



**ITALTILE**  
LIMITED

Reviewed condensed Group Results  
for the year ended 30 June 2025 and cash dividend declaration

## Financial highlights

### System-wide turnover

**R11,3 billion** ↓ 2%  
2024: R11,5 billion

### Trading profit

**R2,1 billion** ↔  
2024: R2,1 billion

### Earnings per share

**125,6 cents** ↑ 3%  
2024: 122,1 cents

### Headline earnings per share

**125,1 cents** ↑ 2%  
2024: 123,0 cents

### Store network

**210** ↑ 1%  
2024: 208

### Ordinary dividend per share

**50,0 cents** ↑ 2%  
2024: 49,0 cents

### Special dividend per share

**98,0 cents** ↑ 26%  
2024: 78,0 cents

### Total dividend per share

**148,0 cents** ↑ 17%  
2024: 127,0 cents

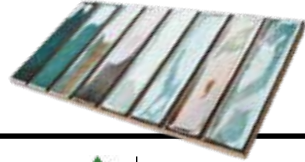
### Net asset value per share

**705,0 cents** ↔  
2024: 707,5 cents

### Cash and cash equivalents

**R2,2 billion** ↑ 18%  
2024: R1,8 billion





## Commentary

**Overview:** Founded in 1969, Italtile Limited is a Proudly South African manufacturer, franchisor and retailer of tiles, bathroomware and other complementary home-finishing products.

The Group's retail brands are CTM, Italtile Retail and TopT, represented through a total network of 210 stores, including seven online webstores. The brand offering targets homeowners across the Living Standards Measure 4 to 10 categories.

The retail operation is strategically supported by a vertically integrated supply chain comprising key manufacturing and import operations and an extensive property portfolio. The manufacturers are Ceramic Industries Proprietary Limited ("Ceramic") and Ezee Tile Adhesive Manufacturers Proprietary Limited ("Ezee Tile"). The import businesses are International Tap Distributors ("ITD"), Cedar Point and Durban Distribution Centre ("DC").

The Group strives to remain the best manufacturer and retailer of tiles, sanitaryware and complementary products in Africa, by offering an unrivalled shopping experience with the right products, beautifully presented, at the right time, place and price.

### Operating environment

In the changing global environment, over-capacity and subdued demand have exerted pressure on tile manufacturers worldwide. As many global manufacturers seek to find alternative markets, some countries in Southern Africa have applied tariffs. These, together with dumping in South Africa, have led to increased competition in our domestic markets. Reduced shipping and freight costs, mainly from India, and a stable exchange rate have improved the viability of imports.

In the context of South Africa's subdued economy, consumer confidence and spend in the building and construction sector remained muted. This was tempered in the first half of the financial year, when consumer sentiment and confidence turned more positive mainly due to a stable political environment following elections and increased disposable income as a result of the two-pot pension fund reforms.

## Commentary, continued

The local political environment and consumer confidence deteriorated due to instability in the GNU, uncertainty around VAT increases and the delayed approval of the South African Budget. Deteriorating global macro-economic conditions arising from trade uncertainty, changed tariffs and geo-political conflict further weighed on the local economy. Concerns expressed by management regarding sustainability of the improvement at the end of 2024 were well-founded as consumer confidence dipped resulting in only 0,1% growth in GDP for Q1 2025. Weak consumption resulted in manufacturing production falling significantly.

### Competitive landscape

Intense competition in the tile manufacturing and retail segments continued unabated. Newly commissioned capacity in Zambia, Zimbabwe and Mozambique has led to excess capacity and production which now far exceeds consumer demand within the Southern African Development Community ("SADC") region. Product dumping and overstocking by most retailers, wholesalers and manufacturers continued to drive price deflation, with resulting margin pressure. This over-capacity has resulted in some consolidation and, in June 2025, Johnson Tiles South Africa ceased operations. As a result of the closure of this 110-year old business, regional tile manufacturing capacity reduced by five million square metres per annum, leaving only two local producers. The adhesive industry, which has no regulated standards on its products and has seen a proliferation of adhesive producers offering inferior, low-priced products.

The introduction of tariffs on imports by Zambia and Zimbabwe to protect their local production has affected the ability of local producers to export into these countries resulting in loss of market share in these export markets. The establishment of major new manufacturing facilities in neighbouring countries due to their investor-friendly environments, highlights South Africa's difficult and relatively unsupportive investment climate for manufacturers.

Continued proliferation of new tile retailers, including regional retail chains extending their footprint, continues to place margins under pressure and will influence sustainable retail capacity. We will consider opening new stores only where feasible. The profusion of informal retailers being supplied by the new manufacturing competitors, especially in the rural areas, has increased competition for our TopT brand which has a strong reputation as a conveniently located community-centred brand, offering a wide range of products and a high level of quality assurance and customer service in the entry-level market. Our strategy has been to continue to build on our established strengths in this market and continue to expand the TopT footprint.

Our response to defend market share has been to leverage our world class technology to enhance quality and product innovation, to drive operational efficiencies to offset the impact of deflationary pricing, to bolster the Company as a selling organisation and to focus on exceptional customer experience. We have focused on being more efficient at every customer satisfaction touchpoint: fashion, presentation, range, value, service and quality.

### Consumer trends

In our experience, consumers have continued to be price-conscious and constrained by tight budgets while searching for trusted quality and good value. Customers are increasingly using digital platforms and social media channels to research products and prices, followed by visits to stores to personally view and handle our products. Our aim is to ensure that shoppers have a range of convenient options – from conducting their entire transaction online, to a blend of online and in-store interactions.

Our market-leading webstore offers an incomparable, seamless sales experience. The improvement in our unique visitor and transaction statistics is a pleasing endorsement of our investment in this trading platform. Our online store enables service to new locations while still delivering with our omnichannel from existing brick and mortar stores.

Retailers are shifting expansion from large malls to towns outside the main cities and to strip malls with continued demand for convenience retail. We will continue to invest in research to identify opportunities for new stores closer to customers, which in TopT's market is relevant for entry level customers seeking a convenient, affordable shopping experience in their local community, obviating unnecessary transport costs.

Consumer preferences continue to trend to larger format tiles. We continue to import a leading range of larger format and specialised finished product for customers who prefer a unique and different product. Our investment in rectification technology at Vitro and Gryphon was complemented by our development of a range of larger format rectified products and polished porcelain tiles to compete with growing imports. In response to customer preference for polished tiles rather than gloss, we extended polishing capability at Gryphon which is expected to be commissioned by calendar year-end.

### Group performance and results

System wide turnover for the year decreased 2% driven by a small increase in retail revenue and a decline in revenue in supply chain businesses and Ceramic Industries.

Retail sales improved 1% year-on-year and we retained our market share despite the challenging trading environment. The number of sales transactions increased 1,3% while basket size decreased 0,7% as price-sensitive customers bought down. Retail margins continued to be under pressure and declined by 0,7%, with a 0,2% increase in average selling price. Retail profits for the period increased 1%.

Our East African operations delivered a good performance due to the stronger regional economy, strategic trading enhancements and an improved product range. In the Southern African region, Botswana's margins have been impacted by products dumped from Zambia. A new CTM franchise will open in Eswatini after

closure of the financial year-end following a period of over a year with no store in this country.

Our Webstore continued its strong performance and increased traffic and sales, underpinned by improved digital content offering an innovative online experience and personalised sales expertise.

Trading conditions in Ceramic's market continued to deteriorate mainly due to the excess manufacturing capacity in the Southern African region. Despite pressure from inferior quality entry level imports in the sanware division, strong sales growth supported double digit improvement in profit growth from Beta Sanitaryware.

Reduced margins weighed heavily on the performance of the tile division, with a 5% reduction in volume sold and, despite producing larger formats, a decline of 2,1% in average selling prices per square metre for tiles. Export sales decreased significantly due to tariffs in our two biggest export markets, Zambia and Zimbabwe. As the Zimbabwe tariffs took effect late in the year, they are expected to negatively impact year-on-year sales in the FY2026 year.

