

CLICKS GROUP LIMITED

Condensed
consolidated results
and cash dividend
declaration for the
year ended
31 August 2024



Contents

Financial summary	02
Commentary	03
Independent auditor's review report on condensed consolidated financial statements	05
Consolidated statement of comprehensive income	06
Consolidated statement of financial position	07
Consolidated statement of changes in equity	08
Consolidated statement of cash flows	10
Notes to the cash flow statement	11
Segmental analysis	12
Accounting policies and notes	14

Key features

Group turnover up

9.2%

Retail turnover up

11.7%

Trading margin up

50 bps

to 9.2%

Diluted HEPS up

14.3%

Total dividend up

14.3%

to 776 cents per share

R6.0 billion

cash generated by operations

R2.5 billion

returned to shareholders

Return on equity

46.4%

Total shareholder return

20.7%

CAGR over 10 years



As a leader in the healthcare market Clicks Group is committed to increasing access to affordable healthcare for all South Africans. Clicks is the country’s leading health, wellness and beauty retailer and foremost pharmacy chain, with an expanding network of over 930 stores and 720 pharmacies supported by a growing digital presence. UPD is the country’s leading full-range pharmaceutical wholesaler, providing the distribution capability for the group’s healthcare strategy.



Financial summary

		Year to 31 August 2024	Year to 31 August 2023	% change
Consolidated statement of comprehensive income				
Turnover	R'000	45 437 640	41 621 681	9.2%
Gross profit	R'000	10 632 419	9 313 851	14.2%
Total income	R'000	13 714 721	12 160 474	12.8%
Headline earnings	R'000	2 844 598	2 542 916	11.9%
Net financing cost	R'000	(265 172)	(139 352)	90.3%
Consolidated statement of financial position				
Equity	R'000	6 285 539	5 964 814	5.4%
Total assets	R'000	20 817 141	19 034 854	9.4%
Consolidated statement of cash flows				
Net cash effects from operating activities	R'000	3 006 144	3 310 073	(9.2%)
Capital expenditure	R'000	890 860	930 004	(4.2%)
Capital commitments	R'000	1 024 945	879 550	16.5%
Depreciation and amortisation	R'000	1 742 293	1 519 026	14.7%
Performance				
Turnover growth	%	9.2	5.1	
Comparable stores turnover growth	%	8.4	3.5	
Gross profit growth	%	14.2	10.5	
Gross profit margin	%	23.4	22.4	
Total income growth	%	12.8	7.6	
Total income margin	%	30.2	29.2	
Trading margin	%	9.2	8.7	
Net working capital days		35	34	
Inventory days		74	71	
Trade debtor days		31	34	
Trade creditor days		70	71	
Current ratio	:1	1.1	1.1	
Return on total assets	%	14.3	13.8	
Return on shareholders' interest	%	46.4	43.6	
Shareholders' interest to total assets	%	30.2	31.3	
Interest-bearing debt, including cash, to shareholders' interest at year-end	%	17.2	13.1	
Statistics				
Number of permanent employees		19 621	18 447	6.4%
Number of stores*		1 002	950	5.5%
Weighted retail trading area	m ²	448 255	425 440	5.4%
Share statistics				
Number of ordinary shares in issue	'000	238 062	241 161	(1.3%)
Weighted average diluted number of shares in issue	'000	238 346	243 460	(2.1%)
Headline earnings per share				
- basic	cents	1 193.5	1 044.5	14.3%
- diluted	cents	1 193.5	1 044.5	14.3%
Dividend per share				
- interim	cents	210.0	185.0	13.5%
- final	cents	566.0	494.0	14.6%
Dividend payout ratio	%	65.0	65.0	
Share price				
- closing	cents	37 369	27 350	36.6%
- high	cents	37 369	31 764	
- low	cents	23 758	23 442	
Net asset value per share	cents	2 640	2 473	6.8%
Net tangible asset value per share	cents	2 155	1 987	8.5%
Market capitalisation	R'000	88 961 389	65 957 534	34.9%
Price earnings ratio	times	31.3	26.2	
Volume of ordinary shares traded	'000	202 137	185 110	
Percentage of ordinary shares traded	%	84.8	76.0	
Free float	%	99.9	99.9	
Shareholders' return	cents	10 795	(1 773)	
Change in share price	cents	10 019	(2 452)	
Dividend per share	cents	776	679	
Other information				
Inflation rate				
CPI	%	4.4	4.8	
Internal selling price inflation	%	5.2	4.9	
Interest rates				
Prime overdraft rate				
- closing	%	11.75	11.75	
- average	%	11.75	10.96	
FTSE/JSE Africa share indices				
All Share Index		83 750	74 954	11.7%
Food and Drug Retailers Index		16 611	14 269	16.4%
General Retailers Index		7 394	5 875	25.9%
Exchange rate				
Rand/US dollar				
- closing	R/US\$	17.75	18.71	(5.1%)
- average	R/US\$	18.66	18.07	3.3%

