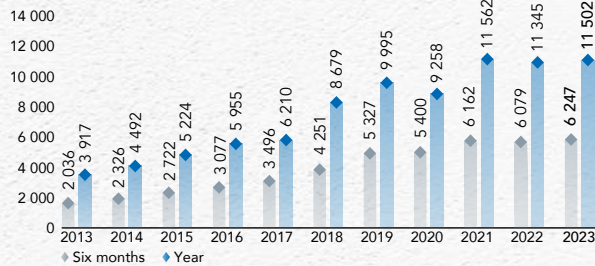


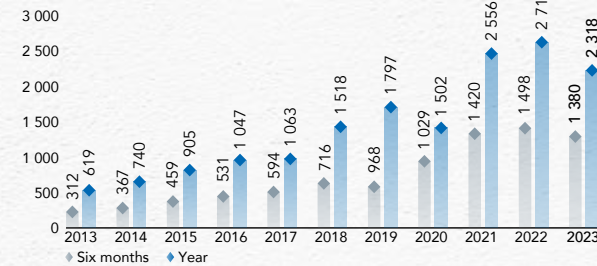


Incorporated in the Republic of South Africa. (Registration number: 1955/000558/06)
Share code: ITE ISIN: ZAE000099123 ("Italtile" or "the Group")

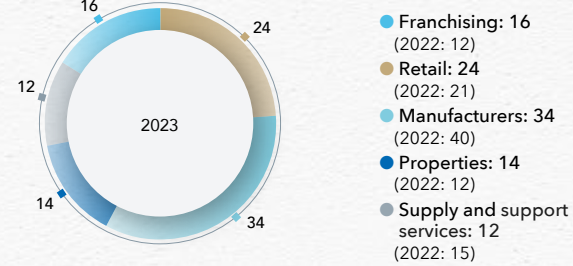
System-wide turnover (Rm)



Trading profit (Rm)



Contribution to Group profit before tax (%)



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, TopT and U-Light, represented through a total network of 216 stores, including seven online webstores. The retail operation is supported by a vertically integrated supply chain comprising key manufacturing and import operations and an extensive property portfolio.

FINANCIAL PERFORMANCE AND TRADING ENVIRONMENT

Group revenue increased by 2% for the year to 30 June 2023 ("Review Period") thanks to our market leading retail brands' continued resilience in the difficult trading environment. Selling price inflation for the Review Period was 6.7%. Weaker consumer demand and poor efficiencies in the manufacturing business resulted in a 5,6% decrease in gross profit margin from 45,8% to 43,2%. Net operating profit decreased 14%, with headline earnings per share declining 13% on the prior comparable period. Cash and cash equivalents increased by 143% to R1 billion at the end of the Review Period. Stock levels, including stock held by new stores, rose by 2,3%. During the period, seven new stores were opened, as well as three EasyLife Kitchens ("ELK") franchised stores on Group-owned properties.

The challenging trading conditions reported in the first half of the year worsened in the second half as living costs and interest rates continued to rise, putting further pressure on homeowners experiencing high levels of unemployment and real wage decreases.

Difficult trading conditions and internal inefficiencies impacted negatively on the Group's performance, with disappointing results in the South African businesses, although our East African and Australian operations reported better results. While our resilient business model and high-performance culture stood us in good stead, we regret that opportunities for growth were missed, specifically in the manufacturing operations.

STRATEGY

The Group's growth vision centres on our aspiration to remain the best manufacturer and retailer of tiles, sanitaryware and complementary products in Africa, by offering an unrivalled shopping experience through the strategy of ensuring the right products, beautifully presented, at the right time, place and price.

Notwithstanding the external challenges of recent years, we have made meaningful progress with our investments to update manufacturing capabilities

and enhance the customer experience in our stores. Manufacturing investments have taken longer than anticipated to optimise, however, the performance of Ezee Tile and Ceramic Industries is expected to improve in the year ahead. Improvement strategies are being implemented in these businesses, which include measures to add additional capacity to the management teams, an organisational restructure to improve effectiveness and competency of the operational teams, and a back-to-basics plan to refocus on efficiencies, quality and costs. These measures should have a positive effect on the business in the future.

While our results failed to meet our expectations, we are cognisant that this was a largely solid performance achieved under very difficult circumstances.

The Group will continue to advance through our integrated business model, core capabilities of leading fashion, best-in-class quality, world-class manufacturing capability, market-leading customer service, established sourcing partnerships and sustainability ethos. The Group will continue to relocate and refurbish stores in a measured manner. The fragmented market affords opportunities to consolidate our core range and broaden our product offering.

