



ITALTILE
LIMITED

**CONDENSED UNREVIEWED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

for the six months ended 31 December **2025** and
cash dividend declaration

Financial highlights



◀▶ 0%

System-wide turnover

R6,1 billion

2024: R6,1 billion

▼ 14%

Trading profit

R1,0 billion

2024: R1,2 billion

▼ 14%

Earnings per share

60,9 cents

2024: 70,6 cents

▼ 14%

Headline earnings per share

60,6 cents

2024: 70,1 cents

▼ 7%

Net cash

R1,5 billion

2024: R1,6 billion

▼ 14%

Ordinary dividend per share

24,0 cents

2024: 28,0 cents

▼ 6%

Net asset value per share

637,4 cents

2024: 678,1 cents

◀▶ 0%

Store network

211

June 2025: 210

December 2024: 211



**INTERNATIONAL
TAP DISTRIBUTORS**
EXPERIENCE WATER'S POSSIBILITIES

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 211 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 preferred manufacturer and retailer of tiles, sanitaryware and complementary products in Africa, by offering an unrivalled shopping experience with desirable products, beautifully presented, at the right time, place and price.

OPERATING ENVIRONMENT, INDUSTRY AND CONSUMER TRENDS AND OUR STRATEGIC RESPONSE

Macro environment

The challenging global and South African macro-economic environment, impacted by uncertainty and geopolitical conflict persisted during the six-month reporting period to 31 December 2025 ("Interim Period"). Inflation was around 3,2%, close to the government's target rate of 3%, while interest rates were reduced further.

The trading environment continued to be characterised by intense competition, weak demand and an imbalance between excess supply and weak demand mainly due to the dumping of cheaper products, exacerbated by the strengthening Rand.

Industry and consumer trends and our strategic response

Competitive landscape

The intense competition in the tile manufacturing and retail sectors remains as excess capacity and production in neighbouring countries continues to result in overstocking, depressed pricing and dumping in South Africa. Above-inflation increases in input costs, such as gas, electricity and rates and taxes, and our inability to pass these on to customers, resulted in further margin pressure.

Independent retailers continue to open stores and the informal traders, supplied by the Southern African Development Community ("SADC") competitors at predatory pricing, continue to offer cheaper products.

Commentary *continued*

The Afrimat Construction Index (“ACI”) continued its long-running downward trend in the third quarter of 2025. The FNB Bureau for Economic Research (“BER”) Building Confidence Index declined in the second and third quarters of 2025 but recovered slightly in the last quarter.

Despite these green shoots, persistent low GDP growth and energy and municipal price increases, far in excess of inflation, continue to weigh on consumer discretionary income, and demand for finishing products in the building sector remains constrained.

We eagerly await the result of the International Trade Administration Commission of South Africa’s (“ITAC”) investigation into the dumping of tile products in South Africa and while we understand that the process could take up to 18 months, we are hopeful that ITAC will reach its decision on interim measures in the first half of the 2026 calendar year.

We believe there is more potential to leverage our world-class technology to ensure enhanced quality and additional product innovation. We continually drive efficiencies and improve productivity to mitigate selling price deflation. Our focus on training and development of our people is ongoing to ensure that our customers experience exceptional service and are delighted by our displays, ranges, value, innovation, fashion and quality.

Unreliable energy transmission and distribution infrastructure, which has resulted in numerous power interruptions, has caused damage to our equipment and reduced productivity and yield.

Consumer trends

During the Interim Period, consumers remained under pressure from debt and diminished income for discretionary spending. They continued to be highly price sensitive, prioritising value and focusing on necessities such as groceries and fuel, while delaying discretionary spend on home renovations. Consumer confidence levels seemed to rise, driven by the lower 2025 annual inflation rate at 3,2%, interest rate cuts, lower petrol prices and the lack of loadshedding, but this has not translated into more visits to our stores.

We continue to curate our imports of a leading range of larger format and specialised finished products to satisfy our discerning customers who continue to show a preference for the larger format and polished tiles. Our investment in rectification technology at Vitro and Gryphon complements our development of large-format rectified products and polished porcelain tiles which will compete with imports.

Customers now use digital channels to compare options before purchasing, with more customers opting to delay payments by choosing the “Buy Now, Pay Later” services. We provide our customers with a range of convenient purchasing options and the use of our market-leading online trading platform has increased.

GROUP PERFORMANCE AND RESULTS

System-wide turnover for the Interim Period was flat at R6,079 million (2024: R6,075 million). The subdued demand, rising input costs and aggressive competition resulted in severe margin pressure, with the aggregated gross margin across the Group declining to 40,27% compared to 41,11% in the prior year, while sales growth and improved market share remain our key priority. Our focus remains on improving customer experience and support through improved skills of our teams, while continuously updating product ranges. We continued to mitigate cost pressure through cost management and operational efficiencies.

Revenue from Group-owned stores and entities decreased 2% to R4,70 billion compared to the prior comparable period (2024: R4,78 billion).

In the Retail division, franchise and Group-owned store turnover dropped by 2% to R2,79 billion from R2,84 billion. Retail store system-wide revenue rose by 1% to R4,182 billion from R4,142 billion (2024: 0,4%) on a like-for-like basis. Group-owned store average selling price ("ASP") inflation was 1,8% (2024: 0,33%). Italtile Retail achieved a

1% increase in sales, due to strong performances in the stores and in the Projects division. Sales volumes in CTM and TopT each declined 3% as customer spending was impacted by reduced available income for home renovations.

In the results for the second quarter of the previous financial year, our performance was buoyed by increased spending following the release of cash as a result of the two-pot pension fund reforms. This benefit was not repeated in the Interim Period, during which we experienced subdued trading and reduced sales than in the prior period.