The Ceramic team responded to the reduced volumes by decreasing costs and improving efficiencies with assistance from our supply partners. Despite efforts to control costs, like-on-like margin value decreased driven primarily by lower capacity utilisation in our volume-sensitive factories. The rejection by NERSA of a historic price increase by Sasol Gas allowed a once-off release of a R45 million provision and positively affected Ceramic's results.

Ezee Tile achieved a small increase in revenue but significant improvement in margins, following further efficiencies in the Vulcania factory and regional factory upgrades. Performance of the Silica Quartz sand mining and processing businesses was disappointing and an Ezee Tile management priority will be to improve efficiencies and unlock value from this acquisition.

## Commentary, continued

In the integrated supply chain, revenue from our import businesses, Cedar Point, ITD and DC decreased 2,9% mainly due to substitution of imported tiles with product from SADC suppliers. DC unlocked efficiencies through in-sourcing warehouse operations in Durban, better stockturn and reduced freight costs, and successfully completed the operational integration of Cedar Point Durban into the DC warehouse resulting in cost savings. Cedar Point grew sales through improved product availability and rationalised ranges, enabling faster introduction of new, fashionable products. ITD grew sales volumes from retail stores and maintained margin despite a decrease in average selling price and ongoing exchange rate volatility.

Cost leadership is a core discipline, driven hard by management in all our operations, with Group operating costs reducing 2,8%. The priority focus was on containing logistics and property costs. Net finance income increased due to higher average cash balances during the year.

Group trading profit was similar to prior year at R 2 061 million. With a 1% decrease in weighted number of shares, EPS increased 3% when compared to the prior year.

Total inventory holdings decreased 3% to R1 228 million as a result of improved system-wide stockturns. Projects to further improve logistics to reduce lead times and improve stockturn are expected to deliver further inventory reduction despite plans to open additional stores. The Group continues to benefit from its integrated supply chain with 86% of total procurement sourced from local manufacturers and suppliers. Optimal product mix and range were supported by our business optimisation programme.

Capital expenditure ("capex") of R234 million (2024: R597 million) was incurred during the year on the retail property portfolio and factory upgrade projects, comprising investment in expanding production capabilities in our tile

manufacturing business and ongoing capex to enhance the retail property portfolio.

At 30 June 2025, the Group's cash balance increased by 18% to R2,2 billion (2024: R1,8 billion).

Material cash outflows for the year include:

- capital expenditure of R234 million (2024: R597 million);
- tax payments of R462 million (2024: R543 million); and
- total dividend payments of R1 619 million (2024: R606 million).

The outflows were partially offset by cash proceeds of R64 million from the sale of property, plant and equipment (2024: R76 million). The Group's net asset value per share at 30 June 2025 was 705,0 cents (2024: 707,5 cents).

### Performance scorecard and strategic responses

At the end of FY2024, strategic objectives were identified that required the execution of operational excellence across our retail and manufacturing assets to drive improvement in the business. The progress against these objectives is outlined below.

#### Reshape Ceramic to the changing environment Optimise operational efficiency to retain market share

Utilisation of Ceramic's installed tile capacity reduced to 66% for the year (56% for the last quarter). Production on one kiln at each of the Samca Wall, Pegasus and Vitro factories was mothballed to right-size capacity until market conditions and demand improves. Short stoppages of a kiln at each of Gryphon, Samca Plus and Pegasus were required to manage inventory.

Progress has been made in strengthening and developing the management team and senior factory operators.

### Manufacturing product development

Our product development team introduced a new product offering and launched additional fashionable products. We continued our investment into rectification technology at Vitro and Gryphon and will launch a range of polished porcelain tiles to compete with the growing imports from competitors in the surrounding countries. We continually update our technology to ensure that we remain relevant and have quality products to compete.

### Ensure gas and energy security

#### Mitigate the risk of supply of natural gas and safeguard business continuity

While the immediate threat to natural gas supply has been delayed following Sasol's announcement to extend supply to June 2028, we continue to monitor the situation and will review the trial project using a coal-fired Hot Air Generator ("HAG") in 2026. We have planned one pilot project for the next financial year to convert spray driers with the aim of bedding down the technology.

We will continue to monitor developments in supply and pricing of piped natural gas, liquid natural gas, trucked natural gas, methane rich gas, biogas and synthetic gas from coal to assess options for affordable gas supply.

### Improve performance at CTM and grow tile sales volumes

We are disappointed that sales, profit and margins at CTM decreased with tile sales remaining flat year-on-year. We undertook a number of interventions as part of our turnaround strategy. Strengthening our operators and operations teams is an ongoing process, which has involved substantial focus on recruitment and training.

CTM's pivotal customer satisfaction programme, CTM Xperience, aims to enable and inspire our employees to deliver exceptional service to delight and satisfy our customers. The programme is in the early stages but has already resulted in a higher net promoter score and improved Google ratings. This is a continuous

process to entrench our customer service philosophy in our culture and we believe there is more value to be extracted.

It is management's conviction that by becoming a better selling organisation we will grow sales when consumer discretionary spend and sentiment improve. A programme was designed with an initial six-week sales skills clinic focused on strengthening our teams' interaction with customers and enhancing their ability to provide support in the customer experience. This project continues into FY2026 as we bed down transfer and practice of selling skills as part of our retail culture.

### Continued investment in digital experience and online sales

Pleasing growth in online sales was supported by development of our omnichannel model and leading webstore experiences. Significant progress was achieved in increasing the quantity and quality of content to enhance customer experience, and adapt the digital experience specifically for mobile device users, incorporating AI to improve imaging quality, content and search options. Our highly trained online sales team provides a differentiated shopping experience and personalised service that consistently receives exceptional customer reviews.

### Grow TopT tile sales by improving execution in store and expanding the Top T geographical footprint

Despite more independent and informal wholesalers opening during the year, TopT posted a good performance as volumes sold increased 3%, bolstered by the record sales month in December 2024 driven by cash withdrawals from the two-pot pension fund changes. The business continued to improve its home finishing offering, particularly in bathroom and vinyl wall products. During the period, we opened four new stores in Umzimkhulu, Manguzi, Sekororo and Schoemansdal.

## Commentary, continued

After a period of financial and operational mentorship, we are proud that one of our empowered partners has become a master franchisee in Southern KZN.

### Improve market share at Ezee Tile

Ezee Tile's products are not only well priced but are recognised in the market for their superior performance and consistent quality. During the year, the business targeted increased market share in the specifications and projects segment. With the new factory at Vulcania maturing in production systems, improved best practice was extended into the smaller regional factories. Logistics and stock management across the Ezee Tile operations were improved to reduce inventory and decrease lead times.

As part of achieving optimal performance, we recruited specialists to add to our pool of critical skills and continued upskilling staff through training and development. We have also made good strides in entrenching the Group culture across all branches, leading to improved disciplines and housekeeping standards.

### Vertical Integration and Logistics

Reducing inventory and improving end-to-end logistics were key priorities for the year and involved planning, co-ordination, further integration of drop off points, and "last mile" delivery.

Vendor managed inventory ("VMI") benefits include reducing stockholding at stores and moving the right product once, to the right place, just-in-time. Ceramics has implemented VMI and now uses it to supply all sanware and fast-moving tile products into the Group's stores. Ezee Tile implemented a warehouse management system ("WMS") in Vulcania and the vendor management system ("VMS") driven from Vulcania to improve stockturn in our retail branches. The consolidation of the DC and Cedar Point into one facility in Durban has improved efficiencies and our logistics competency, leading to reduced stockholdings, lower costs and better forecasting.

### Strengthen our Human Capital

We remained focused on developing our teams, building competencies, securing talent, strengthening the leadership pipeline and embedding the culture of accountability, ownership and results-orientation. Continued investment resulted in progress in improving the competence and strength of our human capital support function to facilitate our growth targets. Our culture centres on small, effective and highly motivated close-knit teams.

