

**CLICKS GROUP**  
LIMITED

**Unaudited interim condensed  
consolidated results for  
the six months ended  
29 February 2024**



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## Key features

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Group turnover up

**9.0%**

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Retail turnover up

**12.4%**

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Operating margin up

**30 bps**

to 8.5%

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Diluted HEPS up

**13.0%**

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Interim dividend up

**13.5%**

to 210 cents per share

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**R2.0 billion**

returned to shareholders

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Return on equity up to

**43.4%**

# Financial summary

		Six months to 29 February 2024	Six months to 28 February 2023	% change	Year to 31 August 2023
<b>Consolidated statement of comprehensive income</b>					
Turnover	R'000	21 804 067	20 005 786	9.0%	41 621 681
Gross profit	R'000	5 147 251	4 473 179	15.1%	9 313 851
Total income	R'000	6 585 748	5 774 090	14.1%	12 160 474
Headline earnings	R'000	1 273 435	1 152 127	10.5%	2 542 916
Net financing cost	R'000	(117 097)	(61 603)	90.1%	(139 352)
<b>Consolidated statement of financial position</b>					
Equity	R'000	5 235 769	5 727 773	(8.6%)	5 964 814
Total assets	R'000	18 590 680	17 462 718	6.5%	19 034 854
<b>Consolidated statement of cash flows</b>					
Net cash effects from operating activities	R'000	(26 375)	(136 514)		3 310 073
Capital expenditure	R'000	313 682	350 552	(10.5%)	930 004
Capital commitments	R'000	617 160	606 988	1.7%	879 550
Depreciation and amortisation	R'000	851 618	746 681	14.1%	1 519 026
<b>Performance</b>					
Turnover growth	%	9.0	2.3		5.1
Comparable stores turnover growth	%	8.8	1.7		3.5
Gross profit growth	%	15.1	8.2		10.5
Gross profit margin	%	23.6	22.4		22.4
Total income growth	%	14.1	5.6		7.6
Total income margin	%	30.2	28.9		29.2
Operating margin	%	8.5	8.2		8.7
Net working capital days		44	47		34
Inventory days		86	81		71
Trade debtor days		29	32		34
Trade creditor days		71	66		71
Current ratio	:1	1.0	1.2		1.1
Return on total assets	%	13.2	12.5		13.8
Return on shareholders' interest	%	43.4	41.2		43.6
Return on invested capital (ROIC)	%	28.0	24.7		28.4
Shareholders' interest to total assets	%	28.2	32.8		31.3
Interest-bearing debt, including cash, to shareholders' interest at period-end	%	54.4	36.2		13.1
<b>Statistics</b>					
Number of permanent employees		18 741	17 476	7.2%	18 447
Number of stores		970	921	5.3%	950
Weighted retail trading area	m <sup>2</sup>	441 425	420 712	4.9%	425 440
<b>Share statistics</b>					
Number of ordinary shares in issue	'000	238 062	243 970	(2.4%)	241 161
Weighted average diluted number of shares in issue	'000	238 632	243 970	(2.2%)	243 460
Headline earnings per share					
- basic	cents	533.6	472.2	13.0%	1 044.5
- diluted	cents	533.6	472.2	13.0%	1 044.5
Dividend per share					
- interim	cents	210.0	185.0		185.0
- final	cents	-	-		494.0
Dividend payout ratio	%	39.4	39.2		65.0
Share price					
- closing	cents	30 009	26 750	12.2%	27 350
- high	cents	32 571	31 764		31 764
- low	cents	23 758	25 883		23 442
Net asset value per share	cents	2 199	2 348	(6.3%)	2 473
Net tangible asset value per share	cents	1 712	2 015	(15.0%)	1 987
Market capitalisation	R'000	71 440 026	65 261 975	9.5%	65 957 534
Price earnings ratio	times	30.1	30.3		26.2
Volume of ordinary shares traded	'000	104 388	94 332		185 110
Percentage of ordinary shares traded	%	43.7	38.7		76.0
Free float	%	99.9	99.9		99.9
Shareholders' return	cents	2 869	(2 867)		(1 773)
Change in share price	cents	2 659	(3 052)		(2 452)
Dividend per share	cents	210	185		679
<b>Other information</b>					
Inflation rate					
CPI	%	5.6	7.0		4.8
Internal selling price inflation	%	5.5	4.7		4.9
Interest rates					
Prime overdraft rate					
- closing	%	11.75	10.75		11.75
- average	%	11.75	10.33		10.96
FTSE/JSE Africa share indices					
All Share Index		72 730	77 734	(6.4%)	74 954
General Retailers Index		5 940	6 124	(3.0%)	5 875
Food and Drug Retailers Index		14 592	13 668	6.8%	14 269
Exchange rate					
Rand/US dollar					
- closing	R/US\$	19.26	18.45	4.4%	18.71
- average	R/US\$	18.83	17.57	7.2%	18.07

