CLICKS GROUP – INTERIM RESULTS 2025
SHORT-FORM ANNOUNCEMENT FOR SENS

Clicks Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 1996/000645/06
JSE share code: CLS
ISIN: ZAE000134854
CUSIP: 18682W205
LEI: 378900E967958A677472
("Clicks Group", "the group" or "the company")

UNAUDITED INTERIM GROUP RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2025 AND CASH DIVIDEND DECLARATION

KEY FEATURES

- Group turnover up 6.2%
- Retail turnover up 6.4%
- Distribution turnover up 7.6%
- Trading margin up 60 bps to 9.1%
- Diluted headline earnings per share up 13.2%
- Interim dividend up 13.3% to 238 cents per share
- R1.7 billion cash generated by operations
- Return on equity up 280 bps to 46.2%

Overview
Clicks Group continued to demonstrate the resilience and defensiveness of its business model, gaining market share in core health and beauty categories, increasing the contribution from private label products, strengthening margins and generating robust cash flows.

The solid operational performance in the first half of the financial year resulted in a 13.2% increase in the group's diluted headline earnings per share (HEPS).

Clicks reported strong growth in front shop health and pharmacy, higher sales of private label products and increased promotional sales. The chain opened its 950th store in February and extended its national pharmacy footprint to 740. Clicks has opened 29 new pharmacies to date in the current financial year.

Clicks ClubCard grew its active loyalty membership to 12.1 million, adding over 1 million new members in the past year. ClubCard accounted for 81.6% of sales in Clicks and members were rewarded with R438 million in cashback over the six-month period.

UPD continued its post-systems implementation recovery, delivering good growth in turnover and trading profit.

Financial performance
Group turnover increased by 6.2% to R23.2 billion. Retail turnover, which includes Clicks, The Body Shop, M-Kem and Sorbet corporate stores, increased by 6.4%. Comparable store turnover grew by 5.4% (excluding the extra trading day in the prior period) with inflation of 3.3% and volume growth of 2.1%.

Retail turnover increased by 8.3% excluding Unicorn Pharmaceuticals (Unicorn), which was sold in the previous financial year, and the extra trading day in the prior period for the leap year.

Distribution turnover grew by 7.6% as UPD recovered from the impact of the large-scale systems implementation undertaken across its distribution centres in the past two years.

Total income grew by 8.9% to R7.2 billion. The retail margin expanded by 50 basis points due to the strong growth in higher margin private label products. The distribution margin declined by 20 basis points, impacted by the lower adjustment in the single exit price (SEP) of medicines relative to the prior year. The group's total income margin expanded by 80 basis points to 31.0% as a result of the stronger growth of retail relative to distribution.

Retail costs grew by 8.5% mainly due to a higher wage increase and the resumption of pharmacy openings, as well as higher electricity, card acquiring and advertising costs. Comparable retail costs grew by 6.0%. Distribution costs increased by only 1.6% as the higher employment costs to maintain service levels during the systems implementation in the previous year were removed.

Group trading profit increased by 12.6% to R2.1 billion and the group's trading margin increased by 60 basis points to 9.1%. The retail trading margin was stable at 9.8%. If the intragroup profit from Unicorn is included, the retail margin increased to 10.2%. UPD increased its trading margin by 20 basis points to 2.6% due to the ongoing recovery from the systems implementation.

Headline earnings grew by 12.9% to R1.4 billion. Basic earnings per share increased by 13.1% to 603 cents and headline earnings per share increased by 13.2% to 604 cents.

Inventory levels increased by 5.1% and group inventory days were one day lower at 85 days. The group's net working capital days increased from 44 to 45 days.

Cash generated by operations after working capital changes totalled R1.7 billion. Capital expenditure of R222 million was reinvested mainly in new stores and pharmacies, store refurbishments, supply chain and information technology. At end February 2025, the group held cash resources of R1.7 billion.

Outlook
The trading environment will remain constrained in the second half of the 2025 financial year, with consumer spending expected to be impacted by the VAT rate increase effective from 1 May 2025. In addition, ongoing global uncertainty and geopolitical risks could adversely affect the country's macroeconomic outlook.

In line with our share buy-back programme we repurchased 1.1 million shares totalling R372 million in March and April.

Clicks plans to open 45 - 55 stores and 45 - 55 pharmacies for the 2025 financial year and remains committed to its medium-term target of 1 200 stores.

Full-year earnings forecast
The directors forecast that the group's diluted HEPS for the financial year ending 31 August 2025 will increase by between 11% and 16% relative to the 2024 financial year.

This forecast is based on the following assumptions:
- the retail environment is anticipated to remain constrained in H2 2025;
- the VAT rate increase is expected to impact consumer spending;
- geopolitical factors could adversely affect South Africa's macroeconomic outlook;
- the group's full-year performance being within the published medium-term targets; 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 28 February 2025 of 238.0 cents per share (2024: 210.0 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 47.6 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 190.4 cents per share net of DT.

The company has 236 938 881 ordinary shares. 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, 1 July 2025
Shares trade "ex" the dividend	Wednesday, 2 July 2025
Record date	Friday, 4 July 2025
Payment to shareholders	Monday, 7 July 2025

Share certificates may not be dematerialised or rematerialised between Wednesday, 2 July 2025 and Friday, 4 July 2025, both days inclusive.

Mfundiso Njeke	Bertina Engelbrecht	Gordon Traill
Chairman	Chief executive officer	Chief financial officer

Cape Town
16 April 2025

This short-form announcement is the responsibility of the Clicks Group board of directors and is a summary of the information in the detailed interim results announcement and does not contain full or complete details.

The full announcement can be downloaded from https://senspdf.jse.co.za/documents/2025/jse/isse/CLS/H12025.pdf or on the group's website at https://www.clicksgroup.co.za. The announcement is available for inspection, at no charge, at Clicks Group's registered office during business hours for a period of 30 calendar days following the date of this announcement. Any investment decision in relation to Clicks Group's shares should be based on the full announcement.

Directors: MJN Njeke*# (Chairman), BD Engelbrecht (Chief Executive Officer), RJD Inskip*, NNA Matyumza*, SS Ntsaluba*, PM Osiris (née Moumakwa)*, KC Ramon*, GD Traill† (Chief Financial Officer)

* Independent non-executive

\# Appointed chairman on 30 January 2025 following the retirement of David Nurek

† British

Registered office: Cnr Searle and Pontac Streets, Cape Town 8001
Transfer secretaries: Computershare Investor Services Proprietary Limited

Sponsor
Investec Bank Limited