

INFRASTRUCTURE

Number of stores

837

2017: **795**
2016: **689**

Number of pharmacies

510

2017: **473**
2016: **400**

In-store clinics

203

2017: **195**
2016: **195**

Distribution centres

9

across **Clicks**
and **UPD**



INFRASTRUCTURE

The infrastructure network used in selling merchandise, including the retail store network, distribution facilities, online store and information technology systems.

Our retail and distribution businesses create a unique competitive positioning for the Clicks Group in South Africa. The group aims to ensure convenient customer access to medicine through an expanding national network of Clicks pharmacies which are, supported in healthcare supply chain management by the group's pharmaceutical wholesaler, UPD.

The Clicks pharmacy network has been expanded to 510 pharmacies and the number of clinics has reached 203, while delivery through our courier business, Clicks Direct Medicines, allowed penetration into outlying areas.

The group recognises the scarcity of pharmacists and healthcare professionals and is committed to continued investment in the attraction, learning and development, and retention of employees, having spent R124.7 million on staff learning and development initiatives in the last financial year.

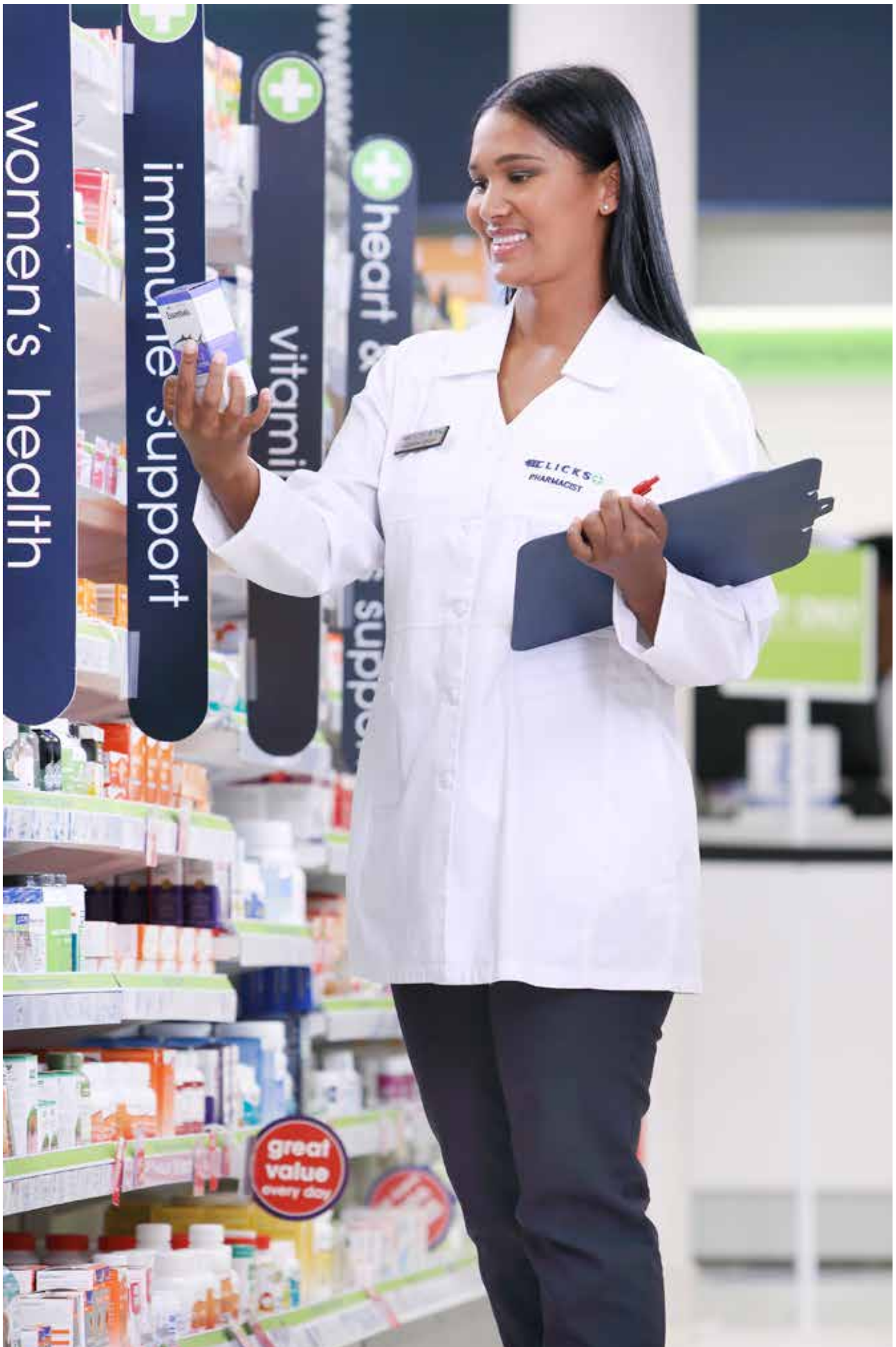
“Clicks is the largest employer of pharmacists in the private sector”