# Commentary

## Overview

Clicks Group again showed its resilience in overcoming mounting headwinds in the trading environment and gained market share across the retail health and beauty categories, grew private label products, strengthened margins, generated robust cash flows and improved returns to shareholders. This translated into an increase of 13.0% in the group's diluted headline earnings per share (HEPS) for the half year.

Clicks produced strong turnover and profit growth, driven primarily by the higher demand in the beauty and personal care categories. Growth was supported by the Clicks ClubCard loyalty programme which has grown to 11 million active members, gaining 1 million new members in the past year.

Clicks opened its 900<sup>th</sup> store in February as the brand expanded its retail footprint to 902 stores with the opening of a net 41 new stores in the past year. A further 27 pharmacies were opened, extending the national pharmacy presence to 718.

The acquisitions of Sorbet, M-Kem and software development company 180 Degrees, which were completed in the previous financial year, have been successfully integrated into the group's operations and are performing ahead of pre-acquisition expectations.

UPD is now positioned for growth following the completion of the large-scale systems implementation early in the reporting period and to benefit from the higher increase in the regulated single exit price (SEP) of medicines relative to the prior year. UPD's stated strategy of rationalising its bulk distribution portfolio to focus on profitable clients has adversely impacted turnover through the non-renewal of two contracts. The strategy is, however, expected to benefit margin and support the acquisition of profitable new clients.

The group returned R2.0 billion to shareholders in dividend payments and share buybacks in the six months. Since 2006, the group has returned R19.1 billion to shareholders in dividends (R12.1 billion) and buybacks (R7.0 billion).

## Financial performance

Group turnover increased by 9.0% to R21.8 billion. Retail turnover, which includes Clicks, GNC, The Body Shop and Sorbet corporate stores, increased by 12.4%. Distribution turnover growth of 1.3% was impacted by the systems implementation at the main UPD distribution centre.

Total income grew by 14.1% to R6.6 billion. The retail margin expanded by 60 basis points due to the strong growth in higher margin private label products, the good performance of the beauty category and Sorbet franchise fees. The distribution margin increased by 80 basis points as UPD benefited from the higher SEP increase. The group's total income margin expanded by 130 basis points to 30.2% as a result of the stronger growth of retail relative to distribution.

Retail costs grew by 14.8% mainly due to higher depreciation charges, lease liabilities, provisions for employee incentives, advertising and electricity costs. The three acquisitions completed in the prior financial year added 3.0% to cost growth. Comparable retail costs grew by 8.7%. Distribution costs increased by 10.8% due to higher depreciation charges relating to the investment in systems as well as increased employment costs to maintain service levels during the systems implementation.

Group operating profit increased by 13.5% to R1.9 billion while the group's operating margin increased by 30 basis points to 8.5%.

Headline earnings grew by 10.5% to R1.3 billion. Earnings per share increased by 12.9% to 533 cents with HEPS and diluted HEPS increasing by 13.0% to 534 cents, benefiting from share buybacks in the last 12 months.

Working capital was well managed, with the group's net working capital days improving from 47 to 44 days. Retail inventory days reduced to 82 days (H1 2023: 85) while UPD increased stock levels ahead of the SEP increase which contributed to inventory days moving from 48 to 61 days.

Cash generated from operating activities before dividends paid totalled R1.1 billion. Capital expenditure of R314 million was reinvested mainly in new stores and pharmacies, store refurbishments, supply chain and information technology. The group has invested R36 million in renewable energy solutions, including the recent installation of additional solar panels and battery storage at the head office and UPD's main distribution centre. At end February 2024, the group held cash resources of R853 million.

## Outlook

Consumer spending will remain constrained owing to inflationary cost pressures while potential disruption ahead of the general election in May and the resumption of load shedding pose risks to the trading environment.

