5
Distribution	194	153	27.2	2.9	2.4
Intragroup	(14)	(4)			
<b>Total group</b>	<b>1 044</b>	<b>938</b>	<b>11.3</b>	<b>6.8</b>	<b>6.5</b>

- Both divisions leveraged margin despite low inflationary environment
- Musica remains profitable

\* Restated for IFRS 9 and IFRS 15

CLICKS GROUP INTERIM RESULTS 2019 11

## INVENTORY

	Days in stock		Inventory (R'm)		
	Feb 2019	Feb 2018	Feb 2019	Feb 2018*	% change
Retail	79	81	3 264	3 100	5.3
Distribution	46	43	1 652	1 490	10.9
Intragroup inventory			(81)	(45)	
<b>Total group</b>	<b>76</b>	<b>75</b>	<b>4 835</b>	<b>4 545</b>	<b>6.4</b>

- UPD impacted by stock buy-in over SEP increase period
- Group net working capital days improved from 41 to 37 days

\* Restated for IFRS 15

CLICKS GROUP INTERIM RESULTS 2019 12



## CASH GENERATION

R'm	Feb 2019	Feb 2018*
Profit before tax	1 059	939
Non-cash adjustments	204	172
<b>Operating profit before working capital changes</b>	<b>1 263</b>	<b>1 111</b>
Working capital changes	(413)	(53)
Net interest and tax paid	(115)	(168)
<b>Cash inflow from operations</b>	<b>735</b>	<b>890</b>

\* Restated for IFRS 9 and IFRS 15

CLICKS GROUP INTERIM RESULTS 2019 13

## CASH UTILISATION

R'm	Feb 2019	Feb 2018
<b>Cash inflow from operations</b>	<b>735</b>	<b>890</b>
Capital expenditure	(264)	(269)
Dividends paid	(682)	(559)
Share buy-backs	(4)	-
Other investing activities	10	(4)
Other financing activities	134	128
<b>Net cash (utilised)/generated</b>	<b>(71)</b>	<b>186</b>
<b>Cash and cash equivalents at period end</b>	<b>1 452</b>	<b>887</b>

Note: R490m paid in March 2019 for tax on ESOP allocations (2018: R389m)

CLICKS GROUP INTERIM RESULTS 2019 14

# PRESENTATION

## CAPITAL MANAGEMENT

- Group continues to be cash generative
  - Multi-year investment programme for supply chain and IT
  - Supporting organic growth through store openings/refurbishments
- R701m capex planned for FY2019
  - R364m on stores
  - R337m on infrastructure, including:
    - Phase 2 expansion of Clicks Centurion DC
    - Enhancing UPD capacity and infrastructure
    - Group IT

CLICKS GROUP INTERIM RESULTS 2019 15



**TRADING PERFORMANCE**

VIKESH RAMSUNDER

## HEALTH & BEAUTY SALES PERFORMANCE

	% change	% contribution
Pharmacy	8.9	29.1
Front shop health	9.5	22.7
Beauty and personal care	6.7	31.5
General merchandise	10.0	16.7
<b>Total turnover</b>	<b>8.5</b>	<b>100.0</b>

- Comparable stores turnover growth of **5.2%**
  - Inflation only 0.7%
  - Volume growth of 4.5%

CLICKS GROUP INTERIM RESULTS 2019 17

## MARKET SHARE GAINS



%	Feb 2019	Feb 2018
<b>Health</b>		
Retail pharmacy*	23.8	23.0
Front shop health**	31.3	31.1
Baby**	15.7	14.4
<b>Beauty and personal care</b>		
Skincare**	36.1	36.4
Haircare**	28.3	27.7
Personal care**	17.2	16.6
<b>General merchandise</b>		
Small household appliances***	14.4	14.8

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

CLICKS GROUP INTERIM RESULTS 2019 18

# PRESENTATION

## REVIEW OF THE PERIOD



- Good volumes in pharmacy
  - Generic sales +12.9%
  - OTC sales +13.8%
- Promotional sales +10.3%
  - 38.2% of turnover
- Private label and exclusive brands up from 22.1% to 22.9% of sales
  - Front shop at 29.7%
  - Pharmacy at 6.2%