* Total stores includes Clicks + The Body Shop + Sorbet.

Commentary

Overview

Clicks Group continued to demonstrate the resilience of its business model and the defensiveness of the core product offering as diluted headline earnings per share increased by 14.3% to 1 193.5 cents, supported by margin expansion, strong cash flow generation and industry-leading shareholder return metrics.

The Clicks chain recorded market share gains across all core health and beauty product categories, with the Clicks ClubCard loyalty programme growing to 11.8 million active members.

Clicks increased its store base to 936 with the opening of a net 51 stores and the pharmacy network to 720 following the opening of a net nine new pharmacies. While the number of pharmacy openings was below the targeted range due to the Unicorn licensing matter, this was successfully resolved with the Department of Health late in the financial year. Post the year-end, pharmacy licences are again being issued which is positive for Clicks' expansion programme.

UPD successfully completed its large-scale systems implementation in the first quarter of the financial year. Operational metrics have recovered to pre-systems implementation levels and the business delivered a much improved second half performance, also benefiting from the higher increase in the regulated single exit price (SEP) of medicines in 2024 relative to the prior year.

The group maintained its momentum in shareholder wealth creation. The total dividend was increased by 14.3% to 776 cents per share, based on a 65% dividend payout ratio, with R2.5 billion being returned to shareholders in dividend payments of R1.7 billion and share buybacks of R835 million. The group's market capitalisation increased by 34.9% to R89 billion at year-end. Over the past 10 years the group has delivered a total shareholder return of 20.7% compound annual growth rate.

Financial performance

Group turnover increased by 9.2% to R45.4 billion. Retail turnover, which includes Clicks, GNC, The Body Shop and Sorbet corporate stores, increased by 11.7%. Comparable store turnover grew by 8.4% with inflation of 6.3% and volume growth of 2.1%.

Distribution turnover grew by 3.3% as UPD delivered a stronger second-half performance following the completion of the systems implementation at its main distribution centre in the first half of the year (H1: increase 1.3%; H2: increase 5.2%).

Total income grew by 12.8% to R13.7 billion. The retail margin expanded by 40 basis points following good growth across all categories, in particular the beauty and personal care category, as well as the impact of fewer pharmacies being opened in the year. The 70 basis point increase in the distribution margin mainly reflects the benefit of the higher SEP increase. The group's total income margin expanded by 100 basis points to 30.2% due to the faster growth of retail relative to distribution.

Retail costs increased by 12.5% due to pressure from higher insurance costs, new stores, depreciation on capital expenditure and higher performance-based incentive payments. Acquisitions concluded in the prior year added 2.0% to retail cost growth. Comparable retail costs grew by 7.4%. Distribution costs increased by 7.4% primarily due to the impact of the systems implementation in the first half of the year while costs were maintained below turnover growth in the second half.

Group trading profit increased by 15.1% to R4.2 billion while the group's trading margin increased by 50 basis points to 9.2%. The retail trading margin expanded by 20 basis points to 10.2% due to the stronger growth in higher margin product categories together with efficient cost management. The group and retail trading margins both exceeded management's medium-term target ranges. UPD increased its trading margin by 40 basis points due to the ongoing recovery in turnover, the higher SEP increase and good cost control.