Consolidation of payroll, communication and administrative processes has been reviewed and several projects to ensure long-term efficiencies across the Group will be completed in the new financial year. We continue to embed our culture of productivity, efficiency and customer focus. An employee communication platform will be launched to ensure transparent and effective communication while providing access to the platform to internal services and information.

Our store operator programmes for each brand continue to evolve to improve their effectiveness in developing future leaders. Retail excellence and sales training are core disciplines with our sales staff being comprehensively coached, providing a succession pipeline for store operators.

### Divisional review

#### Retail brands

#### CTM, Italtile Retail and TopT

Our brands are strategically designed to appeal to customers across the income and demographic spectrum: from TopT's entry-level market, through CTM's mass middle market, to Italtile Retail's premium-end customers.

The fiercely competitive trading environment continued to test the resilience and resourcefulness of our operators. In defending our market share we have focused on building a robust selling organisation through strengthening the skills of our teams, optimising efficiencies and managing costs in our operations. Our franchise network is healthy

and all our stores remained profitable. We value the contribution of our franchise and JV partners and we work hard to nurture our relationship with them.

**CTM's** customers are more acutely sensitive to cost of living pressures than other segments, and are also the most indebted. Our positioning, "Big Savings. More Style" was well communicated and effectively executed, entrenching the brand's iconic status as the leading affordable fashion proposition for customers who appreciate our quality and value offering. Our strategic price points, sales promotion activities and marketing campaigns continued throughout the financial year ensuring the brand was top of mind in this cash-strapped segment of the market, where competition is very aggressive with more than 400 competitor stores.

The goal in our stores is to ensure that every customer has an exceptional shopping experience. In offering high-quality and affordable products, we hope to inspire our customers with fashion that elevates their home or business to a place that delights and excites them. We aim to provide an unrivaled shopping experience, together with valuable after-sales support. We strive to add value through various points of differentiation, low prices, trusted quality, meaningful warranties and product service experts.

Bolstering our operators and operations teams is an ongoing process, which includes the recruitment of specialists in different fields.

While CTM's sales volumes increased in Q2 and Q4 as a result of improved stock levels of core tile ranges and products, all key metrics decreased for the full year due to the challenging trading conditions.

CTM has 74 stores in South Africa, including a webstore, having opened a new store in Malelane and closed one in Dobsonville. We have 25 stores in the rest of Africa, having closed one in Maun, Botswana.

We continue to bed down recently opened stores and assess opportunities for new stores in Kenya.

**Italtile Retail's** aspirational positioning "Live Beautifully" is epitomised through its luxurious imported and local products, stylish stores and the uniquely high calibre of professional service offered by sales consultants with interior design training and specialist product knowledge. Although customers continue to feel the effects of a weak economy, they view Italtile Retail as offering an unparalleled shopping experience and superior specialised finished products which are unique and different to other retailers.

This brand performed well as volumes grew. It retained its share of the premium-end residential retail market, primarily due to improved procurement, but also to exceptional service and products. This year a new competitive and comprehensive slab range was introduced. Manufacturers and retailers of imported products targeted the commercial projects market, negatively impacting the performance of this segment.

The focus on developing management depth for future growth resulted in two new high-calibre store managers integrated into the business. Productivity increased 6% due to the focus on operational excellence and targeted training. The Group's transport management system ("TMS") was fully implemented and Italtile Retail is extracting value from the initiative.

Italtile Retail is represented by a national network of 14 stores, including a webstore, and one in the Rest of Africa.

## Commentary, continued

**TopT's** positioning "Every price a low price" continued to resonate with cash-strapped consumers in the under-serviced rural areas and outlying markets. Despite the increase in competition, TopT gained market share, successfully building on its reputation as an affordable retailer of a comprehensive range of home-finishing products, availability of stock and accessibility to market. The brand is also recognised for its service, expertise, unique strong community relationships and local marketing.

Sales and profits grew in the financial year but margins were down compared to the prior year. Good progress was achieved in managing in-stock levels, while a focus on cost containment reduced overhead costs.

TopT improved its core range and grew the contribution of sanitaryware. The focus during the year was to continue to build the leadership pipeline at regional and store operator levels.

During the period, four stores were opened, one was closed and two were relocated. TopT is currently represented by 96 stores nationwide, including a webstore and 37 franchise stores.

The Group operates seven **webstores**, one each for Italtile Retail and TopT, and five for CTM's markets in South Africa, Tanzania, Kenya, Botswana and Namibia.

Our webstores are an integral component of our omnichannel platform and underpin our strategic objective to provide customers with a seamless shopping experience between our online and brick and mortar stores.

Our webstores reported increased traffic and sales for the financial year, a solid achievement in a very competitive marketplace. This good result is attributable to the innovative user interface and our significantly improved online content which continues to inspire purchasing decisions.

## Integrated supply chain

### Manufacturers

#### Ceramic Industries and Ezee Tile

Our manufacturing businesses are Ceramic Industries and Ezee Tile. **Ceramic** is a leading manufacturer of fashionable affordable tiles in South Africa and Australia, and bathroomware in South Africa. Ezee Tile manufactures cement-based adhesives, grouts, and related products, with six facilities in South Africa and one each in Kenya, Zambia and Zimbabwe.

Total production capacity in the SADC region is nearly double demand, resulting in distressed manufacturers deflating prices in the fight for market share. These pressures, coupled with fixed overhead costs, have resulted in reduced sales and margins. Our drive to improve efficiencies and yields and reduce costs continues. Quality improved with new product offerings, however market share continued to decline due to predatory pricing and dumping. The commercial and sales team was strengthened with the addition of a new commercial manager and appointment of sales representatives.

In view of the aggressively competitive market, management decided to temporarily mothball four kilns in the first half of the year. We will review restarting them when demand is restored.

In bathroomware, free-standing bath manufacturing capacity was installed and commissioned during the financial year and we significantly reduced production lead times for seamless, casted and one-piece baths. Beta Sanitaryware reported record production volumes and an improvement in throughput yield, as well as a reduction in lead times and delivered cost. The VMI system was successfully implemented in all stores.

**Ezee Tile** is distinguished by high-quality products supported by extensive quality testing and product development. A national footprint of manufacturing plants ensures consistent supply of products for customers. The business boasts strong strategic partnerships with key raw material suppliers who provide access to state-of-the-art technologies to improve quality while reducing costs.

Ezee Tile reported a growth in sales year-on-year and improved margins following the completion of the Vulcania factory, regional factory upgrades and major improvements on the adhesive product line. The sand quarry purchase was completed to secure long-term supply for the Vulcania factory. During the year, the business targeted increased market share in the specifications and projects segment and was successful in regaining some lost customers.

Significant investment was made in skills and development training, leading to improved customer service, operational disciplines and housekeeping standards. As well as the successful implementation of the TMS, Ezee Tile introduced the 4PL transport optimisation programme and the VMS into the Vulcania factory.

In an environment where sales and GDP growth are limited amid fierce and growing competition, it is our intention to be the lowest-cost manufacturer and highly efficient in the rest of the business. We will focus on improving customer experience, operating efficiencies and logistics, and developing and growing our teams' core competencies in sales and operating excellence.

## Integrated supply chain

### Importers

#### International Tap Distributors, Cedar Point and Distribution Centre

Our import businesses - ITD, Cedar Point and DC – procure stock and provide warehousing, distribution and logistics services for the Group, enjoying long-standing relationships with international suppliers and offering extensive import experience.

**ITD** is a key constituent in the Group's vertically integrated supply chain as the importer and distributor of the stylish Tivoli brand, brassware and accessories to the Group store network. It has an efficient, robotic warehouse facility. During the financial year ITD implemented a change in the Tivoli brand's strategy to ensure its continued strength in South Africa. Tivoli's new slogan, "World Leading Style" is embodied in the product which now comes with a 24-hour after-sales service promise. ITD grew sales volumes from retail stores and maintained margin despite a decrease in average selling price and ongoing exchange rate volatility.