Clicks plans to accelerate its store expansion programme by opening 50 – 55 stores for the 2024 financial year and remains committed to its longer-term target of 1 200 stores. A further 10 – 20 pharmacies are planned to be opened.

UPD is expected to deliver a stronger second half as the wholesaler continues to improve performance following the recent systems implementation and benefits further from the higher SEP increase.

Capital investment of R920 million is planned for the full financial year. This includes R514 million for new stores and pharmacies, and store refurbishments. A further R406 million will be invested in supply chain, technology and infrastructure, including the ongoing investment in renewable energy solutions.

## Full-year earnings forecast

The directors forecast that the group's diluted HEPS for the financial year ending 31 August 2024 will increase by between 10% and 15% over the 2023 financial year.

This forecast is based on the assumptions that the trading environment will remain constrained in the second half of the 2024 financial year, with continued high levels of consumer inflation, uncertainty ahead of the general election in May, ongoing electricity load shedding and no changes in the regulatory environment.

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 29 February 2024 of 210.0 cents per share (2023: 185.0 cents per share). The source of the dividend will be from distributable reserves and paid in cash.

## Additional information

Dividends Tax (DT) of 20% amounting to 42.0 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 168.0 cents per share net of DT.

Clicks Group has 238 062 465 ordinary shares and 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 to trade "cum" the dividend	Tuesday, 25 June 2024
Shares trade "ex" the dividend	Wednesday, 26 June 2024
Record date	Friday, 28 June 2024
Payment to shareholders	Monday, 1 July 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 26 June 2024 and Friday, 28 June 2024, both days inclusive.

**David Nurek**  
Chairman

**Bertina Engelbrecht**  
Chief executive officer

**Gordon Traill**  
Chief financial officer

Cape Town  
25 April 2024

# Consolidated statement of comprehensive income

R'000	Six months to 29 February 2024	Six months to 28 February 2023	% change	Year to 31 August 2023
Revenue	23 288 608	21 353 432		44 560 532
<b>Turnover</b>	<b>21 804 067</b>	20 005 786	9.0	41 621 681
Cost of merchandise sold	(16 656 816)	(15 532 607)	7.2	(32 307 830)
<b>Gross profit</b>	<b>5 147 251</b>	4 473 179	15.1	9 313 851
Other income	1 438 497	1 300 911	10.6	2 846 623
<b>Total income</b>	<b>6 585 748</b>	5 774 090	14.1	12 160 474
Expenses	(4 722 903)	(4 132 444)	14.3	(8 537 435)
Depreciation and amortisation	(821 040)	(716 436)	14.6	(1 460 574)
Occupancy costs	(101 733)	(90 866)	12.0	(189 309)
Employment costs	(2 420 722)	(2 130 179)	13.6	(4 393 494)
Other costs	(1 378 330)	(1 200 459)	14.8	(2 485 393)
Impairment (allowance)/recovery – IFRS 9 ECL	(1 078)	5 496		(8 665)
<b>Operating profit</b>	<b>1 862 845</b>	1 641 646	13.5	3 623 039
Loss on disposal of property, plant and equipment	(2 338)	(508)		(7 381)
<b>Profit before financing costs</b>	<b>1 860 507</b>	1 641 138	13.4	3 615 658
Net financing expense	(117 097)	(61 603)	90.1	(139 352)
Financial income	46 044	46 735	(1.5)	92 228
Financial expense	(163 141)	(108 338)	50.6	(231 580)
<b>Profit before earnings from associates</b>	<b>1 743 410</b>	1 579 535	10.4	3 476 306
Share of loss of associates	(3 701)	(3 945)		(5 201)
<b>Profit before taxation</b>	<b>1 739 709</b>	1 575 590	10.4	3 471 105
Income tax expense	(467 981)	(423 834)	10.4	(933 577)
<b>Profit for the period</b>	<b>1 271 728</b>	1 151 756	10.4	2 537 528
<b>Other comprehensive income:</b>				
Items that will not be subsequently reclassified to profit or loss, net of tax				
Remeasurement of post-employment benefit obligations	-	-		(159)
Items that may be subsequently reclassified to profit or loss, net of tax				
Exchange differences on translation of foreign subsidiaries	(166)	6 140		6 353
Cash flow hedges	28 886	22 927		53 226
Cost of hedging reserve	(9 940)	(8 649)		(17 846)
<b>Other comprehensive income for the period, net of tax</b>	<b>18 780</b>	20 418		41 574
<b>Total comprehensive income for the period</b>	<b>1 290 508</b>	1 172 174		2 579 102
Earnings per share (cents)	532.9	472.1	12.9	1 042.3
Diluted earnings per share (cents)	532.9	472.1	12.9	1 042.3