CLICKS GROUP INTERIM RESULTS 2019 19

## PRIVATE LABEL COSMETICS



- Sorbet Cosmetics (launched March 2018)
  - 320 products
  - Largest range of foundation shades in SA market
- Exclusive brands include NYX, Max Factor, Revolution, Wet n Wild, The Body Shop
- 18% of cosmetics sales are private label and exclusive brands
  - Key differentiator



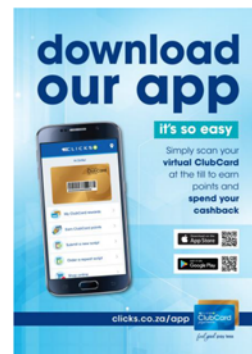
CLICKS GROUP INTERIM RESULTS 2019 20



## REVIEW OF THE PERIOD (CONTINUED)



- 7.6 million active ClubCard members
  - 77% of sales
- Digital platform performing well
  - Enhancements to the ClubCard app
  - Online is the fastest growing store
- Expanding Clicks store network
  - 17 new stores
  - 18 new pharmacies
  - 31 revamps

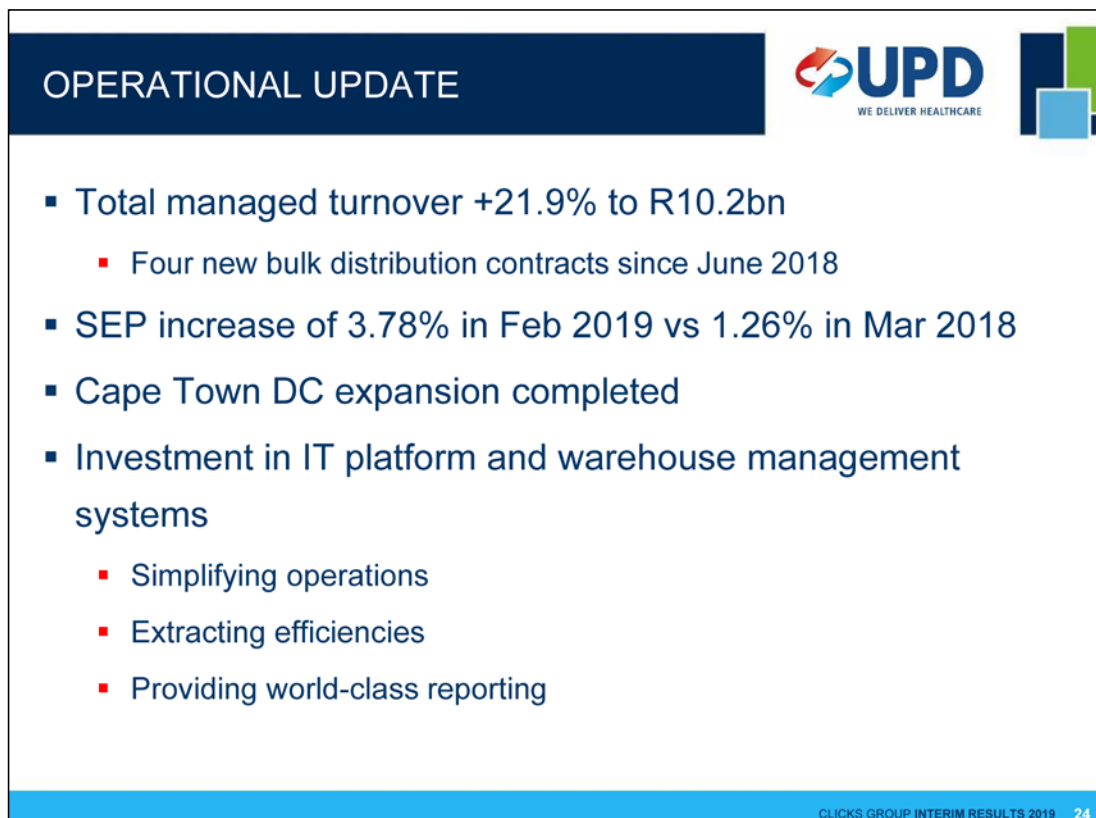
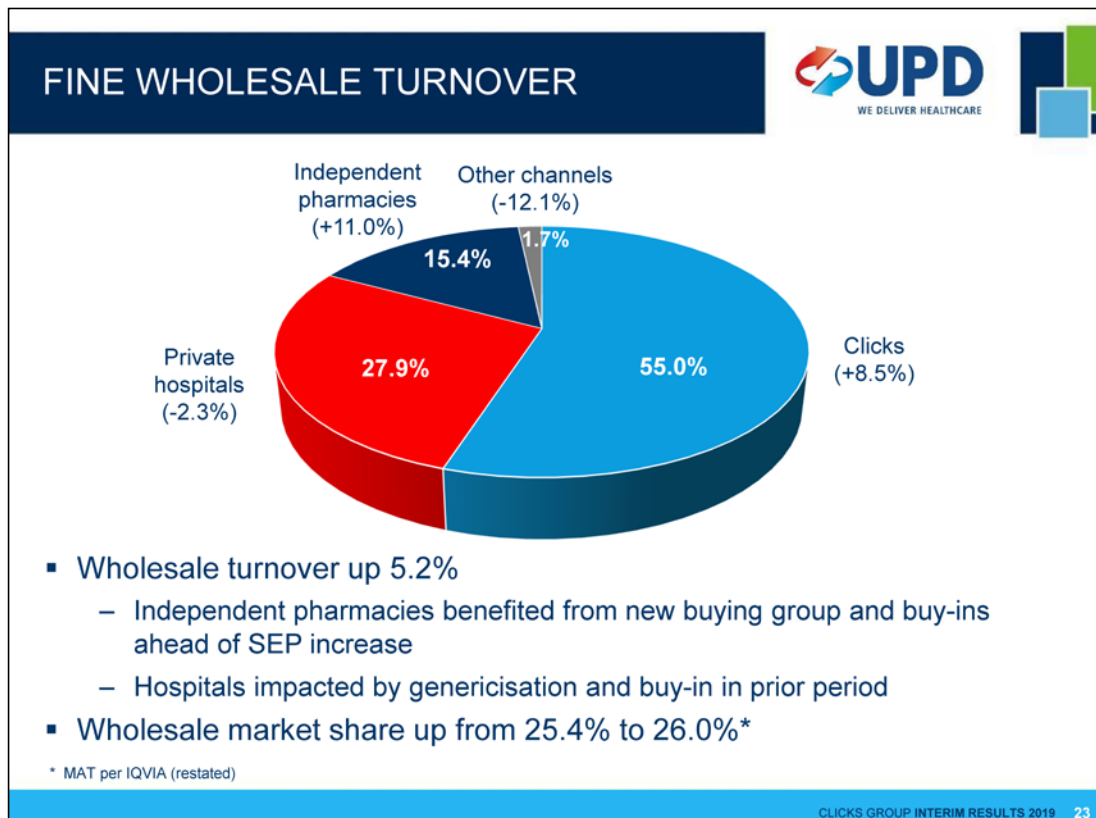