All three brands recorded reduced profits, impacted by the change in mix of Group-owned and franchise stores within the existing store network, and due to lower interest rates and cash balances.

Retail margins increased 0,3% despite heightened competitive activity in the market. Despite difficult trading conditions, particularly social unrest in Tanzania and poor economic performance in Botswana, reopening our Eswatini store produced a 1% increase in volumes and a 3% rise in profits in our operations in the rest of Africa.



Commentary *continued*

Our webstores performed well with increased traffic and sales, underpinned by improved, innovative digital content and personalised sales experience.

In the integrated Supply Chain Manufacturing division, combined manufacturing sales declined by 5% to R2,46 billion compared to R2,59 billion in the prior comparable period. The ASP inflation was 1,3% (2024: 0,1% deflation). The change in consumer preference from smaller to larger format tiles has resulted in an increase in the overall ASP, even though the individual selling prices have decreased across most tile sizes and ranges.

Ceramic's turnover decreased by 7% from R2,01 billion to R1,87 billion, driven by intense competition leading to an ongoing decline in volumes and depressed tile pricing across all the tile categories. While cost improvements were achieved, the benefit of operational improvements was offset by the reduced volumes. Until the decline in volumes and market share can be arrested, unit costs will remain under pressure.

The Tile division reported a 7% drop in volumes sold and a decrease in exports, but a marginal 0,5% increase in ASP due to the market preference for the larger formats that have a higher ASP. Turnover in the Sanware division increased. Ceramic South Africa's profits decreased by 6% year on year.

In the weak trading environment, Ceramic Australia underperformed, reflected by softer production and sales volumes, which impacted profitability. Operating conditions remained testing as import pressure persisted. The new rectification line has been commissioned and increased sales is a focus for the second half of the financial year. Management is reviewing costs at this business to turn around the poor performance.

In the interim, given the high capex incurred and decline in performance, the Group has advanced the business a loan of AUD 3 million to cover short- to medium-term cashflow requirements. Should it be required, further funding will be assessed and addressed.

During the Interim Period, management identified an inconsistency in Ceramic Australia's internal monthly reporting. The information established to date indicates that a negative impact of AUD7.6 million – fully adjusted for in the current period – is unlikely to cause adjustments to the prior year results. An enquiry as to the basis of the inconsistency is underway.

Ezee Tile's profitability continued to improve despite an increase in revenue of only 1% to R560 million (2024: R557 million), as costs were reduced.

Our integrated Supply Chain import businesses serve the Group's stores and their results closely track our Retail division's performance. Collectively, the import businesses reported a decline in sales of 9% from R1,2 billion to R1,09 billion. The ASP increase was 0,6% (2024: 2,9% decrease).

We continued to drive cost leadership across the entire business, but efficiencies and improved productivity were insufficient to offset all underlying price increases. Like-for-like costs (excluding the AUD7,6 million disclosed above) rose 3,5% from R991 million to R1,0 billion due to above-inflation cost increases in labour, energy and municipal services. Including the impact of the AUD7,6 million, costs rose by 10,6%.

The Group's trading profit of R1,02 billion declined by 14%.

Basic earnings per share ("EPS") decreased by 14% to 60,94 cents (2024: 70,59 cents) and basic headline earnings ("HEPS") decreased by 14% to 60,62 cents (2024: 70,08 cents).

We continued our strong focus on working capital management with consolidated inventory reducing by 16% to R1,2 billion (2024: R1,4 billion).

The cash balance as at 31 December 2025, amounted to R1,5 billion (2024: R1,6 billion) down 6,5% after the payment of the special dividend in September 2025.

We increased our capital expenditure in the Interim Period to R219 million (2024: R110 million), which included the following major projects:

- R95 million on the Gryphon polishing and rectifying plant and associated expenditure, as well as R21 million on other Ceramic factory upgrades and R31 million on the Betta warehouse project.
- R19 million on various Ezee Tile projects, including the Durban plant.
- R10 million on the NCIA rectification.
- R34 million on extensions and renovations in various Retail buildings and stores.

Material cash outflows for the period include:

- Capital expenditure of R219 million (2024: R110 million).
- Tax payments of R269 million (2024: R267 million).
- Total dividend payments of R1,50 billion (2024: R1,26 billion).

Cash proceeds of R25 million were received from the sale of property, plant and equipment.

The Group's net asset value per share at the end of the Interim Period was 637 cents (2024: 678 cents).

DIVISIONAL REVIEW

Retail brands

CTM, Italtile Retail and TopT

Our brand portfolio is strategically structured to appeal to customers across the income and demographic spectrum, from TopT's entry-level segment, through CTM's mass middle market, up to Italtile Retail's premium-end customers.

The highly competitive trading environment continued to test the resilience and resourcefulness of our operators. In defending and increasing our market share we have prioritised exceptional personalised sales experience through building a robust selling organisation, through development of our teams, focus on desirable product, improving efficiencies and managing costs across the business.

CTM's positioning, "Big Savings. More Style" was emphasised through the new advertising campaign entrenching the brand's iconic status as the leading, affordable fashion proposition for customers who appreciate the quality and value we offer.

Commentary *continued*

Our internal drive for customer satisfaction through CTMXperience continued to produce changes in behaviour during customer interactions, improving our customer satisfaction metrics – evident on social media, Google ratings and in our net promoter score – indicating that customers continue to be delighted by our products and personalised service. Our strategic price points, sales promotion activities and marketing campaigns were centred on ensuring the brand was top of mind, to drive growth of our share amidst aggressive competition in this cash-constrained segment of the market.

Our training and development programme resulted in enhanced sales expertise and a higher employee engagement score.