# Consolidated statement of financial position

R'000	As at 29 February 2024	As at 28 February 2023	As at 31 August 2023
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>7 666 722</b>	6 601 366	7 201 109
Property, plant and equipment	2 633 499	2 443 186	2 643 136
Right-of-use assets	3 353 518	2 874 607	2 999 297
Intangible assets	950 855	710 059	968 207
Goodwill	208 244	102 806	204 829
Deferred tax assets	159 974	156 684	70 423
Investment in associates	17 513	35 348	21 214
Loans receivable	171 396	97 210	130 597
Financial assets at fair value through profit or loss	171 723	164 551	163 406
Derivative financial assets	-	16 915	-
<b>Current assets</b>	<b>10 923 958</b>	10 861 352	11 833 745
Inventories	7 576 991	6 692 060	6 309 809
Trade and other receivables	2 465 704	2 958 128	3 019 488
Loans receivable	8 408	16 703	28 030
Cash and cash equivalents	853 059	1 155 523	2 455 176
Derivative financial assets	19 796	38 938	21 242
<b>Total assets</b>	<b>18 590 680</b>	17 462 718	19 034 854
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>5 235 769</b>	5 727 773	5 964 814
Share capital	2 381	2 440	2 412
Share premium	1 064 953	1 064 953	1 064 953
Cash flow hedge reserve	6 040	(8 550)	(2 984)
Cost of hedging reserve	(4 978)	(3 188)	(6 166)
Foreign currency translation reserve	(673)	(720)	(507)
Distributable reserve	4 168 046	4 672 838	4 907 106
<b>Non-current liabilities</b>	<b>2 722 188</b>	2 314 979	2 270 392
Lease liabilities	2 535 631	2 184 338	2 152 485
Employee benefits	140 684	94 697	117 907
Deferred tax liabilities	45 873	35 944	-
<b>Current liabilities</b>	<b>10 632 723</b>	9 419 966	10 799 648
Trade and other payables	9 137 929	8 071 611	9 268 898
Lease liabilities	1 168 068	1 046 852	1 086 440
Employee benefits	235 158	203 542	295 942
Income tax payable	91 388	97 961	146 735
Derivative financial liabilities	180	-	1 633
<b>Total equity and liabilities</b>	<b>18 590 680</b>	17 462 718	19 034 854

# Consolidated statement of changes in equity

R'000	Number of shares '000	Share capital	Share premium
<b>Balance at 1 September 2022</b>	243 970	2 440	1 064 953
<b>Transactions with owners, recorded directly in equity</b>			
Dividends paid to shareholders	-	-	-
<b>Total transactions with owners</b>	-	-	-
<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 reserves to inventories	-	-	-
<b>Balance at 28 February 2023</b>	<b>243 970</b>	<b>2 440</b>	<b>1 064 953</b>
<b>Transactions with owners, recorded directly in equity</b>			
Dividends paid to shareholders	-	-	-
Shares repurchased and cancelled	(2 809)	(28)	-
<b>Total transactions with owners</b>	<b>(2 809)</b>	<b>(28)</b>	<b>-</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 reserves to inventories	-	-	-
<b>Balance at 31 August 2023</b>	<b>241 161</b>	<b>2 412</b>	<b>1 064 953</b>
<b>Transactions with owners, recorded directly in equity</b>			
Dividends paid to shareholders	-	-	-
Shares repurchased and cancelled	(3 099)	(31)	-
<b>Total transactions with owners</b>	<b>(3 099)</b>	<b>(31)</b>	<b>-</b>
<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 reserves to inventories	-	-	-
<b>Balance at 29 February 2024</b>	<b>238 062</b>	<b>2 381</b>	<b>1 064 953</b>