Format	Opened	Total
Convenience	14	496
Destination	3	184
<b>Total</b>	<b>17</b>	<b>680</b>





# PRESENTATION





## OUTLOOK

- Consumer environment will remain very challenging
- Impact of electricity load shedding
- Selling price inflation to increase marginally in H2
- Health & beauty markets and business model are resilient
- Clicks will open 41 stores this year
- UPD to benefit from additional two bulk distribution contracts starting in H2 and slightly higher SEP increase
- Forecast **10 – 15%** growth in diluted HEPS for FY2019

# PRESENTATION



The slide features the Clicks Group logo at the top left and the text 'OWN YOUR SHARE #ShareWithClicks' in large blue letters. Below this, it says 'THE CLICKS GROUP EMPLOYEE SHARE PROGRAM'. The central image shows three diverse women smiling. A dark blue banner at the bottom right contains the text 'THANK YOU' in white capital letters.

## DISCLAIMER

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

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

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

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

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

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

# CORPORATE INFORMATION

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

**Directors:** DM Nurek\* (Chairman), F Abrahams\*, JA Bester\*, F Daniels\*, BD Engelbrecht, M Fleming (Chief Financial Officer), NN Gobodo\*, V Ramsunder (Chief Executive Officer), M Rosen\*

\* 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

**Share code:** CLS      **ISIN:** ZAE000134854      **CUSIP:** 18682W205

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# NOTES





[www.clicksgroup.co.za](http://www.clicksgroup.co.za)

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