Product development in the Kilimanjaro Edge range of rectified products was well received. The development and repositioning of innovations in the Tivoli range has been successful. We began launching new generation Tivoli product and décor-style central displays in CTM stores. These initiatives will continue during the second half of the financial year.

We reopened a refurbished store in Eswatini and we continue to bed down recently opened stores and assess opportunities for new stores in the rest of Africa. CTM has 75 stores in South Africa, including a webstore, and 25 stores in the rest of Africa, including four webstores.

In Botswana, negative GDP growth and currency devaluation resulted in subdued trading and a drop in margins. In Tanzania, the election process and ensuing violence led to a hiatus in consumer purchasing. Amid Kenya's increasingly protectionist policies for

the ceramic tile manufacturing industry, we continue to implement opportunities to differentiate and compete in this market. Sizeable increases in personal and supplementary taxes, as well as food inflation, negatively affected discretionary income in Kenya.

Brandon Wood continues to oversee this business with a focused drive to improve skills and efficiency of the CTM operations team. Recruitment for a new leader for CTM is underway.

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. Customers visiting our stores experience an unparalleled shopping experience and superior unique products.

Italtile Retail performed well during the Interim Period with improved sales volumes and a growth in market share.

The projects division achieved an improved performance boosted by our appointment as the predominant tile supplier to the Club Med South Africa Beach & Safari project in KwaZulu-Natal.

Italtile Retail has 14 stores in South Africa, including a webstore and one store in Botswana.

TopT's positioning "Every price a low price" is being entrenched among price conscious consumers in the rural areas and outlying markets. TopT's inability to gain market share in the Interim Period is evidence of strong

competition in this market as independent retailers opened more stores, while the informal traders continue to offer cheaper products.

TopT's revenue is highly sensitive to consumers' disposable income evidenced by a spike in sales during December, after bonuses had been paid.

TopT opened one new store and closed one store, retaining its footprint of 96 stores across South Africa, including one webstore.

A strategic objective for TopT is to expand its footprint and in the next six months, four new stores are planned. Marketing campaigns and engagement with local communities will continue. Following the change of paint supplier, increased paint sales are expected. Training and development of sales teams will continue to ensure the growth of the brand.

The Group operates seven webstores, one each for Italtile Retail and TopT and five for CTM in South Africa, Tanzania, Kenya, Botswana and Namibia. Our webstores are an integral part of our omnichannel platform and underpin our strategic objective of providing customers with a seamless shopping experience across our online and physical stores.

Our webstores reported gradually increasing traffic for the Interim Period, attributable to the innovative user interface, and enhanced, creative digital content, as we strive to provide customers with a "store in their pocket". Key to success is the seamless and well-integrated experience online and in brick-and-mortar stores. The "Buy Now Pay Later" credit option has become increasingly popular as weak economic conditions impact the discretionary income of consumers.

INTEGRATED SUPPLY CHAIN:

Manufacturers

Ceramic Industries and Ezee Tile

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

Ceramic Industries

External trading conditions remained extremely difficult in the Interim Period. Disappointing performance in the retail segment and poor sales resulted in capacity utilisation of 77%. Cost reductions were not sufficient to offset the decline in profitability.

We experienced increased difficulty in exporting our products as we faced aggressive competition, including the introduction of strategies intended to restrict market access in certain SADC countries.

We continued to invest in technology, specifically on the glaze line to differentiate the look and feel of tiles and set the trends in fashion. We are producing two new large-format rectified tiles from Vitro and anticipate commissioning the Gryphon polishing line in March 2026.

We aim to manufacture products to provide customers with a suitable alternative to discontinued products previously produced by Johnson Tiles to provide customers with a suitable alternative to these discontinued products.

Commentary *continued*

While the sales volumes and profitability at Beta improved, we were disappointed by the overall performance of the business unit. Plans are in process to improve the performance.

Ezee Tile

Ezee Tile's brand reputation for quality product at affordable prices is leading to stronger demand from third-party customers. The warehouse management system and logistics solutions at the Vulcania factory have been integrated and are delivering the anticipated benefits and results.

The revamped Durban factory improved supply to the KwaZulu-Natal market. The new Mokopane factory to replace the current operation will position Ezee Tile to grow sales and improve market share in the Limpopo region.

The launch of products for the construction market remains a priority and we have identified opportunities in the formulation of products. While we continue to support sales to Group stores, we see good prospects to gain more market share in the open market as well as outside of South Africa in both Kenya and Zimbabwe.

We will continue to advocate for the introduction of standards in the industry for tile adhesives and ensure that our products are the preferred option due to the high quality we offer.

With the introduction of Group manufacturing experience to Silica Quartz operations, efficiencies improved and losses reduced. Further improvements are planned during the remainder of the financial year to establish this as a profitable business.

Zimbabwe achieved higher sales, albeit at lower margins. Kenya performed well achieving growth in sales and profit.

Integrated Supply Chain: Importers *Cedar Point, International Tap Distributors and Distribution Centre*

The stronger Rand, benefits from shipping costs, improved buying and reduced operating costs contributed to a good performance and higher margins in this division. The consolidation of Cedar Point and the DC warehouse in Durban delivered the expected synergy benefits and cost savings.

Associate Investment *EasyLife Kitchens ("ELK")*

The Group holds a 30% stake in this leading manufacturer of kitchen, bathroom, vanity, built-in cupboards, bar and storage design. Their stores are located on some of our multi-node retail sites and continue to afford synergies for both parties. ELK reported sales and profit growth for its year ended 28 February 2026.

PROPERTY PORTFOLIO

The Group's property portfolio affords strategic advantage to the retail brand operations by ensuring development of purpose-designed, easily accessible, well-presented and maintained stores, and contributes to an inspirational, aesthetically pleasing shopping experience.