**Cedar Point** is integral to the Group's supply chain across merchandise categories, enjoying buying power derived from Group volumes. During the financial year, Cedar Point revised product merchandise categories and introduced new fashion to its range. It grew sales through improved product availability and offering, while rationalising ranges with retail brands to enable faster introduction of new, fashionable products. We significantly improved inventory control, reducing slow-moving and obsolete stock.

**DC's** extensive experience and strong relationships with international suppliers and transport agents underpin the seamless service provided to the Group. Synergies, efficiencies and cost savings were achieved through the successful combination of Cedar Point Durban and DC in Durban.

In the highly competitive environment characterised by weak consumer demand, management's priority in the import businesses was procurement of affordable, fashionable and differentiated product to allow our stores the flexibility to respond to evolving customer expectations. We also focused on stock management, cost containment, productivity and managing the impact of shipping constraints on business-critical inventory. DC achieved savings on freight costs through improved communication and optimised selection.

## Commentary, continued

### Property portfolio

The Group's property portfolio affords strategic advantage to the retail brand operations by ensuring stores are easily accessible, well-presented and maintained, and contribute to an inspirational, aesthetically pleasing shopping experience. The portfolio is continuously evaluated and enhanced to ensure optimal returns. The Group's manufacturing operations comprise well-maintained state-of-the-art factories that are supplied with high-quality raw materials sourced from productive quarries in close proximity to the plants.

The Group's sustainability agenda is promoted through the use of cost-effective, energy efficient practices in the construction of new buildings and the renovation of older buildings. We prioritise the optimal use of natural light, solar technology, new-generation lighting, water-saving taps, rainwater harvesting, boreholes, and environmentally sensitive building materials. Our Ceramic factories use the latest technology and rank among the most energy efficient in the world. The majority of clay is supplied by our own quarries which have adequate reserves to meet medium- to long-term requirements. Raw material quarries are rehabilitated on an ongoing basis as we mine, which minimises the end-of-life rehabilitation costs.

During the financial year, the portfolio's turnover-linked returns improved due to optimisation of store size and input costs, relocation of non-performing stores and strong negotiations on rental renewals. Revenue was offset by above inflation cost increases for municipal services and energy.

Key initiatives to enhance the value of the portfolio included moving one CTM and three Top T stores to better locations, reflected in increased sales reported subsequent to the relocation. Four Top T stores were opened to serve untapped markets and improve market share. We sold five non-productive properties consisting of land and buildings which no longer

fell within the expansion strategy of the Group. In response to increased water interruptions, smart meters were installed to measure and track usage. We incurred R51,7 million capex compared to R115 million in the prior financial year.

### ESG

The Group's sustainability agenda is reinforced by our practices, properties and product offering, all of which are designed and managed to facilitate sustainability of energy supply, reduce reliance on the national water and energy grids, limit the Group's carbon footprint, protect the environment of local communities, and ensure the mental and physical well-being of our people.

Technology has helped operations to meet targets, cutting the consumption of non-renewable resources and re-using, recovering and recycling where possible.

We continue to ensure high standards of corporate governance and responsibility.

### Board changes

Ms Nkateko Khoza resigned as an independent non-executive director, Chairperson of the Social and Ethics Committee and member of the Audit and Risk Committee, with effect from 11 June 2025 to focus on growing Dzana Investments and its associated interests. We thank Ms Khoza for her contributions and insights over the past seven years and wish her well in her future endeavours.

Ms Mamedupi Matsipa was appointed to the Board as an independent non-executive director, on 22 August 2025. As a former CEO of a private equity fund manager, together with over 20 years' experience in private equity, investment banking and information systems, she brings a wealth of experience and expertise in driving value through governance and execution excellence. Ms Matsipa has served as a non-executive director on boards spanning the energy, telecoms, healthcare, industrials

and insurance sectors. She currently serves as a non-executive director on the boards of Absa financial services, Absa Life, Absa insurance company and Novasun Products. Ms Matsipa will be a valued addition to our Board and is warmly welcomed.

## Prospects

We expect continued headwinds to subdue growth, margins and profitability in the year ahead. We believe that a rigid focus on the controllable aspects of our business will position us to capitalise on opportunities when the trading environment improves. Our priorities will be to strengthen leadership through personal development frameworks, invest in our brands and product development, improve operational efficiencies to remain cost leaders and grow market share through fully satisfied customers. As part of our continual review of our asset base, we may consider disposal of assets that do not meet our risk, return and growth criteria.

Organic growth will continue to be driven by capitalising on our leading brand positions in South Africa and our growing brand strength in East Africa. Our strategic initiatives will ensure we invest in our new product development programmes, excellent customer service and our brand portfolio.

Management will continue to engage the authorities to gain the government's support for a level playing field in our market against product dumped from neighbouring countries. While the latest tariffs imposed by the USA do not directly impact our business, they could have wide ranging and devastating consequences for South Africa, crippling the economy if billions of rands are lost in export revenue. The impact on certain regions which are dependent on exports could indirectly affect demand for our products in those areas. We will continue to monitor the situation and ensure that we are agile and ready to respond if necessary.

We anticipate introducing AI projects, to enhance our competitive ability in customer service, logistics and inventory management.

The emphasis on strong human capital management will be continued in the new year as we prioritise strong leadership, effective training programmes and excellence in attracting, recruiting, developing and retaining talent in alignment with our high-performance culture.

## Retail

Italtile Retail will continue to focus on trend setting, market leading product with exceptional displays to inspire customers in creating outstanding personalised homes. Italtile Retail's staff expertise is renowned for its advice and flair when partnering with each customer to ensure the customer dream is understood and translated to a successful project. Development of advanced selling skills for experienced retail consultants in conjunction with ongoing interior design training continue to differentiate the business on the basis of service, quality and product fashion, and to drive sales and profit growth. In conjunction with a focus on higher productivity, we aim to grow webstore volumes, contribution from bathroomware sales and improve commercial market share.

CTM will continue to focus on growth in market share through improving the people pipeline, especially in the operations team, and strengthening the skills of our team members, to ensure that customer centricity is embedded in the retail experience. Logistics remains a key focus to improve customer experience, increase in-stocks to fulfil our promise to customers, improve system-wide stock turns, reduce costs, and delight customers with improved last mile delivery.

## Commentary, continued

CTM launched a new brand campaign in July 2025 centred around the three dynamic CTM homemakers: Carla, Tito, and Mario. They embody CTM's value proposition: Big Savings. More Style. The aim is to connect with customers in a real and memorable way. This campaign is designed to appeal to a wide audience using multiple marketing channels. Through the campaign we aim to differentiate CTM from competitors by blending a powerful legacy with a bold, clear value proposition and services.

TopT will continue to grow its geographical footprint and open stores conveniently located close to its customers. Engagement with local communities is core to TopT's DNA. Marketing campaigns continue to be important as TopT brand recognition improves. We will focus on growing tile sales by improving our range and offering, and increases in bathroomware's contribution to sales are expected given various initiatives underway. As "King of Combo's", TopT continues to pioneer packaged solutions for its customers. A strategic review has led to a change in paint supply partner and growth is expected in this merchandise category.

### Manufacturing and Supply Chain

We expect the highly competitive environment to continue to be a challenge to Ceramic's performance. Ceramic will install and commission a new polishing and rectification line at Gryphon and has commissioned a new rectification line at Centaurus (Australia), as well as launching two new large format rectified tile ranges from the new line at Vitro. A new body formulation will be developed at Pegasus to produce suitable substitute tiles no longer available after closure of Johnson Tiles South Africa. We plan to develop and launch a new super white glaze for vitreous sanitaryware and design, build and commission new demoulding drier.