Cash flow hedge reserve	Cost of hedging reserve	Foreign currency translation reserve	Distributable reserve	Total equity
7 234	(4 983)	(6 860)	4 636 023	5 698 807
-	-	-	(1 114 941)	(1 114 941)
-	-	-	(1 114 941)	(1 114 941)
22 927	(8 649)	6 140	1 151 756	1 172 174
-	-	-	1 151 756	1 151 756
22 927	-	-	-	22 927
-	(8 649)	-	-	(8 649)
-	-	6 140	-	6 140
(38 711)	10 444	-	-	(28 267)
<b>(8 550)</b>	<b>(3 188)</b>	<b>(720)</b>	<b>4 672 838</b>	<b>5 727 773</b>
-	-	-	<b>(447 853)</b>	<b>(447 853)</b>
-	-	-	<b>(703 492)</b>	<b>(703 520)</b>
-	-	-	<b>(1 151 345)</b>	<b>(1 151 373)</b>
<b>30 299</b>	<b>(9 197)</b>	<b>213</b>	<b>1 385 613</b>	<b>1 406 928</b>
-	-	-	<b>1 385 772</b>	<b>1 385 772</b>
-	-	-	<b>(159)</b>	<b>(159)</b>
<b>30 299</b>	-	-	-	<b>30 299</b>
-	<b>(9 197)</b>	-	-	<b>(9 197)</b>
-	-	<b>213</b>	-	<b>213</b>
<b>(24 733)</b>	<b>6 219</b>	-	-	<b>(18 514)</b>
<b>(2 984)</b>	<b>(6 166)</b>	<b>(507)</b>	<b>4 907 106</b>	<b>5 964 814</b>
-	-	-	<b>(1 176 029)</b>	<b>(1 176 029)</b>
-	-	-	<b>(834 759)</b>	<b>(834 790)</b>
-	-	-	<b>(2 010 788)</b>	<b>(2 010 819)</b>
<b>28 886</b>	<b>(9 940)</b>	<b>(166)</b>	<b>1 271 728</b>	<b>1 290 508</b>
-	-	-	<b>1 271 728</b>	<b>1 271 728</b>
<b>28 886</b>	-	-	-	<b>28 886</b>
-	<b>(9 940)</b>	-	-	<b>(9 940)</b>
-	-	<b>(166)</b>	-	<b>(166)</b>
<b>(19 862)</b>	<b>11 128</b>	-	-	<b>(8 734)</b>
<b>6 040</b>	<b>(4 978)</b>	<b>(673)</b>	<b>4 168 046</b>	<b>5 235 769</b>

# Consolidated statement of cash flows

R'000	Six months to 29 February 2024	Six months to 28 February 2023	Year to 31 August 2023
<b>Cash effects from operating activities</b>			
Profit before working capital changes (refer note 1)	2 718 166	2 346 050	5 190 836
Working capital changes (refer note 2)	(888 586)	(871 924)	672 811
Cash generated by operations	1 829 580	1 474 126	5 863 647
Interest received	46 034	46 735	92 228
Interest paid	(155 178)	(102 319)	(218 946)
Taxation paid	(570 782)	(544 724)	(968 671)
Acquisition of derivative financial asset used to hedge the long term incentive scheme	-	-	-
Settlement of derivative financial asset used to hedge the long term incentive scheme	-	104 609	104 609
Cash inflow from operating activities before dividends paid	1 149 654	978 427	4 872 867
Dividends paid to shareholders	(1 176 029)	(1 114 941)	(1 562 794)
Net cash effects from operating activities	(26 375)	(136 514)	3 310 073
<b>Cash effects from investing activities</b>			
Investment in property, plant and equipment and intangible assets to maintain operations	(145 537)	(105 245)	(356 542)
Investment in property, plant and equipment and intangible assets to expand operations	(168 145)	(245 307)	(573 462)
Proceeds from disposal of property, plant and equipment	149	635	13 972
Acquisition of investments (refer note 3)	(6 545)	-	(241 008)
Investment in associate	-	(7 570)	(14 193)
Loan to associate	(30 000)	-	-
Repayment of loan by associate	-	4 717	4 717
Other loans receivable repaid	8 833	296	-
Other loans receivable advanced	-	-	(44 418)
Net cash effects from investing activities	(341 245)	(352 474)	(1 210 934)
<b>Cash effects from financing activities</b>			
Shares repurchased	(834 790)	-	(703 520)
Repayment of lease liabilities	(399 707)	(370 042)	(954 996)
Net cash effects from financing activities	(1 234 497)	(370 042)	(1 658 516)
Net (decrease)/increase in cash and cash equivalents	(1 602 117)	(859 030)	440 623
Cash and cash equivalents at the beginning of the period	2 455 176	2 014 553	2 014 553
<b>Cash and cash equivalents at the end of the period</b>	<b>853 059</b>	<b>1 155 523</b>	<b>2 455 176</b>

