

ITALTILE LIMITED  
Incorporated in the Republic of South Africa  
(Registration number: 1955/000558/06)  
Share code: ITE ISIN: ZAE000099123  
("Italtile" or "the Group")

#### SALES UPDATE AND INITIAL TRADING STATEMENT

In light of the erratic nature of trading conditions over the past year since the implementation of Covid-19 pandemic ("pandemic") restrictions on 26 March 2020, meaningful comparison of the Group's results with the prior corresponding period is difficult. Accordingly, management has elected to issue this sales update to provide interim guidance to shareholders in advance of the Group's results for the year ending 30 June 2021, which will be published in August 2021.

#### SALES UPDATE FOR THIRD QUARTER F2021 (1 JANUARY 2021 TO 31 MARCH 2021)

Sales related to Ceramic Industries Proprietary Limited and Ezee Tile Adhesive Manufacturers Proprietary Limited are referred to as "manufacturing" sales to distinguish them from "retail" sales reported by Italtile's retail brands, namely CTM, Italtile Retail, TopT and U-Light.

In the three months subsequent to the Group's half-year ended 31 December 2020 up to the one-year anniversary of the hard lockdown implemented on 26 March 2020, retail and manufacturing sales growth recorded was in line with sales growth reported in the first half of the current financial year.

#### SALES FOR THE NINE MONTH PERIOD FROM 1 JULY 2020 TO 31 MARCH 2021

Total retail store sales improved by 18.5% for the nine months, while like-for-like retail store sales grew by 17.1%.

Manufacturing sales for the period increased by 25.4% compared to the previous corresponding period.

Double-digit growth was reported across all of the Group's operations, namely the retail brands, supply chain importers and manufacturing businesses.

#### TRADING ENVIRONMENT AND PERFORMANCE

The Group's strong performance recorded in the first half of the current financial year continued into the third quarter ended 31 March 2021, in the context of the work- and school-from-home trend precipitated by the pandemic, which boosted demand for home improvement products.

Key factors contributing to the Group's robust performance include the following:

- the improvement of in-stock levels as the Group built up inventory depleted due to unexpectedly high demand driven by the home improvement surge. The Group's local integrated supply chain played a pivotal role in ensuring consistent availability of a wide product range;
- sustained lower interest rates which supported homeowners' spend on their primary asset, and the reallocation to home improvements of some funds previously incurred on transport, travel and other recreational pastimes; and
- management's unwavering focus on continuous enhancement of the customer shopping experience, which drove a gain in share of wallet. The Group's high profile, reputable brands are viewed by our customers as trusted household names, and the rigorous risk mitigating measures implemented to ensure a safe shopping environment, while offering exceptional value and fashion, reinforced this perception.

#### INITIAL TRADING STATEMENT FOR THE YEAR ENDING 30 JUNE 2021 AND OUTLOOK

Continued uncertainty created by the ongoing impact of the pandemic on future trading conditions inhibits precise guidance in terms of the Group's performance for the balance of the current financial year.

However, in light of this sales update, and in terms of paragraph 3.4(b) of the JSE Limited ("JSE") Listings Requirements, the Board of Directors ("Board") is satisfied that should prevailing trading conditions persist for the remainder of the current financial year, a reasonable degree of certainty exists that the Group's results for the year ending 30 June 2021 will increase by at least 70% compared to the earnings per share ("EPS") of 78,3 cents and headline earnings per share ("HEPS") of 79,2 cents reported for the year ended 30 June 2020. EPS and HEPS are expected to be in excess of 133.1 cents and 134.6 cents per share respectively.

A further announcement will be made once there is greater clarity regarding the anticipated range of improvement in EPS and HEPS for the year ending 30 June 2021.

The above information has not been reviewed and reported on by the Group's external auditors.

Johannesburg  
16 April 2021

Sponsor  
Merchantec Capital