Ceramic will continue to drive improvements in yield, productivity and cost reduction with specific focus on waste reduction to mitigate against high input cost inflation and continued selling price deflation. We plan to transform Ceramic into a better selling organisation.

Ezee Tile's priorities include the building of a new factory in Mokopane and the Durban property renovation. We will focus on operational efficiencies and profitability, turning around performance at the Silica Quartz sand quarry and performance in Ezee Tile Zambia. Benefits of the newly implemented warehouse management and logistics solutions should be realised in the year ahead. A further goal is to increase market share through growth in the independent retailers and launch of additional products for the construction market, as well as optimising sales in integrated Group stores.

ITD's imperative is retail sales volume growth through gains in market share. In line with our Tivoli brand strategic direction we will drive the execution of the 24 hour after-sales service promise to become the benchmark in South Africa in customer care. While we intend to maintain pricing, we will continue to focus on margin improvement through enhanced procurement and improved product range. In pursuit of profit growth, the priority will be on higher productivity, intensified cost-containment, inventory management and range rationalisation.

Opportunities exist to extract benefits from the vertically integrated supply chain and focus will be on improving stockturns, reducing transportation costs, extracting synergies between incoming and outgoing logistics of all business units, and improving productivity.

## Outlook

The challenging global and South African macro-economic environment experienced in the first half of 2025 is expected to continue throughout the next financial year amid global uncertainty and geopolitical conflict. The trading environment is expected to remain challenging in the short- to medium-term as intense competition persists due to the imbalance between excess supply and weak demand. South Africa has one of the least manufacturing-friendly economies, with an onerous regulatory environment, deteriorating infrastructure, uncertain energy supply and spiralling municipal costs. This unstable environment is detrimental to manufacturing growth and is leading to the acceleration of de-industrialisation. South Africa persists in allowing unequal playing fields due to uncontrolled dumping of product in the country which, coupled with import tariffs imposed by neighbouring countries, worsens the trading environment and places margins under pressure.

In the longer term, it is our view that there will be further consolidation in our industry and rationalisation of capacity. As an industry leader we are ready to take advantage of opportunities in the market.

We have sound assets, competent, engaged and motivated teams, robust iconic brands, industry-leading technology and products, and the competitive advantage of a vertically integrated supply chain. Productivity and efficiency are critical in an environment where sales and GDP growth are limited amidst fierce and growing competition. It is our intention to remain a low-cost manufacturer and highly efficient in our supply and retail businesses.

We are confident that if we execute retail excellence disciplines better at every customer touchpoint and continue to reduce inefficiencies in our business, we will build further momentum to deliver increased sales, profit growth and gain market share. We will focus on improving customer experience, operating efficiencies and logistics and develop and grow our teams' core competencies in sales and operating excellence.

## Subsequent events

Other than the dividend and change to the Board, no events have occurred subsequent to the financial year that require any additional disclosures or adjustments.

### Ordinary cash dividend announcement

The Group's dividend cover is two and a half times. The Board has declared a final gross ordinary cash dividend (number 118) for the financial year ended 30 June 2025 of 22,0 cents per ordinary share (2024: 22,0 cents) to all shareholders recorded in the shareholder register of Italtile as at the record date of Friday, 12 September 2025. The local dividend withholding tax is 20% (twenty percent). The net local dividend amount is 17,6 cents per share for shareholders liable to pay dividends tax and 22,0 cents per share for shareholders exempt from paying dividends tax.

This final dividend, together with the interim gross ordinary cash dividend of 28,0 cents per share (2024: 27,0 cents per share), produces a total gross ordinary cash dividend declared for the year ended 30 June 2025 of 50,0 cents per share (2024: 49,0 cents per share).

### Special cash dividend

Given the Group's strong cash generation and cash reserves being in excess of operational requirements, the Board has declared a special cash dividend (number 9) of 98,0 cents per share (2024: 78,0), to all shareholders recorded in the shareholder register of Italtile as at the record date of Friday, 12 September 2025. The net special cash dividend amount is 78,4 cents per share for shareholders liable to pay dividends tax and 98,0 cents per share for shareholders exempt from paying dividends tax. Italtile has obtained the relevant South African Reserve Bank approval in respect of the special dividend, and the Board has reasonably concluded that the Group will satisfy the solvency and liquidity test immediately after distribution thereof and for the next 12 months.

## Commentary, continued

### Dividend announcement

In accordance with paragraphs 11.17(a)(i) to 11.17(a)(ix) and 11.17(c) of the Listings Requirements of the Johannesburg Stock Exchange (“JSE Listings Requirements”), the following additional information is provided:

- the dividend has been declared out of income reserves;
- the local ordinary dividend withholding tax rate is 20% (twenty percent);
- the gross local ordinary dividend amount is 22,0 cents per share for shareholders exempt from the dividends tax;
- the net local ordinary dividend amount is 17,6 cents per share for shareholders liable to pay the dividends tax;
- the local ordinary dividend withholding tax amount is 4,4 cents per share for shareholders liable to pay the dividend tax;
- the gross local special dividend amount is 98,0 cents per share for shareholders exempt from dividends tax;
- the net local special dividend amount is 78,4 cents per share for shareholders liable to pay the dividends tax;
- the local special dividend withholding tax amount is 19,6 cents per share for shareholders liable to pay the dividend tax;
- Italtile’s income tax reference number is 9050182717; and
- the Group has 1 321 654 148 shares in issue including 24 917 234 shares held by the share incentive and retention trusts, 62 864 976 shares held as Broad-Based Black Economic Empowerment (“B-BBEE”) treasury shares and 44 127 495 shares held by Italtile Ceramics Proprietary Limited.

### Timetable for cash dividend

The cash dividend timetable is structured as follows: the last day to trade cum dividend in order to participate in the dividend will be Tuesday, 9 September 2025. The shares will commence trading ex-dividend from the commencement of business on Wednesday, 10 September 2025 and the record date will be Friday, 12 September 2025. The dividend will be paid on Monday, 15 September 2025. Share certificates may not be rematerialised or dematerialised between Wednesday, 10 September 2025 and Friday, 12 September 2025 both days inclusive.

These reviewed condensed consolidated financial statements for the year ended 30 June 2025 and cash dividend declaration, and results announcement, were published on SENS on 25 August 2025 and are also available on Italtile’s website at [https:// www.italtile.com/reports-and-results.php](https://www.italtile.com/reports-and-results.php).

For and on behalf of the Board

**L A Foxcroft**  
Chief Executive  
Officer

**L Booysen**  
Chief Financial  
Officer

Johannesburg  
22 August 2025

## Independent reviewer

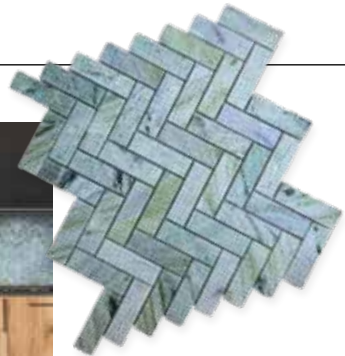
No forward-looking statements in these condensed consolidated financial statements for the year ended 30 June 2025 have been reviewed or reported on by the Group's auditors. These condensed consolidated financial statements for the year ended 30 June 2025 have been reviewed by PricewaterhouseCoopers Inc. ("PwC"), who expressed an unmodified review conclusion thereon. A copy of the Auditor's report on the condensed consolidated financial statements is available for inspection at the Company's registered office or through a secure electronic manner at the election of the person requesting inspection, together with the financial statements identified in the Auditor's report.