# Notes to the cash flow statement

R'000	Six months to 29 February 2024	Six months to 28 February 2023	Year to 31 August 2023
<b>Cash flow information</b>			
<b>1. Profit before working capital changes</b>			
Profit before tax	1 739 709	1 575 590	3 471 105
Adjustment for:			
Non-cash flow items:			
Depreciation and amortisation	851 618	746 681	1 519 026
Fair value adjustments on financial assets at fair value through profit or loss	(8 317)	(19 499)	(18 354)
Net loss of associates	3 701	5 081	7 706
Release of cash flow hedge to profit or loss	12 020	(23 914)	64 620
Items presented elsewhere in the consolidated statement of cash flows:			
Loss on disposal of property, plant and equipment	2 338	508	7 381
Net financing expense	117 097	61 603	139 352
	<b>2 718 166</b>	<b>2 346 050</b>	<b>5 190 836</b>
<b>2. Working capital changes</b>			
Increase in inventories	(1 264 700)	(525 148)	(127 165)
Decrease in trade and other receivables	553 784	88 912	50 357
(Decrease)/increase in trade and other payables	(131 700)	(243 502)	833 028
Decrease in employee benefits	(45 970)	(192 186)	(83 409)
	<b>(888 586)</b>	<b>(871 924)</b>	<b>672 811</b>
<b>3. Acquisition of investments</b>			
The group acquired interest in H. Mallach and Associates Proprietary Limited (trading as M-Kem) during the prior financial year. The cash paid to obtain control was as follows:			
Total purchase price paid in cash			50 000
Less: Cash of H. Mallach and Associates Proprietary Limited			(8 789)
<b>Cash paid to obtain control net of cash acquired</b>			<b>41 211</b>
The group acquired interest in 180 Degrees Marketing Proprietary Limited during the prior financial year. The cash paid to obtain control was as follows:			
Total purchase price paid in cash			120 000
Less: Cash of 180 Degrees Marketing Proprietary Limited			(5 441)
<b>Cash paid to obtain control net of cash acquired</b>			<b>114 559</b>
The group acquired interest in Sorbet Group Proprietary Limited during the prior financial year. The cash paid to obtain control was as follows:			
Total purchase price paid in cash			105 000
Less: Cash of Sorbet Group Proprietary Limited			(19 762)
<b>Cash paid to obtain control net of cash acquired</b>			<b>85 238</b>
Sorbet Group Proprietary Limited acquired corporate stores during the current financial period. The cash paid was as follows:			
Total purchase price paid in cash	6 545		
Less: Cash of corporate stores	-		
<b>Cash paid to obtain control net of cash acquired</b>	<b>6 545</b>		

# Segmental analysis

For the six months to 29 February 2024

R'000	Retail <sup>1</sup>		
	29 February 2024	28 February 2023	
<b>Statement of financial position</b>			
Property, plant and equipment	2 298 455	2 160 615	
Right-of-use assets	3 315 787	2 818 695	
Intangible assets	761 136	551 223	
Goodwill	111 968	6 529	
Inventories	5 095 161	4 740 397	
Trade and other receivables	747 413	780 905	
Cash and cash equivalents	799 706	1 167 561	
Other assets	1 014 915	1 024 009	
<b>Total assets</b>	<b>14 144 541</b>	<b>13 249 934</b>	
Employee benefits - non-current	128 558	90 923	
Lease liabilities	3 667 382	3 178 501	
Trade and other payables	5 833 423	4 859 200	
Employee benefits - current	217 423	191 775	
Other liabilities	3 588 645	3 228 515	
<b>Total liabilities</b>	<b>13 435 431</b>	<b>11 548 914</b>	
<b>Net assets</b>	<b>709 110</b>	<b>1 701 020</b>	
<b>Statement of comprehensive income</b>			
Turnover	17 283 068	15 375 622	
Gross profit	5 098 845	4 442 460	
Other income	870 443	763 018	
Total income	5 969 288	5 205 478	
Expenses	(4 267 294)	(3 718 374)	
Depreciation and amortisation	(785 283)	(692 984)	
Occupancy costs	(101 239)	(89 762)	
Employment costs	(2 224 372)	(1 957 624)	
Other costs	(1 156 256)	(984 142)	
Impairment (allowance)/recovery - IFRS 9 ECL	(144)	6 138	
<b>Operating profit/(loss)</b>	<b>1 701 994</b>	<b>1 487 104</b>	
<b>Ratios</b>			
Increase/(decrease) in turnover	%	12.4	5.5
Selling price inflation	%	7.4	6.6
Comparable stores turnover growth	%	8.8	1.7
Gross profit margin	%	29.5	28.9
Total income margin	%	34.5	33.9
Operating expenses as a percentage of turnover	%	24.7	24.2
Increase in operating expenses	%	14.8	8.1
Increase/(decrease) in operating profit	%	14.5	4.9
Operating profit margin	%	9.8	9.7
Inventory days		82	85
Trade debtor days		6	7
Trade creditor days		58	55
Net working capital days		30	37
Number of stores		970	921
as at 28 February 2023		921	858
opened/acquired <sup>2</sup>		53	71
closed		(4)	(8)
Number of pharmacies		718	691
as at 28 February 2023		691	646
new/converted		30	53
closed		(3)	(8)
Total leased area	m <sup>2</sup>	539 487	523 691
Weighted retail trading area	m <sup>2</sup>	441 425	420 712
Weighted annual sales per m <sup>2</sup>	R	72 339	67 517
Number of permanent employees		18 206	16 866
Capital expenditure	R	275 718	259 983