Headline earnings grew by 11.9% to R2.8 billion. Basic earnings per share increased by 14.2% to 1 190.3 cents and headline earnings per share increased by 14.3% to 1 193.5 cents.

Inventory levels grew by 11.9% and group inventory days increased by three days to 74 days. Retail inventory days were higher due to the earlier import of stock to avoid shipping delays and management's increased focus on in-store availability to drive sales.

Cash generated by operations totalled R6.0 billion. Capital expenditure of R891 million (2023: R930 million) was invested mainly in new stores and pharmacies, store refurbishments, supply chain and information technology.

At financial year-end, the group held cash resources of R2.7 billion, with the final dividend totalling R1.35 billion to be paid to shareholders in January 2025.

Commentary continued

Outlook

While consumer spending is expected to remain constrained in the short-term, the medium-term outlook for the consumer environment is increasingly positive. Lower inflation, interest rate relief and declining fuel costs, together with the stronger Rand and the extended suspension of load shedding in the country are positive for consumer sentiment and should ultimately support increased spending.

Management is confident that the group's competitive advantage and market-leading positions in the health and beauty sectors, long-term organic growth opportunities in Clicks and the increasing scale of the business, supported by strong cash generation and a robust balance sheet, should ensure that the group continues to deliver on its medium-term financial targets.

Clicks plans to open 40 – 50 new stores and 40 – 50 pharmacies for the 2025 financial year and remains committed to its medium-term target of 1 200 stores.

UPD is well positioned to regain wholesale market share following the improved performance in the second half and the momentum being carried into the 2025 financial year.

Capital investment of R1 025 million is planned for the 2025 financial year. This includes R578 million for new stores and pharmacies and the refurbishment of 70 – 80 stores. A further R447 million will be invested in supply chain, technology and infrastructure.

Final dividend

The board of directors has approved a final gross ordinary dividend for the period ended 31 August 2024 of 566.0 cents per share (2023: 494.0 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 113.2 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 452.8 cents per share net of DT.

The company has 238 062 465 ordinary shares. Its income tax reference number is 9061/745/71/8.

Shareholders are advised of the following salient dates in respect of the final dividend:

Last day to trade "cum" the dividend	Tuesday, 21 January 2025
Shares trade "ex" the dividend	Wednesday, 22 January 2025
Record date	Friday, 24 January 2025
Payment to shareholders	Monday, 27 January 2025

Share certificates may not be dematerialised or rematerialised between Wednesday, 22 January 2025 and Friday, 24 January 2025, both days inclusive.

David Nurek
Independent
non-executive
chairman

Bertina Engelbrecht
Chief executive
officer

Gordon Traill
Chief financial
officer

Cape Town
24 October 2024

Independent auditor's review report on condensed consolidated financial statements

To the shareholders of Clicks Group Limited

Introduction

We have reviewed the accompanying consolidated statement of financial position of Clicks Group Limited ("the group") as at 31 August 2024, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the cash flow statement, segmental analysis, accounting policies and notes ("the condensed consolidated financial statements").

Management is responsible for the preparation and fair presentation of these condensed consolidated financial statements in accordance with the framework concepts and the measurement and recognition requirements of IFRS[®] Accounting Standards and the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (collectively "JSE Listings Requirements"), IAS 34 – Interim Financial Reporting and the South African Companies Act. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements as at 31 August 2024 is not prepared, in all material respects, in accordance with the framework concepts and the measurement and recognition requirements of IFRS[®] Accounting Standards and the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (collectively "JSE Listings Requirements"), IAS 34 – Interim Financial Reporting and the South African Companies Act.