The strength of the Group's balance sheet positions the business to remain resilient during difficult conditions.

DECLARATION OF ORDINARY CASH DIVIDEND

The Group's dividend cover is two and a half times. The Board of directors of Italtile ("the Board") has declared a final gross ordinary cash dividend (number 114) for the year ended 30 June 2023 of 21,0 cents per share (2022: 27,0 cents) out of income reserves to all shareholders of Italtile as at the record date of Friday, 15 September 2023. The dividend per share is calculated based on 1 321 654 148 shares (2022: 1 321 654 148 shares) in issue at the date of dividend declaration. The local dividend withholding tax is 20% ("twenty percent"). The net local dividend amount is 16,8 cents per share for shareholders liable to pay dividends tax and 21,0 cents per share for shareholders exempted from paying dividends tax. The total gross ordinary cash dividend for the year amounts to 53,0 cents per share (2022: 61,0 cents). Italtile's income tax reference number is 9050182717.

Dividend declaration date	Monday, 28 August 2023
Last day to trade cum the dividend	Tuesday, 12 September 2023
Date to commence trading ex-dividend	Wednesday, 13 September 2023
Record date	Friday, 15 September 2023
Payment date	Monday, 18 September 2023

Share certificates may not be dematerialised or rematerialised between Wednesday, 13 September 2023 and Friday, 15 September 2023, both dates inclusive.

PROSPECTS

The challenging socio-political and economic conditions are likely to persist.

Opportunities for growth lie in our focus areas for the forthcoming year. These include: growing sales and market share through leading products and service, improving execution of operational excellence and efficiency, and developing our teams and depth of leadership. We will pursue our purpose-driven approach to responsible citizenship and sustainability.

Despite our confidence that operational improvements can be made in the business, we are mindful that the economic environment will determine consumer demand in the market.

Notwithstanding this challenge, we will continue to focus on the growth levers within our control and influence. The Group has a 54-year track record of trading through turbulent periods and we believe our market leading brands, our factories' latest technology and high-performance culture provide opportunities to improve our performance. While market conditions remain uncertain in South Africa, the long-term dynamics of the housing market remain favourable, and the Board has confidence in the Group's proven business model and experienced teams.

28 August 2023

SHORT-FORM ANNOUNCEMENT

The content of this short-form announcement is the responsibility of the directors. Shareholders are advised that this short-form announcement represents a summary of the information contained in the full long-form announcement, which is available at: <https://senspdf.jse.co.za/documents/2023/jse/isse/ite/ye23.pdf> and on Italtile's website at <https://www.italtile.com/investor-reports-and-results.asp>. This short-form announcement was published on SENS on Monday, 28 August 2023.

These condensed financial statements were reviewed by PricewaterhouseCoopers Inc. ("PwC"), who expressed an unmodified review conclusion thereon. Shareholders are advised that, in order to obtain a full understanding of the nature of the auditor's engagement, and more specifically, the nature of the information reviewed, they should obtain a copy of PwC's report available at the following link: <https://www.italtile.com/investor-reports-and-results.asp> or from the Company Secretary at the Company's registered office.

Any investment decisions made by investors and/or shareholders should be based on a consideration of the full announcement as a whole and investors and shareholders are encouraged to review the full announcement, which is available as detailed herein.

Both the short-form and full announcement are also available for inspection at the registered offices of Italtile and its sponsor, Merchantec Capital, during business hours, and copies may be obtained at no cost on request from the Company Secretary, who is contactable on +27 11 882 8200 or lizwillis@ejayssecretarial.co.za.

HIGHLIGHTS

▲ 1%
System-wide turnover

R11,5 billion

2022: R11,3 billion

▼ 15%
Trading profit

R2,3 billion

2022: R2,7 billion

▼ 13%
Earnings per share

132,6 cents

2022: 152,0 cents

▼ 13%
Headline earnings per share

132,3 cents

2022: 152,1 cents

▼ 13%
Ordinary dividend per share

53,0 cents

2022: 61,0 cents

▲ 12%
Net asset value per share

642 cents

2022: 575 cents

▲ 143%
Cash and cash equivalents

R1,0 billion

2022: R0,4 billion

▲ 2%
Store network

216

2022: 211



Registered office: The Italtile Building, corner William Nicol Drive and Peter Place, Bryanston, 2021
Postal address: PO Box 1689, Randburg, 2125
Transfer secretaries: Computershare Investor Services Proprietary Limited
Company Secretary: EJ Willis Sponsor: Merchantec Capital
Auditor: PricewaterhouseCoopers Inc.