The Property division also plays a key role in driving the Group's green initiatives to ensure environmental sustainability and reduced dependence on municipal services through programmes to implement solar power generation with, in some cases, battery back-up, rainwater harvesting and boreholes.

During the Interim Period, the property portfolio's performance (excluding impairments) deteriorated compared to the previous comparable period, impacted by property holding costs, such as municipal services and energy costs that outpaced inflation, and increased third-party rental costs which were higher than the increase in our rental collections. Key initiatives to enhance the value of the portfolio included ongoing maintenance and repairs. Disposing of non-core sites in unviable or non-profitable areas realised a profit of R8 million.

Capex of R34 million, a decrease of 24%, was incurred on ongoing retail property enhancements, extensions and renovations.

SUSTAINABILITY PRIORITIES

The Group's sustainability agenda is reinforced by our practices, properties and product offerings that are designed and managed to facilitate sustainability of energy supply, reduce reliance on the national water and energy grid, limit the Group's carbon footprint, enhance the environment of local communities, and ensure the mental and physical wellbeing of our people. Our Proudly South African ethos prioritises selling local products manufactured by local people, thereby creating jobs, providing training and contributing to the economy.

Energy

Availability, pricing and consumption of energy are critical considerations in our business, especially in the Manufacturing division in which seventy percent of total energy requirements are supplied by piped natural gas ("PNG"). Ensuring energy security, including securing sustainable supply of viably priced energy, is critical and business continuity remained a key priority for management during the Interim Period.

Gas update

While the immediate threat to natural gas supply has been delayed to June 2028, we will continue to monitor developments in the supply and pricing of PNG, liquid natural gas, trucked natural gas, methane rich gas, biogas and synthetic gas from coal to assess options for affordable gas supply. We await pricing from Sasol on methane rich gas and will subsequently evaluate the timing of and the necessity for our coal-fired hot air generator project.

Solar power generation developments

The 10 MW solar PPA project in Vereeniging has broken ground and will be ready to start energy supply at the end of the 2026 calendar year. Around 18% of the total electricity consumed by our retail stores is generated from photo voltaic systems. Our Property division will continue to monitor and evaluate emerging technologies to ensure the adoption of optimal solutions.

Commentary continued

LEADERSHIP CHANGES

Lance Foxcroft, who has held the position of CEO of the Group since January 2022, has decided to step down from his position and resign as a director on 30 June 2026 due to changed family circumstances. During his tenure as CEO, Lance has played an instrumental role in driving the Group's strategic transformation and growth in the retail and logistics segments.

Given his long-standing experience and continued commitment to the Group, Lance will be appointed as CEO of Ceramic Industries. Having previously served as CEO of Ceramic from 2014 until his appointment at Italtile, Lance's extensive expertise will be invaluable. He will be ably assisted by the incumbent CEO, Gerard Maartens, who will be appointed COO of Ceramic. Gerard has wide-ranging experience across the company's factories and his new role will provide vital support in partnering with Lance to drive growth in the business in the light of intense operating and competitive challenges. Both appointments will be effective from 1 July 2026.

In line with our long-standing structured succession plan, Brandon Wood was appointed as CEO Designate of Italtile with effect from 1 January 2026. Brandon held the position of Chief Financial Officer ("CFO") from 2013 to 2018 and again from 2020 to 2024. He was appointed as COO in 2024. Brandon also previously served as Group Executive Director of the Commercial and Supply Chain and Retail divisions. More recently, in his capacity as Group COO, he managed the successful transition of the Ezee Tile business to a new facility and executive team and supervised CTM's ongoing strategic turnaround programme. Brandon will assume

the position of CEO on 1 July 2026. His business and industry insight, leadership skills, and wide-ranging experience across the Group's operations will ensure consistency and continuity of Italtile's values and strategic direction.

These changes will achieve our stated intention to build management experience and expertise across the organisation to attain our growth objectives.

PROSPECTS

We are hopeful that the lower inflation rate and reduction in interest rates will translate into increased activity in the building sector, resulting in more customers in our stores. Growth in the short-term will arise from increasing our market share across all our divisions through intense focus on the customer through aspects we can control in our businesses.

To allow our teams to focus on selling and providing customer satisfaction, we are introducing measures to simplify administration, as well as focusing on the new generation Tivoli product and décor-style central displays in stores and decreasing points of friction for the customers. An ongoing programme is in place to improve the supply chain by strengthening our operational teams.

Leaders in business units are being introduced to AI tools and encouraged through workshops to use these tools to improve productivity. Organisation of our data into suitable data formats to support the use of AI tools is progressing.

We continue to recruit, train and develop exceptional leaders and operational teams to deliver our ambitions. Development of a deeper pipeline of store operators and factory managers is a key focus over the next 12 months.

Our webstores are a strategic resource and critical sales and marketing channel for our products. Projects are underway to improve conversion rates and increase traffic to our stores.

We believe that there is strong potential to sell more product in our existing customer base outside of the Group stores.

OUTLOOK

The economic outlook for South Africa in the first half of 2026 is characterised by cautious optimism, with expectations of a continued, modest recovery from the 2025 growth trajectory. This is supported by reduced electricity constraints, progress in logistics reforms, lower inflation and further interest rate cuts. Early projections suggest GDP growth will accelerate slightly to between 1,3% and 1,6%.

We are hopeful that these positive factors will be sufficient to reinvigorate building and construction and that home renovations will increase as lower borrowing costs make projects more feasible. However, geopolitical tensions and slow overall economic growth are likely to temper rapid improvement and imports are expected to increase due to the stronger Rand

Excluding the impact of the amount subject to the ongoing enquiry in NCIA, we are expecting a similar performance in the second half of the financial year to that achieved in the first half.