PwC's unmodified review conclusion does not necessarily report on all of the information contained in the condensed Group results announcement published on SENS on 25 August 2025. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of PwC's unmodified review opinion together with the accompanying financial information from the Company Secretary who is contactable on

+27 11 325 6363 or roxanne@acorim.co.za or on Italtile's website at

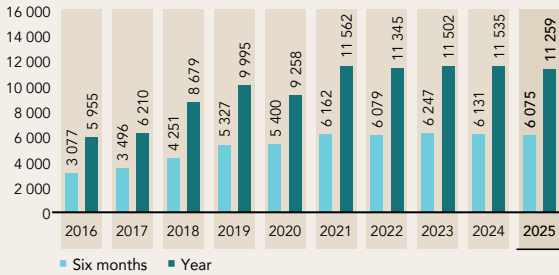
<https://www.italtile.com/reports-and-results.php>.

Johannesburg  
22 August 2025

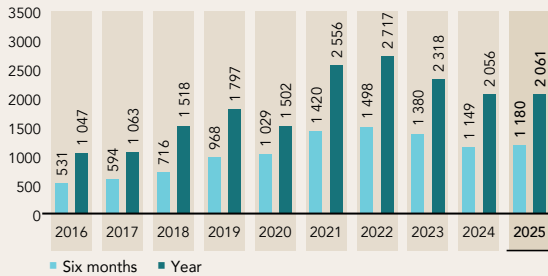


Commentary, continued

System-wide turnover (Rm)



Trading profit (Rm)



## System-wide turnover analysis

for the year ended 30 June 2025

(Rand million unless otherwise stated)

	% (decrease)	Reviewed year to 30 June 2025	Audited year to 30 June 2024
<b>Group and franchised turnover</b>			
– By Group-owned stores and entities	(2)	<b>8 876</b>	9 064
– By franchise-owned stores	(4)	<b>2 383</b>	2 471
<b>Total</b>	(2)	<b>11 259</b>	11 535

## Store network

as 30 June

Region	2025			2024		
	Franchise	Owned	Total	Franchise	Owned	Total
<b>South Africa</b>						
– Italtile	1	13*	14*	1	14*	15*
– CTM	34	40*	74*	32	42*	74*
– TopT	37	59*	96*	40	53*	93*
<b>Rest of Africa</b>						
– Italtile	–	1	1	–	1	1
– CTM	–	25*	25*	1	24*	25*
– U-Light	–	–	–	–	–	–
	<b>72</b>	<b>138*</b>	<b>210*</b>	<b>74</b>	<b>134*</b>	<b>208*</b>

\* Includes webstores.

## Condensed Group statement of comprehensive income for the year ended 30 June 2025

(Rand million unless otherwise stated)

	% increase/ (decrease)	Reviewed year to 30 June 2025	Audited year to 30 June 2024
Revenue	(2)	8 876	9 064
Cost of sales		(5 267)	(5 377)
Gross profit	(2)	3 609	3 687
Other revenue and operating income		422	419
Operating expenses	(3)	(1 976)	(2 033)
Impairment of property, plant and equipment		–	(15)
Profit/(loss) on sale of property, plant and equipment		6	(2)
Trading profit	0	2 061	2 056
Finance income and fair value gains		125	120
Finance costs		(76)	(87)
Profit from associates – after tax		6	12
Profit before taxation	1	2 116	2 101
Taxation		(574)	(594)
<b>Profit for the year</b>	2	<b>1 542</b>	1 507
<b>Other comprehensive income</b>			
Items that may be re-classified subsequently to profit or loss:			
Foreign currency translation difference		(22)	(19)
Total comprehensive income for the year	2	1 520	1 488
<b>Profit attributable to:</b>			
– Equity shareholders		1 494	1 462
– Non-controlling interests		48	45
	2	1 542	1 507
<b>Total comprehensive income attributable to:</b>			
– Equity shareholders		1 472	1 443
– Non-controlling interests		48	45
	2	1 520	1 488
<b>Earnings per share (all figures in cents):</b>			
– Earnings per share	3	125,6	122,1
– Diluted earnings per share	3	125,6	122,1

## Condensed Group statement of financial position

as at 30 June 2025

(Rand million unless otherwise stated)

	Reviewed year to 30 June 2025	Audited year to 30 June 2024
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>6 180</b>	<b>6 403</b>
Property, plant and equipment	5 523	5 680
Right-of-use assets	387	442
Intangible assets	10	16
Investments in associates and joint ventures	88	89
Long-term financial assets	109	102
Goodwill	26	38
Deferred taxation	37	36
<b>Current assets</b>	<b>4 147</b>	<b>3 908</b>
Inventories	1 228	1 271
Trade and other receivables	664	712
Cash and cash equivalents	2 169	1 844
Financial assets at fair value through profit and loss	52	–
Taxation receivable	34	81
Non-current assets held for sale	35	133
<b>Total assets</b>	<b>10 362</b>	<b>10 444</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>	<b>8 388</b>	<b>8 474</b>
Stated capital	4 314	4 314
Non-distributable reserves	6	28
Treasury shares	(1 291)	(1 293)
Share option reserve	201	209
Retained earnings	4 861	4 913
Non-controlling interests	297	303
<b>Non-current liabilities</b>	<b>687</b>	<b>690</b>
Lease liabilities	368	420
Deferred taxation	319	270
<b>Current liabilities</b>	<b>1 287</b>	<b>1 280</b>
Trade and other payables	512	528
Provisions	182	178
Interest-bearing loans	500	500
Lease liabilities	68	62
Taxation payable	25	12
<b>Total equity and liabilities</b>	<b>10 362</b>	<b>10 444</b>

## Condensed Group statement of changes in equity for the year ended 30 June 2025

(Rand million unless otherwise stated)

	Stated capital	Non- distributable reserves	Treasury shares	Share option reserve	Retained earnings	Total	Non- controlling interest	Total equity
<b>For the year ended 30 June 2024</b>								
Audited balance at 30 June 2023	4 314	47	(1 087)	204	4 005	7 483	285	7 768
Profit for the year	–	–	–	–	1 462	1 462	45	1 507
Other comprehensive income for the year	–	(19)	–	–	–	(19)	–	(19)
Total comprehensive income for the year	–	(19)	–	–	1 462	1 443	45	1 488
Purchase of own shares	–	–	(212)	–	–	(212)	–	(212)
Dividends paid	–	–	–	–	(563)	(563)	(43)	(606)
Transactions with non-controlling interests	–	–	–	–	(5)	(5)	16	11
Share incentive costs (including vesting)	–	–	6	5	14	25	–	25
<b>Audited balance at 30 June 2024</b>	<b>4 314</b>	<b>28</b>	<b>(1 293)</b>	<b>209</b>	<b>4 913</b>	<b>8 171</b>	<b>303</b>	<b>8 474</b>
<b>For the year ended 30 June 2025</b>								
Audited balance at 30 June 2024	<b>4 314</b>	<b>28</b>	<b>(1 293)</b>	<b>209</b>	<b>4 913</b>	<b>8 171</b>	<b>303</b>	<b>8 474</b>
Profit for the year	–	–	–	–	1 494	1 494	48	1 542
Other comprehensive income for the year	–	(22)	–	–	–	(22)	–	(22)
Total comprehensive income for the year	–	(22)	–	–	1 494	1 472	48	1 520
Dividends paid	–	–	–	–	(1 565)	(1 565)	(54)	(1 619)
Transactions with non-controlling interests	–	–	–	–	(1)	(1)	–	(1)
Share incentive costs (including vesting)	–	–	2	(8)	20	14	–	14
<b>Reviewed balance at 30 June 2025</b>	<b>4 314</b>	<b>6</b>	<b>(1 291)</b>	<b>201</b>	<b>4 861</b>	<b>8 091</b>	<b>297</b>	<b>8 388</b>

## Condensed Group cash flow statement

as at 30 June 2025

(Rand million unless otherwise stated)