KPMG Inc.
Registered Auditor

Per IM Engels
Chartered Accountant (SA)
Registered Auditor
Director

24 October 2024
The Halyard
4 Christiaan Barnard Street
Cape Town

Consolidated statement of comprehensive income

R'000	Year to 31 August 2024	Year to 31 August 2023	% change
Revenue	48 609 808	44 560 532	
Turnover	45 437 640	41 621 681	9.2%
Cost of merchandise sold	(34 805 221)	(32 307 830)	7.7%
Gross profit	10 632 419	9 313 851	14.2%
Other income	3 082 302	2 846 623	8.3%
Total income	13 714 721	12 160 474	12.8%
Expenses	(9 542 869)	(8 537 435)	11.8%
Depreciation and amortisation	(1 681 320)	(1 460 574)	15.1%
Occupancy costs	(212 505)	(189 309)	12.3%
Employment costs	(4 907 022)	(4 393 494)	11.7%
Other costs	(2 729 748)	(2 485 393)	9.8%
Impairment allowance – IFRS 9 ECL	(12 274)	(8 665)	
Trading profit	4 171 852	3 623 039	15.1%
Loss on disposal of property, plant and equipment	(5 415)	(7 381)	
Profit on disposal of business	180	–	
Profit before financing costs	4 166 617	3 615 658	15.2%
Net financing expense	(265 172)	(139 352)	90.3%
Financial income	89 866	92 228	(2.6%)
Financial expense	(355 038)	(231 580)	53.3%
Profit before earnings from associates	3 901 445	3 476 306	12.2%
Share of loss of associates	(7 637)	(5 201)	
Profit before taxation	3 893 808	3 471 105	12.2%
Income tax expense	(1 056 751)	(933 577)	13.2%
Profit for the year	2 837 057	2 537 528	11.8%
Other comprehensive income:			
Items that will not be subsequently reclassified to profit or loss, net of tax			
Remeasurement of post-employment benefit obligations	7 076	(159)	
Items that may be subsequently reclassified to profit or loss, net of tax			
Exchange differences on translation of foreign subsidiaries	(8 326)	6 353	
Cash flow hedges	21 267	53 226	
Cost of hedging reserve	(19 824)	(17 846)	
Other comprehensive income for the year, net of tax	193	41 574	
Total comprehensive income for the year	2 837 250	2 579 102	
Earnings per share (cents)	1 190.3	1 042.3	14.2%
Diluted earnings per share (cents)	1 190.3	1 042.3	14.2%

Consolidated statement of financial position

R'000	As at 31 August 2024	As at 31 August 2023
ASSETS		
Non-current assets	7 930 394	7 201 109
Property, plant and equipment	2 845 032	2 643 136
Right-of-use assets	3 505 081	2 999 297
Intangible assets	946 363	968 207
Goodwill	209 114	204 829
Deferred tax assets	85 157	70 423
Investment in associates	17 436	21 214
Loans receivable	141 436	130 597
Financial assets at fair value through profit or loss	180 775	163 406
Current assets	12 886 747	11 833 745
Inventories	7 063 280	6 309 809
Trade and other receivables	3 057 282	3 019 488
Income tax receivable	1 831	-
Loans receivable	29 960	28 030
Cash and cash equivalents	2 704 961	2 455 176
Derivative financial assets	29 433	21 242
Total assets	20 817 141	19 034 854
EQUITY AND LIABILITIES		
Equity	6 285 539	5 964 814
Share capital	2 381	2 412
Share premium	1 064 953	1 064 953
Cash flow hedge reserve	(8 532)	(2 984)
Cost of hedging reserve	(4 950)	(6 166)
Foreign currency translation reserve	(8 833)	(507)
Distributable reserve	5 240 520	4 907 106
Non-current liabilities	2 702 036	2 270 392
Lease liabilities	2 536 701	2 152 485
Deferred tax liabilities	14 480	-
Employee benefits	150 855	117 907
Current liabilities	11 829 566	10 799 648
Trade and other payables	10 030 903	9 268 898
Lease liabilities	1 249 585	1 086 440
Employee benefits	386 633	295 942
Income tax payable	146 085	146 735
Derivative financial liabilities	16 360	1 633
Total equity and liabilities	20 817 141	19 034 854