We will focus on the growth levers within our control so as to realise the opportunities within our business. We will do this by improving our competitiveness at all touchpoints, namely our iconic brands, leading-edge technology and products, vertically integrated supply chain, and resilient, capable teams and franchise partners.

SUBSEQUENT EVENTS

No events occurred subsequent to the Interim Period that require any additional disclosures or adjustments.

BOARD CHANGES

Mr Jan Potgieter decided not to stand for re-election and resigned as a non-executive director on 13 November 2025.

Mr Leon Lourens was appointed as a non-executive director and a member of the Remuneration and Nominations Committees on 3 October 2025. Mr Lourens worked for the Pepkor Group for 32 years, most recently as CEO from 2017 until his retirement in 2023. His leadership, strategic insights and extensive retail experience will complement the skills and expertise of the other directors.

The Board Committee changes included Mr Brand Pretorius, independent non-executive director of the Board, stepping down as a member of the Remuneration, Nominations and Social and Ethics Committees on 3 October 2025.

Ms Mamedupi Matsipa, independent non-executive director of the Board, was appointed as a member of the Social and Ethics Committee on 3 October 2025.

Commentary continued

ORDINARY CASH DIVIDEND ANNOUNCEMENT

The Group's dividend cover is two and a half times. The Board has declared an interim gross ordinary cash dividend (number 119) for the Interim Period ended 31 December 2025 of 24,0 cents per ordinary share (2024: 28,0 cents) to all shareholders recorded in the shareholder register of Italtile as at the record date of Friday, 20 March 2026.

DIVIDEND ANNOUNCEMENT

In accordance with paragraph 7.23 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 24,0 cents per share for shareholders exempt from the dividends tax;
- the net local ordinary dividend amount is 19,2 cents per share for shareholders liable to pay the dividends tax;
- the local ordinary dividend withholding tax amount is 4,8 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 21 592 234 shares held by the share incentive and retention trusts, 62 839 093 shares held as Broad-Based Black Economic Empowerment treasury shares and 45 274 730 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, 17 March 2026. The shares will commence trading ex-dividend from the commencement of business on Wednesday, 18 March 2026 and the record date will be Friday, 20 March 2026. The dividend will be paid on Monday, 23 March 2026. Share certificates may not be rematerialised or dematerialised between Wednesday, 18 March 2026 and Friday, 20 March 2026, both days inclusive.

These unreviewed condensed consolidated interim financial statements for the six months ended 31 December 2025 and cash dividend declaration, and results announcement, were published on SENS on 2 March 2026 and are also available on Italtile's website at <https://www.italtile.com/reports-and-results.php>.

For and on behalf of the Board

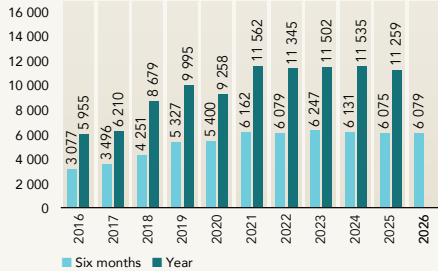
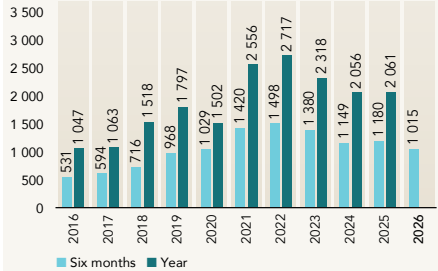
L A Foxcroft

Chief Executive Officer

L Booysen

Chief Financial Officer

Johannesburg
27 February 2026

System-wide turnover (Rm)

Trading profit (Rm)


SYSTEM-WIDE TURNOVER ANALYSIS

for the six months ended 31 December 2025

(Rand millions unless otherwise stated)

	% (decrease)/ increase	Unreviewed six months to 31 December 2025	Reviewed six months to 31 December 2024	Audited year to 30 June 2025
Group and franchised turnover				
– By Group-owned stores and entities	(2)	4 701	4 782	8 876
– By franchise-owned stores	7	1 378	1 293	2 383
Total	0	6 079	6 075	11 259

STORE NETWORK

Region	As at 31 December 2025			As at June 2025		
	Franchise	Owned	Total	Franchise	Owned	Total
South Africa						
– Italtile		13*	14*	1	13*	14*
– CTM	36	39*	75*	34	40*	74*
– TopT	37	59*	96*	37	59*	96*
Rest of Africa						
– Italtile	–	1	1	–	1	1
– CTM	1	24*	25*	–	25*	25*
	75	136*	211*	72	138*	210*

* Includes webstores.

Condensed Group statement of comprehensive income

for the six months ended 31 December 2025

(Rand millions unless otherwise stated)

	% decrease	Unreviewed six months to 31 December 2025	Reviewed six months to 31 December 2024	Audited year to 30 June 2025
Revenue	(2)	4 701	4 782	8 876
Cost of sales		(2 808)	(2 816)	(5 267)
Gross profit	(4)	1 893	1 966	3 609
Other revenue and operating income		227	212	422
Operating expenses		(1 110)	(1 005)	(1 976)
Impairment of property, plant and equipment		(3)	–	–
Profit on sale of property, plant and equipment		8	7	6
Trading profit	(14)	1 015	1 180	2 061
Finance income		69	66	125
Finance costs		(43)	(42)	(76)
Profit from associates – after tax		1	2	6
Profit before taxation	(14)	1 042	1 206	2 116
Taxation		(294)	(340)	(574)
Profit for the period	(14)	748	866	1 542
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation difference		(17)	(25)	(22)
Total comprehensive income for the period	(13)	731	841	1 520
Profit attributable to:				
– Equity shareholders		726	841	1 494
– Non-controlling interests		22	25	48
	(14)	748	866	1 542
Total comprehensive income attributable to:				
– Equity shareholders		709	816	1 472
– Non-controlling interests		22	25	48
	(13)	731	841	1 520
Earnings per share (all figures in cents):				
– Earnings per share	(14)	60,9	70,6	125,6
– Diluted earnings per share	(15)	60,3	70,6	125,6