<sup>1</sup> Retail includes Clicks + The Body Shop + Group Services + Sorbet + 180 Degrees Marketing

<sup>2</sup> Opened/acquired stores excludes 187 Sorbet franchise stores, but includes 7 corporate stores

Distribution		Intragroup elimination		Total operations	
29 February 2024	28 February 2023	29 February 2024	28 February 2023	29 February 2024	28 February 2023
335 044	282 571	-	-	2 633 499	2 443 186
37 731	55 912	-	-	3 353 518	2 874 607
189 719	158 836	-	-	950 855	710 059
96 276	96 277	-	-	208 244	102 806
2 668 678	2 101 379	(186 848)	(149 716)	7 576 991	6 692 060
2 507 850	2 926 188	(789 559)	(748 965)	2 465 704	2 958 128
53 353	(12 038)	-	-	853 059	1 155 523
3 551 221	3 163 075	(4 017 326)	(3 660 735)	548 810	526 349
9 439 872	8 772 200	(4 993 733)	(4 559 416)	18 590 680	17 462 718
12 126	3 774	-	-	140 684	94 697
36 317	52 689	-	-	3 703 699	3 231 190
4 100 950	3 968 261	(796 444)	(755 850)	9 137 929	8 071 611
17 735	11 767	-	-	235 158	203 542
564 194	564 197	(4 015 398)	(3 658 807)	137 441	133 905
4 731 322	4 600 688	(4 811 842)	(4 414 657)	13 354 911	11 734 945
4 708 550	4 171 512	(181 891)	(144 759)	5 235 769	5 727 773
8 148 381	8 045 869	(3 627 382)	(3 415 705)	21 804 067	20 005 786
76 537	51 580	(28 131)	(20 861)	5 147 251	4 473 179
707 201	655 137	(139 147)	(117 244)	1 438 497	1 300 911
783 738	706 717	(167 278)	(138 105)	6 585 748	5 774 090
(587 502)	(530 324)	131 893	116 254	(4 722 903)	(4 132 444)
(35 757)	(23 452)	-	-	(821 040)	(716 436)
(1 333)	(1 928)	839	824	(101 733)	(90 866)
(196 350)	(172 555)	-	-	(2 420 722)	(2 130 179)
(353 128)	(331 747)	131 054	115 430	(1 378 330)	(1 200 459)
(934)	(642)	-	-	(1 078)	5 496
196 236	176 393	(35 385)	(21 851)	1 862 845	1 641 646
1.3	(1.8)	6.2	6.6	9.0	2.3
1.6	1.1	-	-	5.5	4.7
-	-	-	-	8.8	1.7
0.9	0.6	-	-	23.6	22.4
9.6	8.8	-	-	30.2	28.9
7.2	6.6	-	-	21.7	20.7
10.8	13.3	-	-	14.3	8.6
11.2	(36.6)	-	-	13.5	(1.4)
2.4	2.2	-	-	8.5	8.2
61	48	-	-	86	81
44	47	-	-	29	32
77	69	-	-	71	66
28	26	-	-	44	47
-	-	-	-	970	921
-	-	-	-	921	858
-	-	-	-	53	71
-	-	-	-	(4)	(8)
-	-	-	-	718	691
-	-	-	-	691	646
-	-	-	-	30	53
-	-	-	-	(3)	(8)
-	-	-	-	539 487	523 691
-	-	-	-	441 425	420 712
-	-	-	-	72 339	67 517
535	610	-	-	18 741	17 476
37 965	90 569	-	-	313 683	350 552