Consolidated statement of changes in equity

R'000	Number of shares '000	Share capital	Share premium
Balance at 1 September 2022	243 970	2 440	1 064 953
Transactions with owners, recorded directly in equity			
Dividends paid to shareholders	-	-	-
Shares repurchased and cancelled	(2 809)	(28)	-
Total transactions with owners	(2 809)	(28)	-
Total comprehensive income for the year	-	-	-
Profit for the year	-	-	-
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	-	-	-
Balance at 31 August 2023	241 161	2 412	1 064 953
Transactions with owners, recorded directly in equity			
Dividends paid to shareholders	-	-	-
Shares repurchased and cancelled	(3 099)	(31)	-
Total transactions with owners	(3 099)	(31)	-
Total comprehensive income for the year	-	-	-
Profit for the year	-	-	-
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	-	-	-
Balance at 31 August 2024	238 062	2 381	1 064 953

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
-	-	-	(1 562 794)	(1 562 794)
-	-	-	(703 492)	(703 520)
-	-	-	(2 266 286)	(2 266 314)
53 226	(17 846)	6 353	2 537 369	2 579 102
-	-	-	2 537 528	2 537 528
-	-	-	(159)	(159)
53 226	-	-	-	53 226
-	(17 846)	-	-	(17 846)
-	-	6 353	-	6 353
(63 444)	16 663	-	-	(46 781)
(2 984)	(6 166)	(507)	4 907 106	5 964 814
-	-	-	(1 675 960)	(1 675 960)
-	-	-	(834 759)	(834 790)
-	-	-	(2 510 719)	(2 510 750)
21 267	(19 824)	(8 326)	2 844 133	2 837 250
-	-	-	2 837 057	2 837 057
-	-	-	7 076	7 076
21 267	-	-	-	21 267
-	(19 824)	-	-	(19 824)
-	-	(8 326)	-	(8 326)
(26 815)	21 040	-	-	(5 775)
(8 532)	(4 950)	(8 833)	5 240 520	6 285 539

Consolidated statement of cash flows

R'000	Year to 31 August 2024	Year to 31 August 2023
Cash effects from operating activities		
Profit before working capital changes (refer note 1)	5 901 873	5 190 836
Working capital changes (refer note 2)	99 357	672 811
Cash generated by operations	6 001 230	5 863 647
Interest received	89 229	92 228
Interest paid	(340 206)	(218 946)
Taxation paid	(1 068 149)	(968 671)
Settlement of derivative financial asset used to hedge the long-term incentive scheme	-	104 609
Cash inflow from operating activities before dividends paid	4 682 104	4 872 867
Dividends paid to shareholders	(1 675 960)	(1 562 794)
Net cash effects from operating activities	3 006 144	3 310 073
Cash effects from investing activities		
Investment in property, plant and equipment and intangible assets to maintain operations	(337 022)	(356 542)
Investment in property, plant and equipment and intangible assets to expand operations	(553 838)	(573 462)
Proceeds from disposal of property, plant and equipment	3 736	13 972
Acquisition of investments (refer note 3)	(7 389)	(241 008)
Disposal of investments (refer note 4)	(1 079)	-
Investment in associate	(5 975)	(14 193)
Loan advanced to associate	(30 000)	-
Repayment of loan by associate	-	4 717
Other loans receivable advanced	-	(44 418)
Other loans receivable repaid	17 668	-
Net cash effects from investing activities	(913 899)	(1 210 934)
Cash effects from financing activities		
Shares repurchased	(834 790)	(703 520)
Repayment of lease liabilities	(1 007 670)	(954 996)
Net cash effects from financing activities	(1 842 460)	(1 658 516)
Net increase in cash and cash equivalents	249 785	440 623
Cash and cash equivalents at the beginning of the year	2 455 176	2 014 553
Cash and cash equivalents at the end of the year	2 704 961	2 455 176