Condensed Group statements of financial position

As at 31 December 2025

(Rand millions unless otherwise stated)

	Unreviewed six months to 31 December 2025	Unreviewed six months to 31 December 2024 Restated*	Audited year to 30 June 2025
Assets			
Non-current assets	6 110	6 316	6 180
Property, plant and equipment	5 445	5 617	5 523
Right-of-use assets	376	423	387
Intangible assets	9	13	10
Investments in associates and joint ventures	88	86	88
Long-term financial assets	129	116	109
Goodwill	26	25	26
Deferred taxation	37	36	37
Current assets	3 633	3 971	4 337
Inventories	1 146	1 366	1 228
Trade and other receivables	845	959*	854
Cash and cash equivalents	1 486	1 590	2 169
Financial assets at fair value through profit or loss	87	–	52
Taxation receivable	69	56	34
Non-current assets held for sale	93	45	35
Total assets	9 836	10 332	10 552
Equity and liabilities			
Share capital and reserves	7 585	8 068	8 388
Stated capital	4 314	4 314	4 314
Non-distributable reserves	(11)	3	6
Treasury shares	(1 253)	(1 293)	(1 291)
Share option reserve	152	215	201
Retained earnings	4 127	4 540	4 861
Non-controlling interests	256	289	297
Non-current liabilities	753	679	687
Lease liabilities	355	399	368
Provision for rehabilitation costs	36	–	–
Deferred taxation	362	280	319
Current liabilities	1 498	1 585	1 477
Trade and other payables	754	782*	702
Provisions	131	182	182
Interest-bearing loans	500	500	500
Lease liabilities	69	70	68
Taxation payable	44	51	25
Total equity and liabilities	9 836	10 332	10 552

* Refer to note 11.

Condensed Group statement of changes in equity

for the six months ended 31 December 2025

(Rand millions unless otherwise stated)

	Stated capital	Non-distributable reserves	Treasury shares	Share option reserve	Retained earnings	Total	Non-controlling interest	Total equity
<i>For the six months ended 31 December 2024</i>								
Audited balance at 30 June 2024	4 314	28	(1 293)	209	4 913	8 171	303	8 474
Profit for the year	–	–	–	–	841	841	25	866
Other comprehensive income for the year	–	(25)	–	–	–	(25)	–	(25)
Total comprehensive income for the year	–	(25)	–	–	841	816	25	841
Dividends paid	–	–	–	–	(1 221)	(1 221)	(39)	(1 260)
Transactions with non-controlling interests	–	–	–	–	(1)	(1)	–	(1)
Share incentive costs (including vesting)	–	–	#	6	8	14	–	14
Reviewed balance at 31 December 2024	4 314	3	(1 293)	215	4 540	7 779	289	8 068
<i>For the six months ended 31 December 2025</i>								
Audited balance at 30 June 2025	4 314	6	(1 291)	201	4 861	8 091	297	8 388
Profit for the year	–	–	–	–	726	726	22	748
Other comprehensive income for the year	–	(17)	–	–	–	(17)	–	(17)
Total comprehensive income for the year	–	(17)	–	–	726	709	22	731
Dividends paid	–	–	–	–	(1 462)	(1 462)	(47)	(1 509)
Transactions with non-controlling interests	–	–	–	–	(11)	(11)	(16)	(27)
Share incentive costs (including vesting)	–	–	38	(49)	13	2	–	2
Unreviewed balance at 31 December 2025	4 314	(11)	(1 253)	152	4 127	7 329	256	7 585

Less than R1 million.

Condensed Group cash flow statement

for the six months ended 31 December 2025

(Rand millions unless otherwise stated)

	Unreviewed six months to 31 December 2025	Reviewed six months to 31 December 2024	Audited year to 30 June 2025
Cash generated by operations (note 7)	1 384	1 346	2 666
Finance income	64	66	123
Finance costs	(26)	(23)	(38)
Lease liability finance costs	(17)	(19)	(38)
Dividends paid	(1 509)	(1 260)	(1 619)
Taxation	(269)	(267)	(462)
Cash flow from operating activities	(373)	(157)	632
Additions to property, plant and equipment	(219)	(110)	(234)
Dividend income from associates	-	1	3
Additions to intangible assets	(2)	(2)	(6)
Additions to financial assets at fair value through profit or loss	(30)	-	(50)
Proceeds on disposal of property, plant and equipment	25	45	64
(Additions)/repayments of long-term financial assets	(20)	11	18
Disposal of interest in subsidiaries and associates	-	6	-
Cash flow from investing activities	(246)	(49)	(205)
Increase in loans and borrowings	380	500	1 000
Decrease in loans and borrowings	(380)	(500)	(1 000)
Share scheme vesting	-	(1)	(15)
Acquisition of non-controlling interest	(22)	(9)	(9)
Treasury share movements	-	-	-
Lease liability payments	(42)	(38)	(78)
Cash flow from financing activities	(64)	(48)	(102)
Net movement in cash and cash equivalents for the period	(683)	(254)	325
Cash and cash equivalents at the beginning of the period	2 169	1 844	1 844
Cash and cash equivalents at the end of the period	1 486	1 590	2 169

Segmental report

for the six months ended 31 December 2025

(Rand millions unless otherwise stated)

Unreviewed six months to 31 December 2025

	Retail	Manufacturing*
Turnover	2 790	2 479
– From external customers*	2 784	1 661
– Intersegment	6	818
Turnover from franchise stores**	1 378	–
Cost of sales	(1 691)	(1 913)
Achieved gross margin***	999	561
Manpower costs	(179)	(246)
Depreciation	(40)	(153)
Freight cost	(6)	(237)
Impairment of property, plant and equipment	–	–
Profit on sale of property, plant and equipment	#	(1)
Trading profit	288	175
Finance income	5	21
Finance costs	(3)	(8)
Income from associates	–	–
Profit before taxation	290	188

* 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 R35 million disclosed in note 6.