# Accounting policies and notes

1.1. These condensed consolidated financial statements for the six months ended 29 February 2024 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 condensed consolidated interim financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards 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 condensed consolidated interim financial statements has neither been audited nor reviewed by the group's external auditors. These condensed consolidated interim financial statements have been prepared under the supervision of Mr G Traill (CA), the chief financial officer of the group.

The accounting policies used in the preparation of the condensed consolidated interim financial statements for the six months ended 29 February 2024, are in terms of IFRS Accounting Standards and are consistent with those applied in the Audited Annual Financial Statements for the year ended 31 August 2023.

- 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 2023. No significant related party transactions arose during the current period.
- 1.3. During the period, the group repurchased and cancelled 3 098 334 Clicks Group Limited ordinary shares. Refer to the statement of changes in equity.
- 1.4. The carrying values of all financial instruments approximate fair value. All financial instruments are held at amortised cost, with the exception of derivative instruments which are designated as hedging instruments, 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, both of which are classified as level 2 instruments. 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 non-current and current derivative financial assets comprise the forward exchange contracts and hedge obligations under the cash-settled share compensation scheme.

1.6 Revenue R'000	Unaudited six months to 29 February 2024	Six months to 28 February 2023	Year to 31 August 2023
The group's revenue from contracts with customers is disaggregated as disclosed below:			
Goods sold to customers	21 804 067	20 005 786	41 621 681
Other income	1 438 497	1 300 911	2 846 623
Distribution and logistics fees	552 553	596 194	1 283 509
Cost recoveries and other	885 944	704 717	1 563 114
<b>Revenue from contracts with customers</b>	<b>23 242 564</b>	21 306 697	44 468 304
Financial income	46 044	46 735	92 228
<b>Revenue</b>	<b>23 288 608</b>	21 353 432	44 560 532

1.7. Headline earnings reconciliation

R'000	Unaudited six months to 29 February 2024	Six months to 28 February 2023	% change	Year to 31 August 2023
<b>Total profit for the period</b>	<b>1 271 728</b>	1 151 756	10.4	2 537 528
Adjusted for:				
Loss on disposal of property, plant and equipment	<b>2 338</b>	508		7 381
Total tax effects of adjustments	<b>(631)</b>	(137)		(1 993)
<b>Headline earnings</b>	<b>1 273 435</b>	1 152 127	10.5	2 542 916
<b>Headline earnings per share (cents)</b>	<b>533.6</b>	472.2	13.0	1044.5
<b>Diluted headline earnings per share (cents)</b>	<b>533.6</b>	472.2	13.0	1044.5

# Corporate information

## Clicks Group Limited

Incorporated in the  
Republic of South Africa  
Registration number:  
1996/000645/06  
Income tax number:  
9061/745/71/8  
JSE share code: CLS  
ISIN: ZAE000134854  
ADR ticker symbol: CLCGY  
ADR CUSIP code: 18682W205

## Registered address

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Telephone: +27 (0)21 460 1911

## Postal address

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Cape Town 8000

## Directors

DM Nurek \* (Chairman)  
BD Engelbrecht  
(Chief Executive Officer)  
RJD Inskip \*  
NNA Matyumza \*  
MJN Njeke \*  
SS Ntsaluba \*  
PM Osiris \* (née Moumakwa)  
KC Ramon \*  
GD Traill ^ (Chief Financial Officer)

\* Independent non-executive

^ British

## Company secretary

Matthew Welz, LLB  
E-mail: [companysecretary@  
clicksgroup.co.za](mailto:companysecretary@clicksgroup.co.za)

## Auditors

KPMG Inc.

## Principal bankers

FirstRand Bank Limited

## JSE sponsor

Investec Bank Limited

## Transfer secretaries

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Services Proprietary Limited  
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## Investor relations consultants

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For more information,  
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