

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

FURTHER TRADING STATEMENT AND BUSINESS UPDATE

Shareholders are referred to the Sales Update and Initial Trading Statement released on SENS on 16 April 2021 in which it was advised that, the board of directors of Italtile ("Board") was satisfied that a reasonable degree of certainty existed that the Group's financial results for the year ended 30 June 2021 ("Review Period") would be at least 70% higher than those reported for the year ended 30 June 2020.

The Board is now in a position to confirm that earnings per share ("EPS") and headline earnings per share ("HEPS") for the Review Period are expected to be within the ranges outlined below:

	Year ended 30 June 2021 (cents)	Year ended 30 June 2020 (cents)	Percentage increase (%)
EPS*	138,3 - 144,0	78,3	77 - 84
HEPS*	137,6 - 143,3	79,2	74 - 81

*The disparity between EPS and HEPS is largely attributable to net profits of R19 million realised on the disposal of local properties and other non-current assets in the current year, versus R1 million in the prior year, and impairments of R10 million on property, plant and equipment in the current year, versus R16 million in the prior year.

The Group's results for the Review Period are expected to be published on SENS on or about 26 August 2021.

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

BUSINESS UPDATE - EVENTS SUBSEQUENT TO YEAR-END

Impact of civil unrest and the ongoing pandemic

At the height of the public unrest in July 2021, in the interests of ensuring the safety of our staff and customers, we closed all of our 18 stores in KwaZulu-Natal for 10 days, as well as 16 stores in other hotspots for shorter periods of time. Thankfully no injuries were sustained. Two TopT stores in Orange Farm and Spruitview in Gauteng were looted and destroyed. There is no doubt this small number of damaged stores would have been substantially higher without the outstanding support received from our local communities and taxi associations, the South African Police Service and the South African National Defence Force, who were pivotal in protecting businesses in their neighbourhoods.

In addition to the abovementioned closures, numerous stores were temporarily closed throughout July 2021 due to positive Covid-19 cases which occurred during the third wave of the pandemic.

Subsequent to year-end, up to 10 July 2021 (and the onset of the unrest), the business had recorded 14% growth in sales. Thereafter, sales trended down for most of July, recovering only slightly in the last week, and finally ending on 5% growth for the month.

In terms of the widespread damage caused to most of the major retailers in the building industry, we expect the Group's subsidiary, Ceramic Industries, to experience some upside in sales over the next few months and possibly up to one year, as customers re-stock in the aftermath of the unrest.

Johannesburg
12 August 2021

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