Includes royalty income of R76 million disclosed in note 6.

The trading profit in the Properties division includes unconsolidated property rental received of R269 million.

(Rand millions unless otherwise stated)

Reviewed six months to 31 December 2024

	Retail	Manufacturing*
Turnover	2 836	2 627
– From external customers*	2 836	1 703
– Intersegment	–	924
Turnover from franchise stores**	1 293	–
Cost of sales####	(1 806)	(2 006)
Achieved gross margin ***	1 008	588
Manpower costs	(174)	(304)
Depreciation	(54)	(150)
Freight costs####	(6)	(223)
Profit on sale of property, plant and equipment	#	#
Trading profit	285	325
Finance income	9	18
Finance costs	(3)	(3)
Income from associates	–	–
Profit before taxation	291	340

* 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 R41 million disclosed in note 6.

Includes royalty income of R70 million disclosed in note 6.

The trading profit in the Properties division includes unconsolidated property rental received of R269 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.

Supply and support services*	Franchising	Properties	Associates	Consolidation	Total
1 218	-	-	-	(1 786)	4 701
256	-	-	-	-	4 701
962	-	-	-	(1 786)	-
-	-	-	-	(1 378)	-
(1 006)	-	-	-	1 802	(2 808)
155	-	-	-	136	1 851
(131)	(6)	(4)	-	-	(566)
(7)	(1)	(53)	-	-	(254)
(37)	-	-	-	13	(267)
-	-	(3)	-	-	(3)
2	#	7	-	-	8
125##	222###	205####	-	-	1 015
39	-	14	-	(10)	69
(19)	-	(23)	-	10	(43)
-	-	-	1	-	1
145	222	196	1	-	1 042

Supply and support services*	Franchising	Properties	Associates	Consolidation	Total
1 324	-	-	-	(2 005)	4 782
243	-	-	-	-	4 782
1 081	-	-	-	(2 005)	-
-	-	-	-	(1 293)	-
(1 082)	-	-	-	2 105	(2 789)
148	-	-	-	187	1 931
(83)	(5)	(4)	-	8	(562)
(9)	(2)	(57)	-	-	(272)
(40)	-	-	-	16	(253)
(8)	#	14	-	-	6
140##	226###	204####	-	-	1 180
37	#	24	-	(22)	66
(22)	#	(36)	-	22	(42)
-	-	-	2	-	2
155	226	192	2	-	1 206

Geographical analysis

for the six months ended 31 December 2025

(Rand millions unless otherwise stated)

Unreviewed six months to 31 December 2025	South Africa	Rest of Africa	Australia	Consolidation	Group
Turnover	5 616	603	268	(1 786)	4 701
Non-current assets	7 285	490	211	(1 876)	6 110
Reviewed six months to 31 December 2024					
Turnover	5 877	602	308	(2 005)	4 782
Non-current assets	7 794	497	211	(2 186)	6 316

Notes

1. Basis of preparation and changes in accounting policy

Basis of preparation

The unreviewed interim 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 interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS® Accounting Standards ("IFRS") 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 unreviewed interim condensed consolidated financial statements are in terms of IFRS 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. The Interim Results have not been reviewed or reported on by the Group's external auditors.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of these unreviewed interim 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 2025, except for the adoption of new and amended IFRS and International Financial Reporting Interpretations Committee interpretations which became effective during the current interim period. The application of these standards and interpretations did not have a significant impact on the Group's reported results and cash flows for the six months ended 31 December 2025 and the financial position at 31 December 2025.

2. Commitments and contingencies

There are no material contingent assets or liabilities at 31 December 2025.

Capital commitments (Rand millions)	31 December 2025	31 December 2024	30 June 2025
– Contracted	50	59	163
– Authorised but not contracted for	156	170	126
Total	206	229	289

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.

The Italtile and Ceramic Foundation Trust invested R30 million (2025: R50 million) in financial assets classified at fair value through profit and loss, 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 2026 financial year (2025: nil).

4. Staff share scheme

On 31 March 2023, the Group implemented a new staff share scheme, which replaced the previous scheme implemented by the Group during the 2014 financial year. Both schemes were 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, 2,3 million of the Group's shares net of forfeitures were held by qualifying staff members at 31 December 2025 (2024: 3,1 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 schemes are classified as equity-settled schemes in terms of IFRS 2 Share-Based Payment and have resulted in a total expense of R6,1 million (2024: R7,3 million) to the Group's income.

