

Clicks reveals Sasria claim following unrest totals R726m

The Clicks Group has said that its total South African Special Risks Insurance Association (Sasria) claim related to the civil unrest in July amounts to R726m, comprising loss of stock of R522m (carrying value of R334m), replacement of fixed assets of R182m (carrying value R61m) and other costs of R22m.



Source: Clicks Group

The group has received its first interim insurance payment of R217m from Sasria, and the balance of the insurance proceeds are expected to be recognised by the group in the 2022 financial year.

Warning of poor sales

Clicks said that sales in the last seven weeks of the financial year were significantly impacted by the civil unrest in KZN. "In addition to the store closures due to damages and the temporary store closures at the peak of the violence, trading in the affected areas remains well below the levels of the previous year and this is expected to continue in the short term," the company said.

The group advised in April that diluted headline earnings per share for the financial year ending 31 August 2021 was expected to increase by between 8% and 13% over the 2020 financial year. However, owing to the impact of the civil unrest and the fact that only 30% of the total Sasria insurance claim has been accounted for to date, the group expects earnings for the period to increase by 0% to 3%.

In its trading update shared on Tuesday, Clicks said that it is not yet possible to quantify the full impact of business interruption on the group's revenue and profitability as the timing of the reopening of stores is dependent on shopping centre owners.



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During July's civil unrest, 52 Clicks stores and one The Body Shop store were looted and vandalised, representing 6% of the Clicks Group's store base. Eleven stores still remain closed, but it is expected that a five will be reopened by the end of the first half of the 2022 financial year and four in the second half. The final two damaged stores are scheduled to open in the 2023 financial year.

The UPD and Clicks distribution centres in KZN were also looted and damaged, and have since been reopened. Clicks said additional costs were incurred for private security services to protect the distribution centres as well as air transportation costs to supply medicines from Johannesburg to UPD customers in KZN.

300 vaccination sites and counting

Clicks said its vaccination programme continues to gain momentum. At 31 August, it was operating 300 vaccination sites and had administered 596,180 vaccinations nationally.

The company plans to open a further 268 sites in the coming weeks, with 568 sites expected to be operating by the end of September 2021. This will give Clicks the capacity to administer approximately 615,000 vaccinations each month.

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