

Clicks Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 1996/000645/06
JSE share code: CLS
ISIN: ZAE000134854
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("the group")

TRADING UPDATE FOR 21 WEEKS TO 24 JANUARY 2021 AND CLOSURE OF MUSICA

- Retail health and beauty sales up 8.0%
- UPD turnover up 10.6%
- Group turnover up 7.8%

Retail health and beauty sales, including Clicks and the franchise brands of The Body Shop, GNC and Claire's, increased by 8.0% (2020: 8.7%) over the corresponding 21 weeks in the previous financial year.

Health and beauty sales in comparable stores increased by 4.3% (2020: 5.1%), with selling price inflation averaging 3.2% (2020: 2.4%) for the period.

Total group retail sales increased by 6.5% (2020: 7.7%) and by 3.5% (2020: 4.3%) in comparable stores, with selling price inflation of 3.1% (2020: 2.6%).

UPD increased turnover by 10.6% (2020: 13.9%) with good growth from the private hospital and independent pharmacy channels due to increased demand for medicines and healthcare products during the second wave of the pandemic. Total managed turnover, combining UPD's wholesale turnover and turnover managed on behalf of bulk distribution clients, increased by 18.1% (2020: 8.6%) as the business traded well and benefited from distribution contracts gained in the prior year.

Group turnover increased by 7.8% to R14.6 billion (2020: increase of 10.2%).

Segmental turnover		
	Sales growth (%)	Inflation (%)
Retail	6.5	3.1
Distribution	10.6	2.8
Intragroup turnover	9.1	-
Total group	7.8	3.0

Clicks Group chief executive Vikesh Ramsunder said the business continued to show its resilience as the second wave of the Covid-19 pandemic gathered momentum across the country late in 2020 and into the new calendar year.

"Clicks reported good growth in front shop health sales as customers focused on preventative healthcare to boost their resistance levels with immunity-building vitamins and supplements. Online sales in Clicks continued their

strong growth trajectory, increasing by 173% over the previous year as shoppers opted for the convenience of home delivery to reduce the risk of contracting Covid-19.

“Trading patterns continued to shift, particularly in December and January, as the Covid-19 related restrictions imposed by government further impacted consumer shopping behaviour. This was evident in fewer South Africans taking summer holidays, particularly to coastal areas where beaches were closed, and the delay in the reopening of schools from January until February.

“The accessibility of our store network, with over 70% of our stores being located in convenience and neighbourhood shopping centres, has sustained our performance during this time as destination shopping malls have experienced a significant slowdown in footfall during the pandemic,” he said.

Ramsunder added that trading in the early stages of the 21-week period had been adversely impacted by the protest action at Clicks stores across the country in the second week of September.

The financial information in this trading update is the responsibility of the directors and has not been reviewed or reported on by the group’s independent auditor.

Clicks Group’s interim results for the six months to 28 February 2021 are expected to be released on SENS on or about 22 April 2021.

CLOSURE OF MUSICA

Shareholders are advised that the board of directors has taken a decision to close the group’s heritage entertainment brand Musica with effect from 31 May 2021.

Musica has closed 19 stores since the start of the 2021 financial year and is currently trading from 59 outlets. The remaining stores will be closed as leases expire over the next four months when the majority of leases terminate.

Acquired by Clicks Group in 1992, Musica has been the country’s leading music and entertainment retail brand for several decades.

Musica has been operating in a declining market for several years owing to the structural shift globally to the digital consumption of music, movies and games from the traditional physical format. The inevitable demise of the brand has been accelerated by the Covid-19 pandemic which resulted in the rapid decline in foot traffic in destination malls where Musica stores are typically located.

In the stores which have been closed since September 2020, the Musica staff have been absorbed into the group’s expanding health and beauty store network. Management is committed to accommodating the remaining staff within the group where this is operationally feasible.

Further detail on the financial and operational impact of Musica's closure will be communicated to shareholders with the release of the group's interim results in April 2021.

Cape Town
28 January 2021

Sponsor
Investec Bank Limited