

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

CLICKS GROUP TO ACQUIRE SORBET HOLDINGS

Clicks Group is to acquire Sorbet Holdings, the owners of the Sorbet beauty salons, for a cash consideration of R105 million.

The Sorbet Group is a beauty salon franchise chain of over 190 outlets across South Africa, operating various store formats under the Sorbet (all-round beauty therapy), Sorbet Man (men's grooming) and Candi & Co (ethnic hair, treatments and hairstyling) brands.

The transaction will result in the Clicks Group holding 100% of the issued share capital of all Sorbet group entities. This includes Sorbet Brands in which the Clicks Group has held a 25% investment since 2015. Sorbet Brands holds the Sorbet intellectual property.

Clicks Group is acquiring Sorbet from Old Mutual Private Equity, who acquired the business as part of the previously listed Long4Life group. Sorbet was founded by Ian Fuhr in 2005.

Bertina Engelbrecht, chief executive officer of Clicks Group, said: "Sorbet has a natural strategic fit and is closely aligned with Clicks Group's health, beauty and wellness offering. Sorbet is a highly trusted brand with a loyal and growing customer base, and we aim to capitalise on the opportunities to expand our presence together and accelerate revenue growth."

"Since acquiring our shareholding in Sorbet Brands we have worked closely with the management team over the past seven years and developed a shared vision for the business. Sorbet has a strong and entrepreneurial management team and we believe the business will complement the offering of our chain of over 850 Clicks stores nationwide."

Sorbet products are currently sold in Sorbet salons and Clicks stores and the transaction will ensure that these products will be sold in the Clicks Group in perpetuity.

"This is our first foray into owning a franchise chain. However, Clicks Group supports the growth and empowerment of small, independent business ownership and we are committed to retaining the highly successful Sorbet franchise model. We welcome the Sorbet employees and franchise partners into our group and look forward to a mutually beneficial, value accretive relationship."

The Sorbet Group will remain located in Johannesburg and the CEO, Linda Sinclair, will report to the Clicks Group CEO. All Sorbet employees will be transferred to the Clicks Group.

Jacci Myburgh, co-head of Old Mutual Private Equity, said: "We acquired Sorbet as part of the Long4Life delisting. As Sorbet is below the size of investment that we would typically hold our intent was always to sell the business to an appropriate owner. Clicks is a logical owner of Sorbet given that it is an existing joint venture stakeholder in the Sorbet brand."

Linda Sinclair, CEO of the Sorbet Group, said: "Sorbet has walked a successful road with Clicks since becoming an affinity partner in 2011 and then Clicks Group investing in Sorbet Brands in 2015. Clicks has played an instrumental role in supporting the growth of Sorbet into becoming a leading professional beauty and grooming franchise brand. Our values are strongly aligned with Clicks and we look forward to delivering on future growth opportunities as part of the Clicks Group."

The proposed transaction is subject to approval by competition authorities. The effective date of acquisition is expected to be the first day of the month following the approval by the competition authorities.

As the transaction is non-categorised in terms of the JSE Listings Requirements, this announcement is made on a voluntary basis.

Cape Town
24 November 2022

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