Notes to the cash flow statement

R'000	Year to 31 August 2024	Year to 31 August 2023
Cash flow information		
1. Profit before working capital changes		
Profit before tax	3 893 808	3 471 105
Adjustment for:		
Non-cash flow items:		
Depreciation and amortisation	1 742 293	1 519 026
Fair value adjustments on financial assets at fair value through profit or loss	(17 369)	(18 354)
Net loss of associates	9 753	7 706
Profit on disposal of business	(180)	-
Release of cash flow hedge to profit or loss	2 981	64 620
Items presented elsewhere in the consolidated statement of cash flows:		
Loss on disposal of property, plant and equipment	5 415	7 381
Net financing expense	265 172	139 352
	5 901 873	5 190 836
2. Working capital changes		
Increase in inventories	(755 849)	(127 165)
(Increase)/decrease in trade and other receivables	(54 530)	50 357
Increase in trade and other payables	790 574	833 028
Increase/(decrease) in employee benefits	119 162	(83 409)
	99 357	672 811
3. Acquisition of investments		
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)
Cash paid to obtain control net of cash acquired		41 211
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)
Cash paid to obtain control net of cash acquired		114 559
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)
Cash paid to obtain control net of cash acquired		85 238
Sorbet Group Proprietary Limited acquired corporate stores during the current financial year. The cash paid was as follows:		
Total purchase price paid in cash	7 389	
Less: Cash of corporate stores	-	
Cash paid to obtain control net of cash acquired	7 389	
4. Disposal of investments		
The group disposed of Unicorn Pharmaceuticals Proprietary Limited during the current financial year. The cash disposed of was as follows:		
Cash of Unicorn Pharmaceuticals Proprietary Limited	1 079	

Segmental analysis

For the year to 31 August 2024

R'000	Retail ¹		Distribution		
	31 August 2024	31 August 2023	31 August 2024	31 August 2023	
Statement of financial position					
Property, plant and equipment	2 486 154	2 287 344	358 878	355 792	
Right-of-use assets	3 473 435	2 952 146	31 646	47 151	
Intangible assets	760 710	780 895	185 653	187 312	
Goodwill	112 837	108 552	96 277	96 277	
Inventories	5 244 745	4 655 780	1 999 675	1 805 492	
Trade and other receivables	705 625	661 561	3 265 654	3 302 648	
Cash and cash equivalents	2 659 663	2 437 424	45 298	17 752	
Other assets	960 541	892 395	4 239 574	3 591 485	
Total assets	16 403 710	14 776 097	10 222 655	9 403 909	
Lease liabilities	3 758 394	3 193 914	27 892	45 011	
Employee benefits – non-current	139 201	108 432	11 654	9 475	
Trade and other payables	6 435 703	5 915 107	4 516 082	4 305 397	
Employee benefits – current	349 957	283 504	36 676	12 438	
Other liabilities	4 384 279	3 690 602	504 805	504 806	
Total liabilities	15 067 534	13 191 559	5 097 109	4 877 127	
Net assets	1 336 176	1 584 538	5 125 546	4 526 782	
Statement of comprehensive income					
Turnover	35 438 490	31 724 875	17 749 616	17 175 276	
Gross profit	10 383 574	9 146 149	265 293	186 996	
Other income	1 880 774	1 689 904	1 503 110	1 413 337	
Total income	12 264 348	10 836 053	1 768 403	1 600 333	
Expenses	(8 636 237)	(7 676 923)	(1 194 984)	(1 112 827)	
Depreciation and amortisation	(1 606 430)	(1 413 734)	(74 890)	(46 840)	
Occupancy costs	(210 203)	(187 099)	(3 977)	(3 871)	
Employment costs	(4 529 412)	(4 034 839)	(377 640)	(358 655)	
Other costs	(2 287 718)	(2 036 618)	(728 677)	(699 429)	
Impairment allowance – IFRS 9 ECL	(2 474)	(4 633)	(9 800)	(4 032)	
Trading profit/(loss)	3 628 111	3 159 130	573 419	487 506	
Ratios					
Increase in turnover	%	11.7	7.9	3.3	1.5
Selling price inflation	%	6.3	7.0	3.0	1.0
Comparable stores turnover growth	%	8.4	3.5	-	-
Gross profit margin	%	29.3	28.8	1.5	1.1
Total income margin	%	34.6	34.2	10.0	9.3
Operating expenses as a percentage of turnover	%	24.4	24.2	6.7	6.5
Increase in operating expenses	%	12.5	11.4	7.4	13.4
Increase/(decrease) in trading profit	%	14.8	3.2	17.6	(18.3)
Trading profit margin	%	10.2	10.0	3.2	2.8
Inventory days		76	75	42	39
Trade debtor days		3	4	50	53
Trade creditor days		58	61	72	72
Number of stores		1 002	950	-	-
as at 31 August 2022/2023		950	898	-	-
opened/acquired ²		61	59	-	-
closed/disposed		(9)	(7)	-	-
Number of pharmacies		720	711	-	-
as at 31 August 2022/2023		711	673	-	-
new/converted		12	45	-	-
closed		(3)	(7)	-	-
Total leased area	m ²	557 648	528 788	-	-
Weighted retail trading area	m ²	448 255	425 440	-	-
Weighted annual sales per m ²	R	77 666	73 200	-	-
Number of permanent employees		19 129	17 865	492	582