Notes continued

5. Earnings per share

	Unreviewed six months to 31 December 2025	Reviewed six months to 31 December 2024	Audited year to 30 June 2025
Reconciliation of shares in issue <i>(all figures in millions):</i>			
– Total number of shares issued	1 322	1 322	1 322
– Shares held by the Italtile Share Incentive Trust	(10)	(10)	(10)
– Shares held by the Italtile Retention Trust	(12)	(15)	(15)
– Black economic empowerment treasury shares	(60)	(61)	(60)
– Shares held by Italtile Ceramics Proprietary Limited	(45)	(43)	(44)
– Shares held by Italtile Staff Share Scheme Trust	(3)	(3)	(3)
Shares in issue to external parties	1 192	1 190	1 190
Reconciliation of share numbers used for earnings per share calculations <i>(all figures in millions):</i>			
Weighted average number of shares	1 190	1 190	1 190
Dilution effect of share awards	7	-	-
Diluted weighted average number of shares	1 197	1 190	1 190
Reconciliation of headline earnings <i>(Rand millions):</i>			
– Profit attributable to equity shareholders	726	841	1 494
– Impairment of property, plant and equipment – after taxation**	2	-	-
– Loss/(profit) on sale of property, plant and equipment – after taxation#	(6)	(7)	(7)
Headline earnings	722	834	1 487
Headline EPS (cents)	60,6	70,1	125,1
Diluted headline EPS (cents)	60,3	70,6	125,6
Dividends per share (cents)	24,0	28,0	148,0
Net asset value per share (cents)	637,4	678,1	705,0

* Profit on sale of property, plant and equipment is net of taxation of R2 million (2025: nil).

** Impairment of property, plant and equipment is net of taxation of R1 million (2025: nil).

6. Disaggregation of revenue from contracts with customers

(Rand millions unless otherwise stated)

	Unreviewed six months to 31 December 2025	Reviewed six months to 31 December 2024	Audited year to 30 June 2025
Turnover#	4 701	4 782	8 876
– Retail	2 784	2 836	5 302
• CTM	1 735	1 790	3 380
• TopT	601	618	1 110
• Italtile Retail	448	427	812
– Manufacturing	1 661	1 703	3 116
• Ceramic Industries – South Africa	1 085	1 106	2 049
• Ceramic Industries – Australia	268	308	543
• Ezee Tile	308	289	523
– Supply and support services	256	243	458
Royalty income from franchising	76	70	133
Other franchise income	35	41	72
	4 812	4 893	9 081

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

Notes continued

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

(Rand millions unless otherwise stated)

	Unreviewed six months to 31 December 2025	Reviewed six months to 31 December 2024	Audited year to 30 June 2025
Cash flows from operating activities:			
Profit before taxation	1 042	1 206	2 116
<i>Adjusted for:</i>			
Income from associates	(1)	(2)	(6)
Depreciation and amortisation	213	228	444
Depreciation – right-of-use asset	44	42	89
Fair value gains	(5)	–	–
Finance cost – lease liability	17	19	38
Profit on sale of property, plant and equipment	(8)	(7)	(12)
Impairment of property, plant and equipment	3	–	–
Loss on sale of controlling interest of subsidiary	–	–	6
Finance income	(64)	(66)	(125)
Finance costs (excluding lease liability finance costs)	26	23	38
Share-based payment expenses	19	20	40
Foreign currency translation difference	(22)	(18)	(26)
Working capital changes:			
Inventory	82	(95)	43
Trade and other receivables	1	(82)	23
Trade and other payables (including provisions)	37	78	(2)
Cash generated by operations	1 384	1 346	2 666

8. Interest-bearing loans

During the prior year, management negotiated on-demand loan facilities with two institutions and drew down on these facilities for the purpose of early settling the previously existing interest-bearing loan.

The new facilities bear interest at rates ranging from 7,50% to 7,75%. These facilities are repayable on demand and are subject to annual renewal. Management has renewed these facilities and intends to roll them forward for a further 12 months during the year. The facilities are presented as loans on the face of the statement of financial position and are classified as 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 period, properties classified as held for sale with a value of R5 million were reclassified back into property, plant and equipment. Properties worth R8 million were sold and a further R71 million, relating to non-productive land and buildings, was classified to non-current assets held for sale.

A R3 million impairment loss (2024: nil) was recognised on the fair value adjustment on these assets.

10. Related parties

The Group is controlled by Rallen (Pty) Ltd which owns 56,46% (2025: 56,46%) of its share capital. Management fees totalling R1,0 million (2025: R2,1 million) were paid by the Group to Rallen (Pty) Ltd during the period. 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 (2025: Rnil).

11. Restatement

Correction of understatement of trade and other receivables and trade and other payables

During the preparation of the Group's 2025 annual financial statements, and in the process of providing enhanced disclosure through further disaggregation of the credit risk note for trade receivables, the Group identified a matter relating to intercompany consolidation entries dating back to preceding financial years.

This resulted in an understatement of both trade and other receivables and trade and other payables amounting to R190,5 million in each of the preceding years.

The matter has been rectified in the current year's financial statements. Importantly, this adjustment does not impact headline earnings per share ("HEPS"), earnings per share ("EPS"), net asset value ("NAV") per share, or the statement of cash flows.

11. Restatement continued

The following line items have been impacted as follows:

	2024 – as previously reported Rm	Adjustment Rm	Restatement Rm
Statement of financial position			
Current assets			
Trade and other receivables	769	190	959
Total assets	769	190	959
Current liabilities			
Trade and other payables	592	190	782
Total equity and liabilities	592	190	782

12. 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 31 December 2025 or the results of its operations or cash flow for the period then ended.

Administration

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")

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Randburg

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South Africa

Transfer secretaries

Computershare Investor Services Proprietary Limited

Company Secretary

Acorim Proprietary Limited

Sponsor

Merchantec Capital

Auditor

PricewaterhouseCoopers Inc.

DIRECTORS

Executive directors

L A Foxcroft (Chief Executive Officer)

B G Wood (Chief Executive Officer – Designate)

L Booysen (Chief Financial Officer)

Non-executive directors

L R Langenhoven (Chairperson), G A M Ravazzotti, S M du Toit (lead independent director),

S G Pretorius, L C Prezens, A Mathole, L M Lourens, M Matsipa



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