	Reviewed year to 30 June 2025	Audited year to 30 June 2024
Cash generated by operations (note 7)	2 666	2 714
Finance income	123	120
Finance costs	(38)	(47)
Lease liability finance costs	(38)	(40)
Dividends paid	(1 619)	(606)
Taxation	(462)	(543)
<b>Cash flow from operating activities</b>	<b>632</b>	<b>1 598</b>
Additions to property, plant and equipment	(234)	(597)
Dividend income from associates	3	2
Additions to intangible assets	(6)	(12)
Addition to financial assets at fair value through profit or loss	(50)	–
Proceeds on disposal of property, plant and equipment	64	76
Inflows from long-term financial assets	18	43
Purchase of interest in subsidiaries and associates	–	(22)
<b>Cash flow from investing activities</b>	<b>(205)</b>	<b>(510)</b>
Proceeds from loans and borrowings	1 000	–
Repayments of loans and borrowings	(1 000)	–
Share scheme vesting	(15)	(12)
Treasury share movements	–	(212)
Acquisition of non-controlling interest	(9)	–
Lease liability payments	(78)	(69)
<b>Cash flow from financing activities</b>	<b>(102)</b>	<b>(293)</b>
Net movement in cash and cash equivalents for the year	325	795
Cash and cash equivalents at the beginning of the year	1 844	1 049
Cash and cash equivalents at the end of the year	2 169	1 844



## Segmental report

### for the year ended 30 June 2025

#### Reviewed year to 30 June 2025

	Retail	Manufacturing*
Turnover	5 302	4 724
– From external customers*	5 302	3 116
– Intersegment	–	1 608
Turnover from franchise stores**	2 383	–
Cost of sales	(3 229)	(3 658)
Achieved gross margin***	1 890	1 056
Manpower costs	(331)	(562)
Depreciation	(88)	(304)
Freight cost	(12)	(441)
Impairment of property, plant and equipment	–	–
Profit on sale of property, plant and equipment	#	(4)
Trading profit	546	507
Finance income and fair value gains	16	37
Finance costs	(8)	(6)
Income from associates	–	–
<b>Profit before taxation</b>	<b>554</b>	<b>538</b>

\* Turnover from external customers includes sales to franchise stores.

\*\* Franchise stores are not controlled by the Group.

\*\*\* Achieved gross margin is calculated as gross margin less freight costs, movement in stock provisions and other cost of sales.

# Less than R1 million.

## Includes franchise income of R72 million disclosed in note 6.

### Includes royalty income of R133 million disclosed in note 6.

#### The trading profit in the Properties division includes unconsolidated property rental received of R503 million.

#### Audited year to 30 June 2024

	Retail	Manufacturing*
Turnover	5 178	5 013
– From external customers*	5 177	3 426
– Intersegment	1	1 587
Turnover from franchise stores**	2 471	–
Cost of sales #####	(3 128)	(3 812)
Achieved gross margin ***	1 880	1 192
Manpower costs	(339)	(636)
Depreciation	(88)	(284)
Freight costs #####	(13)	(468)
Impairment of property, plant and equipment	–	–
Profit on sale of property, plant and equipment	#	#
Trading profit	507	556
Finance income	17	28
Finance costs	(1)	(12)
Income from associates	–	–
<b>Profit before taxation</b>	<b>523</b>	<b>572</b>

\* Turnover from external customers includes sales to franchise stores.

\*\* Franchise stores are not controlled by the Group.

\*\*\* Achieved gross margin is calculated as gross margin less freight costs, movement in stock provisions and other cost of sales.

# Less than R1 million.

## Includes franchise income of R72 million disclosed in note 6.

### Includes royalty income of R146 million disclosed in note 6.

#### The trading profit in the Properties division includes unconsolidated property rental received of R495 million.

##### The 2024 Segmental report has been amended to separately disclose the cost of sales and freight costs, which contribute a significant portion of the operating expenses.

(Rand million unless otherwise stated)

Supply and support services*	Franchising	Properties	Associates	Consolidation	Total
2 428	–	–	–	(3 578)	8 876
458	–	–	–	–	8 876
1 970	–	–	–	(3 578)	–
–	–	–	–	(2 383)	–
(2 032)	–	–	–	3 652	(5 267)
286	2	–	–	308	3 542
(167)	(11)	(7)	–	–	(1 078)
(19)	(3)	(119)	–	–	(533)
(73)	–	–	–	26	(500)
–	–	–	–	–	–
(4)	#	14	–	–	6
**287	***334	****378	–	9	2 061
68	–	37	–	(33)	125
(37)	–	(58)	–	33	(76)
–	–	–	6	–	6
318	334	357	6	9	2 116

(Rand million unless otherwise stated)

Supply and support services*	Franchising	Properties	Associates	Consolidation	Total
2 470	–	–	–	(3 597)	9 064
461	–	–	–	–	9 064
2 009	–	–	–	(3 597)	–
–	–	–	–	(2 471)	–
(2 079)	–	–	–	3 642	(5 377)
285	1	–	–	273	3 631
***164	(10)	(7)	–	(7)	(1 163)
(25)	(3)	(106)	–	–	(506)
(71)	–	–	–	23	(529)
–	–	(15)	–	–	(15)
1	#	(2)	–	–	(1)
**286	***338	****355	–	14	2 056
74	–	54	–	(53)	120
(29)	–	(98)	–	53	(87)
–	–	–	12	–	12
331	338	311	12	14	2 101

## Geographical analysis

### for the year ended 30 June 2025

(Rand million unless otherwise stated)

Reviewed year to 30 June 2025	South Africa	Rest of Africa	Australia	Consolidation	Group
Turnover	10 729	1 182	543	(3 578)	8 876
Non-current assets	7 459	494	226	(1 999)	6 180
<b>Audited year ended 30 June 2024</b>					
Turnover	10 887	1 110	664	(3 597)	9 064
Non-current assets	7 654	503	234	(1 988)	6 403

## Notes

### 1. Basis of preparation and changes in accounting policy

#### Basis of preparation

The reviewed condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa. The Listings Requirements require reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS<sup>®</sup> Accounting Standards and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the reviewed interim condensed consolidated financial statements are in terms of IFRS<sup>®</sup> Accounting Standards and are consistent with those applied in the previous consolidated annual financial statements. These results have been prepared under the supervision of the Chief Financial Officer, Mr. L Booysen.

#### New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of these preliminary condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2024, except for the adoption of new and amended IFRS<sup>®</sup> Accounting Standards and International Financial Reporting Interpretations Committee interpretations which became effective during the current review year. The application of these standards and interpretations did not have a significant impact on the Group's reported results and cash flows for the year ended 30 June 2025 and the financial position at 30 June 2025.

## 2. Commitments and contingencies

There are no material contingent assets or liabilities at 30 June 2025.

Capital commitments (Rand million)	30 June 2025	30 June 2024
– Contracted	163	108
– Authorised but not contracted for	126	83
<b>Total</b>	<b>289</b>	<b>191</b>

Capital commitments will be funded by cash generated by operations.

## 3. Financial assets at fair value through profit or loss and fair values of financial instruments

Except for financial assets at fair value through profit or loss, the Group does not fair value its financial assets or liabilities in accordance with quoted prices in active markets or market observables, as their carrying value approximates fair value due to the short-term nature of these items and/or existing terms are equivalent to market observables.

In the fourth quarter of the 2025 financial year, The Italtile and Ceramic Foundation Trust invested in financial assets classified at fair value through profit and loss for R50 million, in the form of a managed investment portfolio. This investment is classified as level 2 in the fair value hierarchy. In accordance with IFRS 13, the fair value measurement of the investment is determined using the stated valuation technique, whereby the company receives a statement from the fund manager reflecting the market value of the units held in the fund. The fund manager's statement provides an observable input under level 2 of the fair value hierarchy, ensuring transparency and reliability in the valuation process.

The financial instruments held within the investment includes, South African equities, gilts and bonds, cash, local unit trusts, and asset swaps which are tradable instruments on the open market. There have been no transfers between levels 1 and 2 for recurring fair value measurements during the year and there have been no level 3 measurements during the 2025 financial year.

## 4. Staff share scheme

The Group's staff share scheme was implemented for the benefit of all employees of the Group and its franchisees who had been in the employ of the Group and/or franchise network for a period of three uninterrupted years at each specified allotment date in every year from implementation date.