¹ Retail includes Clicks + The Body Shop + Group Services + Sorbet + 180 Degrees Marketing.

² Opened/acquired stores excludes 186 Sorbet franchise stores, but includes 9 corporate stores.

Intragroup elimination		Total operations	
31 August 2024	31 August 2023	31 August 2024	31 August 2023
-	-	2 845 032	2 643 136
-	-	3 505 081	2 999 297
-	-	946 363	968 207
-	-	209 114	204 829
(181 140)	(151 463)	7 063 280	6 309 809
(913 997)	(944 721)	3 057 282	3 019 488
-	-	2 704 961	2 455 176
(4 714 087)	(4 048 968)	486 028	434 912
(5 809 224)	(5 145 152)	20 817 141	19 034 854
-	-	3 786 286	3 238 925
-	-	150 855	117 907
(920 882)	(951 606)	10 030 903	9 268 898
-	-	386 633	295 942
(4 712 159)	(4 047 040)	176 925	148 368
(5 633 041)	(4 998 646)	14 531 602	13 070 040
(176 183)	(146 506)	6 285 539	5 964 814
(7 750 466)	(7 278 470)	45 437 640	41 621 681
(16 448)	(19 294)	10 632 419	9 313 851
(301 582)	(256 618)	3 082 302	2 846 623
(318 030)	(275 912)	13 714 721	12 160 474
288 352	252 315	(9 542 869)	(8 537 435)
-	-	(1 681 320)	(1 460 574)
1 675	1 661	(212 505)	(189 309)
30	-	(4 907 022)	(4 393 494)
286 647	250 654	(2 729 748)	(2 485 393)
-	-	(12 274)	(8 665)
(29 678)	(23 597)	4 171 852	3 623 039
6.5	8.0	9.2	5.1
-	-	5.2	4.9
-	-	8.4	3.5
-	-	23.4	22.4
-	-	30.2	29.2
-	-	21.0	20.5
-	-	11.8	11.6
-	-	15.1	(0.7)
-	-	9.2	8.7
-	-	74	71
-	-	31	34
-	-	70	71
-	-	1 002	950
-	-	950	898
-	-	61	59
-	-	(9)	(7)
-	-	720	711
-	-	711	673
-	-	12	45
-	-	(3)	(7)
-	-	557 648	528 788
-	-	448 255	425 440
-	-	77 666	73 200
-	-	19 621	18 447

Accounting policies and notes

- 1.1 The condensed consolidated financial statements for the year ended 31 August 2024 have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS[®] Accounting Standards and the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting guides as issued by the Accounting Practices Committee (collectively "JSE Listings Requirements"), IAS 34 – Interim Financial Reporting and the South African Companies Act.

