

Clicks Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 1996/000645/06
JSE and A2X share code: CLS
ISIN: ZAE000134854
CUSIP: 18682W205
LEI: 378900E967958A677472
("Clicks Group", "the group" or "the company")

REVIEWED CONDENSED CONSOLIDATED ANNUAL GROUP RESULTS FOR THE YEAR
ENDED 31 AUGUST 2025 AND CASH DIVIDEND DECLARATION

- Group turnover up 5.3%
- Retail turnover up 6.0%
- Trading margin up 60 bps to 9.8%
- Diluted HEPS up 14.1%
- Total dividend up 14.2% to 886 cents per share
- R6.6 billion cash generated by operations
- R2.7 billion returned to shareholders
- Return on equity up to 49.2%
- Total shareholder return 17.3% CAGR over 10 years

Overview

Clicks Group once again demonstrated the resilience of its core product offering in a constrained trading environment, delivering growth across its strategic pillars of value, convenience, differentiation and personalisation. The group increased diluted headline earnings per share by 14.1% to 1 362 cents and achieved an industry-leading return on equity of 49.2%.

Clicks reported strong growth of 10.7% in private label and exclusive brands which accounted for R9.7 billion of the chain's turnover. Clicks increased its store base to over 990 following the opening of a net 55 stores and the national pharmacy network was expanded to 780 with the opening of a net 60 pharmacies during the year.

Clicks ClubCard, which celebrates its 30th anniversary this year, grew active membership to 12.6 million and contributed 82.6% of sales in Clicks. Loyalty members received R855 million in cashback in the past year, bringing total rewards paid to customers over the past three decades to R7.5 billion.

The group maintained its track record of shareholder wealth creation. The total dividend was increased by 14.2% to 886 cents per share, based on a 65% payout ratio. The group returned R2.7 billion to shareholders in dividend payments of R1.9 billion and share buybacks of R751 million. Over the past decade, the group has delivered a compound annual growth rate of 17.3% in total shareholder return.

Financial performance

Group turnover increased by 5.3% to R47.8 billion. Retail turnover, which includes Clicks, UniCare, The Body Shop and Sorbet corporate stores, increased by 6.0%.

Comparable store turnover grew by 4.7% (excluding the additional trading day in the prior period) with inflation of 2.6% and volume growth of 2.1%.

Retail turnover increased by 7.0%, excluding Unicorn Pharmaceuticals (Unicorn), which was disposed of in the previous financial year.

Distribution turnover grew by 5.1% through increased purchasing compliance across UPD's core wholesale channels.

Total income grew by 8.4% to R14.9 billion. The retail margin expanded by 70 basis points due to strong growth in higher-margin private label products and supply chain efficiencies. The distribution margin declined by 10 basis points, impacted by the lower adjustment in the single exit price of medicines relative to the prior year. The group's total income margin expanded by 90 basis points to 31.1% as a result of the stronger growth in Retail relative to Distribution.

Retail costs grew by 7.9% mainly due to higher wage increases and increased pharmacy openings as well as higher utility and card acquiring costs. Comparable retail costs grew by 5.0%. Distribution costs were very well managed, with expense growth contained to 1.9%.

Group trading profit increased by 12.1% to R4.7 billion and the group's trading margin increased by 60 basis points to 9.8%. The retail margin increased from 10.2% to 10.5% and including the intragroup profit from Unicorn, the margin expanded to 10.8%. UPD increased its trading margin by 10 basis points to 3.3%.

Headline earnings grew by 13.7% to R3.2 billion. Basic earnings per share increased by 14.5% to 1 363 cents and headline earnings per share increased by 14.1% to 1 362 cents.

Inventory levels increased by 10.7% and group inventory days were four days higher at 78 days. Retail inventory was impacted by a focus on product availability to drive sales growth as well as new stores opened in the last two months of the year. UPD inventory was higher due to demand-driven buy-ins of GLP-1 product and increased Unicorn stock levels. The group's net working capital days improved from 35 to 34 days.

Cash generated by operations totalled R6.6 billion. Capital expenditure of R985 million (2024: R891 million) was invested mainly in new stores and pharmacies, store refurbishments, supply chain and information technology (IT).

At financial year-end, the group held cash resources of R3.3 billion, with the final dividend totalling R1.5 billion to be paid to shareholders in January 2026.

Outlook

While the improvement in South Africa's macroeconomic indicators is encouraging for retail spending over the medium term, consumer sentiment and discretionary spending remain under pressure. The group is, however, well positioned in this environment due to its competitive advantage in the defensive health and beauty sectors where it holds market-leading shares in its core retail categories as well as in pharmaceutical wholesale and distribution.

In the new financial year, management aims to leverage the recent investments in Sorbet, UniCare and the LEAP pharmacy system while continuing to invest in enhancing the group's omni-channel capability.

Clicks plans to open 40 - 50 stores and 40 - 50 pharmacies in the 2026 financial year and is committed to achieving its medium-term target of 1 200 stores. In addition, the group plans to open 10 - 15 UniCare specialised pharmacies over the medium term.

Private label remains the primary driver of the group's differentiation strategy. The group aims to sustain the strong recent growth momentum in private label and exclusive brands, targeting a 35% contribution to front shop sales in the medium term.

Capital expenditure of R1 256 million is planned for the 2026 financial year. This includes R662 million for new stores and pharmacies and the refurbishment of 70 - 80 stores. A further R594 million will be invested in supply chain, IT and infrastructure.

Final dividend

The board of directors has approved a final gross ordinary dividend for the period ended 31 August 2025 of 648.0 cents per share (2024: 566.0 cents per share). The source of the dividend will be from distributable reserves and paid in cash.

Dividends Tax (DT) of 20% amounting to 129.6 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 518.4 cents net of DT.

The company has 234 898 662 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, 20 January 2026
Shares trade "ex" the dividend	Wednesday, 21 January 2026
Record date	Friday, 23 January 2026
Payment to shareholders	Monday, 26 January 2026

Share certificates may not be dematerialised or rematerialised between Wednesday, 21 January 2026 and Friday, 23 January 2026, both days inclusive.

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

Cape Town
23 October 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 annual 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/H22025.pdf>

or on the group's website at 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.

Review report

KPMG Inc., the group's independent auditor, has reviewed the condensed consolidated financial statements and has expressed an unmodified review conclusion on the condensed consolidated financial statements. Their review report is included in the full announcement and is available for inspection at the company's registered office together with the condensed consolidated financial statements identified in the auditor's report. These condensed financial statements have been prepared under the supervision of Gordon Traill CA, the chief financial officer of the group.

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

† British

Registered office: Cnr Searle and Pontac Streets, Cape Town 8001

Transfer secretaries: Computershare Investor Services Proprietary Limited

Sponsor

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