As a result, 2,5 million of the Group's shares net of forfeitures were held by qualifying staff members at 30 June 2025 (2024: 3,2 million). Until vesting, the shares will continue to be accounted for as treasury shares and have an impact on the diluted weighted average number of shares.

The first allotment of shares in the scheme, granted in 2023, vested on 31 March 2025. A total of 253 employees qualified for the vesting, 250 of whom elected to have the shares disposed of on their behalf to receive the net value of the awards in cash with the balance electing to retain the shares.

The scheme is classified as equity-settled schemes in terms of IFRS 2 Share-Based Payment and has resulted in a total expense of R15,1 million (2024: R13,8 million) to the Group's income.

## Notes, continued

## 5. Earnings per share

	Reviewed year to 30 June 2025	Audited year to 30 June 2024
<b>Reconciliation of shares in issue (all figures in millions):</b>		
– Total number of share issued	1 322	1 322
– Shares held by the Italtile Share Incentive Trust	(10)	(10)
– Shares held by the Italtile Retention Trust	(15)	(8)
– Black economic empowerment treasury shares	(60)	(61)
– Shares held by Italtile Ceramics Proprietary Limited	(44)	(50)
– Shares held by Italtile Staff Share Scheme Trust	(3)	(3)
Shares in issue to external parties	1 190	1 190
<b>Reconciliation of share numbers used for earnings per share calculations (all figures in millions):</b>		
Weighted average number of shares	1 190	1 198
Dilution effect of share awards	–	–
Diluted weighted average number of shares	1 190	1 198
<b>Reconciliation of headline earnings (Rand million):</b>		
– Profit attributable to equity shareholders	1 494	1 462
– (Profit)/loss on sale of property, plant and equipment– after taxation <sup>#</sup>	(7)	1
– Impairment of property, plant and equipment – after taxation <sup>##</sup>	–	11
Headline earnings	1 487	1 474
Headline EPS (cents)	125,1	123,0
Diluted headline EPS (cents)	125,6	123,0
Dividends per share (cents)	148,0	127,0
Net asset value per share (cents)	705,0	707,5

No adjustments to earnings are required for diluted earning per share calculations, as the share awards do not have an impact on diluted earnings.

<sup>#</sup> (Profit)/loss on sale of property, plant and equipment is net of taxation of R2 million (2024: less than R1 million).

<sup>##</sup> Impairment of property, plant and equipment is net of taxation R4 million in 2024.

## 6. Disaggregation of revenue from contracts with customers

(Rand million unless otherwise stated)

	<b>Reviewed year to 30 June 2025</b>	Audited year to 30 June 2024##
Turnover#	<b>8 876</b>	9 064
– Retail	<b>5 302</b>	5 177
CTM	<b>3 380</b>	3 450
TopT	<b>1 110</b>	978
Italtile Retail	<b>812</b>	749
– Manufacturing	<b>3 116</b>	3 426
Ceramic Industries – South Africa	<b>2 049</b>	2 221
Ceramic Industries – Australia	<b>543</b>	664
Ezee Tile	<b>523</b>	541
– Supply and support services	<b>458</b>	461
Royalty income from franchising	<b>133</b>	146
Other franchise income	<b>72</b>	72
	<b>9 081</b>	9 282

# Turnover represents net revenue from sale of goods, excluding value added tax and intercompany sales.

## The Disaggregation of revenue from contracts with customers note has been amended to separately disclose the retail brands as well as Ceramic Industries and Ezee Tile within the manufacturing segment.

## 7. Reconciliation of profit before tax to cash generated from operations

(Rand million unless otherwise stated)

	<b>Reviewed year to 30 June 2025</b>	Audited year to 30 June 2024
Cash flows from operating activities:		
Profit before taxation	<b>2 116</b>	2 101
Adjusted for:		
Income from associates	<b>(6)</b>	(12)
Depreciation and amortisation	<b>444</b>	422
Depreciation - right-of-use asset	<b>89</b>	84
Finance cost - lease liability	<b>38</b>	40
Profit on sale of property, plant and equipment	<b>(12)</b>	2
Impairment of property, plant and equipment	<b>–</b>	15
Loss on sale of controlling interest of subsidiary	<b>6</b>	–
Finance income and fair value gains	<b>(125)</b>	(120)
Finance costs (excluding lease liability finance costs)	<b>38</b>	47
Share-based payment expenses	<b>40</b>	47
Foreign currency translation difference	<b>(26)</b>	12
Working capital changes:		
– Inventory	<b>43</b>	44
– Trade and other receivables	<b>23</b>	196
– Trade and other payables (including provisions)	<b>(2)</b>	(164)
Cash generated by operations	<b>2 666</b>	2 714

## Notes, continued

### 8. Interest-bearing loans

In the prior year, the interest-bearing loan of R500 million bore interest at three-month JIBAR plus 1,3% and was repayable in full in November 2024 and was disclosed as current. From June 2022, an interest rate swap was entered into to fix the variable interest rate at 6,85% on the loan amount of R500 million.

Management negotiated facilities with two institutions and drew down on these for the purpose of early settling the abovementioned loan. Simultaneously to the granting of the new facilities, management early terminated the interest rate swap. The interest rates on the new facilities range from 8.00% to 9.05%. Following the initial draw-down of the negotiated facilities, further resettlements and draw-downs have taken place. These have been disclosed on the statement of cash flows. These facilities are on demand and subject to bi-annual and annual renewal and are classified as loans on the face of the statement of financial position. The loans are financial liabilities measured at amortised cost in terms of IFRS 9.

### 9. Non-current assets held for sale

Non-current assets held for sale relate to non-productive land and buildings, which are in the process of being sold.

During the year, properties classified as held for sale with a value of R90 million were reclassified back into property, plant and equipment as the sale transactions did not materialise. Properties worth R41 million were sold and a further R33 million, relating to non-productive land and buildings, was classified to non-current assets held for sale.

No impairment loss was recognised on the fair value adjustment on these assets during the year.

### 10. Related parties

The Group is controlled by Rallen (Pty) Ltd which owns 56,46% (2024: 56,46%) of its share capital. Management fees totalling R3,4 million (2024: R5,1 million) were paid by the Group to Rallen (Pty) Ltd during the year. Various other transactions occur between companies within the Group, all of which are eliminated on consolidation. These transactions include rendering of services and supply of product. Key management personnel and prescribed officers comprise only the Group executive directors and executive directors of Ceramic Industries. Executive directors' remuneration is paid by Italtile Ceramics (Pty) Ltd, a subsidiary of the Company. No balances were owing at year-end (2024: Rnil).

### 11. Events after reporting date

Other than the dividend declaration, the directors are not aware of any matters or circumstances arising since the end of the reporting period which significantly impact the financial position at 30 June 2025 or the results of its operations or cash flow for the year then ended.

## Administration

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### Italtile Limited

Share code: ITE

ISIN: ZAE000099123

Registration number: 1955/000558/06

Incorporated in the Republic of South Africa  
("Italtile" or "the Group" or "the Company")

### Registered office

The Italtile Building  
72 Peter Place  
Bryanston  
2021

### Postal address

PO Box 1689  
Randburg  
2125

### Transfer secretaries

Computershare Investor Services Proprietary Limited

### Company Secretary

Acorim Proprietary Limited

### Sponsor

Merchantec Capital

### Auditor

PricewaterhouseCoopers Inc.

### Directors

#### Executive directors

LA Foxcroft (Chief Executive Officer)

BG Wood (Chief Operating Officer)

L Booysen (Chief Financial Officer)

#### Non-executive directors

LR Langenhoven (Chairman), GAM Ravazzotti,  
SM du Toit (Lead Independent Director), SG Pretorius,  
JN Potgieter, LC Prezents, A Mathole, M Matsipa\*

\* Appointment effective from 22 August 2025.





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