KPMG Inc., the group's independent auditor, has reviewed the condensed consolidated financial statements contained on pages 6 to 15 of this report and has expressed an unmodified review conclusion on the condensed consolidated financial statements. Their review report is set out on page 5. These condensed consolidated 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 financial statements for the year ended 31 August 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 year are similar to those disclosed in the group's Audited Annual Financial Statements for the year ended 31 August 2023. No significant related party transactions arose during the current year.
- 1.3 During the year, the group repurchased and cancelled 3 098 344 Clicks Group Limited ordinary shares. Refer to the statement of changes in equity.
- 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, the investment in Guardrisk Insurance Company Limited (R14.7 million) and investments held by the New Clicks Foundation Trust (R166.1 million), which are accounted for at fair value through profit or loss. The fair value of financial instruments that are not traded in active markets is 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 year. 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 as a basis adjustment to the hedged item when the forecast transaction takes place.
- 1.5 The derivative financial assets comprise the hedge obligations under the cash-settled share compensation scheme.

1.6 Revenue R'000	31 August 2024	31 August 2023	% change
The group's revenue from contracts with customers is disaggregated as disclosed below:			
Goods sold to customers	45 437 640	41 621 681	9.2%
Other income	3 082 302	2 846 623	8.3%
Distribution and logistics fees	1 349 266	1 283 509	5.1%
Cost recoveries and other	1 733 036	1 563 114	10.9%
Revenue from contracts with customers	48 519 942	44 468 304	9.1%
Financial income	89 866	92 228	(2.6%)
Revenue	48 609 808	44 560 532	9.1%
Retail turnover can be further disaggregated between the following retail categories:			
Pharmacy	9 745 692	8 951 799	8.9%
Front shop health	8 951 836	8 083 648	10.7%
Beauty and personal care	11 369 375	9 808 752	15.9%
General merchandise	5 371 587	4 880 676	10.1%
Total Retail turnover	35 438 490	31 724 875	11.7%

1.6 Revenue (continued) R'000	31 August 2024	31 August 2023	% change
Distribution turnover can be further disaggregated between the following categories:			
Fine wholesale	13 205 444	13 268 057	(0.5%)
Clicks	7 414 243	6 943 527	6.8%
Private hospitals	4 958 817	5 260 010	(5.7%)
Independent pharmacies and other	832 384	1 064 520	(21.8%)
Bulk wholesale	4 544 172	3 907 219	16.3%
Total Distribution turnover	17 749 616	17 175 276	3.3%
Intergroup elimination	(7 750 466)	(7 278 470)	
Total Group turnover	45 437 640	41 621 681	9.2%

1.7 Headline earnings reconciliation R'000	Year to 31 August 2024	Year to 31 August 2023	% change
Profit attributable to equity holders of the parent	2 837 057	2 537 528	11.8%
Adjusted for:			
Loss on disposal of property, plant and equipment	5 415	7 381	
Profit on disposal of business	(180)	-	
Total tax effects of adjustments	2 306	(1 993)	
Headline earnings	2 844 598	2 542 916	11.9%
Headline earnings per share (cents)	1 193.5	1 044.5	14.3%
Diluted headline earnings per share (cents)	1 193.5	1 044.5	14.3%

1.8 Other costs

Included in other costs are advertising expenses of R417.6 million (2023: R381.2 million), electricity and water costs of R368.7 million (2023: R351.2 million), transport fees of R254.1 million (2023: R258.7 million), data fees of R261.2 million (2023: R261.0 million) and commissions paid of R214.3 million (2023: R189.2 million).

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
CUSIP: 18682W205

Registered address

Cnr Searle and Pontac Streets
Cape Town 8001
Telephone: +27 (0)21 460 1911

Postal address

PO Box 5142
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

Computershare Investor
Services Proprietary Limited
Business address: Rosebank
Towers, 15 Biermann Avenue,
Rosebank 2196
Postal address: Private Bag
X9000, Saxonwold 2132
Telephone: +27 (0)11 370 5000

Investor relations consultants

Tier 1 Investor Relations
E-mail: ir@tier1ir.co.za



This information, together with
additional detail, is available on
the Clicks Group Limited website:
www.clicksgroup.co.za