

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

#### VOLUNTARY SALES UPDATE

This sales update pertains to the five-month period from 1 July 2022 to 30 November 2022 ("**Review Period**") compared to the prior corresponding period from 1 July 2021 to 30 November 2021 ("Prior Period").

Sales related to Ceramic Industries Proprietary Limited ("**Ceramic**") and Ezee Tile Adhesive Manufacturers Proprietary Limited ("**Ezee Tile**") 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.

#### TRADING CONDITIONS

The Review Period featured continued instability in the global environment and the local economy.

Persistent higher inflation resulted in margin pressure as cost inflation outpaced sales inflation. Increased building costs and reduced discretionary spend continued to negatively impact affordability, which subdued investment sentiment and influenced cost conscious homeowners to defer or scale down on renovation and new build projects.

Consumer sentiment was further negatively impacted by higher interest rates and generally adverse social and economic conditions.

Despite mitigation measures implemented by the Group, unprecedented load shedding and failure of state energy infrastructure caused significant downtime and damage to equipment in the manufacturing division, impacting negatively on productivity and profitability.

In line with consistent management policy, the strategic focus remained on the growth levers within our control and influence, being constant innovation and investment in delivering an unsurpassed shopping experience for our customers; improved productivity; cost leadership; and partnerships with our people.

#### SALES PERFORMANCE

Retail brands

Retail store turnover reported by our brands CTM, Italtile Retail, TopT and U-Light, increased by 2.3% on the Prior Period.

Integrated supply chain manufacturers

Combined manufacturing sales increased 7.8% on the Prior Period, primarily due to price increases implemented during the Review Period.

Integrated supply chain importers

These businesses, comprising Cedar Point, International Tap Distributors and Distribution Centre, reported a 3.0% increase in sales compared to the Prior Period.

#### OUTLOOK

The challenging macro-economic conditions outlined in this update are expected to persist for the remainder of the six-month period to 31 December 2022.

In line with the statement made in the year-end results announcement published on SENS on 25 August 2022, given the prevailing instability in the global environment and the uncertain state of the local economy, it is imprudent to provide more specific guidance regarding future performance at this point.

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

Johannesburg  
9 December 2022

Sponsor  
Merchantec Capital