Clicks is committed to helping reduce the burden on state facilities by providing easy access to chronic medication and over 400 Clicks pharmacies have been registered as pickup points as part of the Department of Health's central chronic medicine dispensing and distribution programme across the pilot districts.



BUSINESS CONTINUITY

A comprehensive business continuity policy and systems have been developed and are implemented across the business. This is presented and evaluated by the audit and risk committee annually.



INFRASTRUCTURE (CONTINUED)

RETAIL STORE NETWORK

The group has reached a total footprint of 837 retail stores in this financial year.

STORE FOOTPRINT	Standalone stores			Pharmacies	Presence in Clicks stores
	South Africa	Rest of Africa	Total		
Clicks	630	33	663	510	
The Body Shop	55	4	59		170
Claire's	6	–	6		168
GNC	–	–	–		454
Musica	100	9	109		
Total	791	46	837		

Stores outside South Africa are in the neighbouring countries of Namibia, Botswana, Swaziland and Lesotho.



The anchor brand, Clicks, is South Africa's leading health and beauty retailer, offering value for money in convenient and appealing locations.

- Clicks targets consumers in the growing middle to upper-income markets (LSM 6 – 10)
- Clicks ClubCard is one of the largest loyalty programmes in South Africa with over 7.8 million active members
- 76% of ClubCard customers are women and 68% are in the 25 to 49 age group
- 50% of households live within five kilometres of a Clicks store

The franchise brands were introduced through exclusive franchise agreements to provide additional differentiation to the Clicks offering:

- 2001 – The Body Shop, which sells natural, ethically-produced beauty products
- 2014 – GNC, the largest global specialty health and wellness retailer
- 2015 – Claire's, one of the world's leading specialty retailers of fashionable jewellery and accessories for young women and girls

The heritage business, Musica, is the country's leading entertainment retail brand and was acquired in 1992.

INFORMATION TECHNOLOGY

The group aims to ensure IT systems and infrastructure are well maintained and remain relevant to future needs of the business.

In the omni-channel space, the group has continued to enhance the www.clicks.co.za transactional website and the Clicks mobile app which offers customers the convenience of a virtual Clicks ClubCard as well as script management, pharmacy services and a store locator.

INFRASTRUCTURE (CONTINUED)

DISTRIBUTION CENTRES AND LOGISTICS

The group has nine distribution centres, of which five are for the UPD brand. The UPD distribution facilities in Johannesburg boast Knapp picking machines which are integrated with information technology systems to pick medicines that comply with legislation requirements and increase the efficiency of delivery. UPD provides its clients with a platform to maximise supply chain cost-efficiencies through an owner-driver fleet and has consolidated its leadership position in wholesale distribution, enjoying market share of 26.0%.

The other distribution centres are used for the group's retail brands. High-value items and exclusive ranges which require product picking technology, including voice recognition systems for picking of product, are stored in the distribution centres.

The Clicks Centurion distribution centre is being expanded to increase capacity for better service delivery and to meet the store growth and long-term goals of the group.

