

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 VOLUNTARY TRADING STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

SALES UPDATE

Trading Environment

In the year ended 30 June 2024 ("**Review Period**"), the increased cost of living weighed heavily on consumers. Homeowner confidence remained subdued in light of sustained high interest rates and inflation, and demand was at low levels across the industry. In the context of low GDP growth and weak consumer sentiment and spend, the building cycle downturn has yet to recover.

Group performance

Italtile's retail brands are CTM, Italtile Retail and TopT, each household names in their respective market segments. The retail division's full-year results were 4.7% lower than the prior comparable year. The division recovered market share and performed better in the second half of the period than the first half. Full-year like-on-like sales decreased 2% compared to the prior period, with average selling price inflation of 2.1%.

Ceramic Industries ("**Ceramic**") continued to fight for market share in the difficult environment. Despite efficiency improvements in manpower, systems, quality and products, the business was not able to grow tile volumes and improve capacity utilisation to leverage economies of scale, which continued to impact negatively on Ceramic's contribution to the Group's results. Ceramic and Ezee Tile's combined manufacturing sales decreased by 6% in value for the Review Period. While Ceramic reported lower volumes and profits, Ezee Tile grew both metrics after completing commissioning of the new Vulcania facility. Combined average manufacturing selling price inflation was 1% for the period.

In the integrated supply chain, our import businesses, International Tap Distributors ("**ITD**"), Cedar Point and Distribution Centre ("**DC**"), collectively reported an increase in sales value of 2%, with average selling price inflation of 3.7%.

The Group's consolidated gross margin declined by 2.6%, in line with our efforts to support affordability for customers and compete for market share in the context of subdued demand and increased competition.

In the year ahead, our focus will remain on gaining market share and executing operational excellence across our retail and manufacturing assets to improve competitiveness, drive growth and enhance our industry leading position.

VOLUNTARY TRADING STATEMENT

The Group is currently finalising its results for the Review Period.

In terms of paragraph 3.4(b) of the JSE Limited (“JSE”) Listings Requirements, shareholders are advised that earnings per share (“EPS”) and headline earnings per share (“HEPS”) for the Review Period are expected to be in the range outlined below:

	Year ended 30 June 2024 (cents)	Year ended 30 June 2023 (cents)	Percentage decrease (%)
EPS	117.8 – 125.1	132.6	11.1 – 5.6
HEPS	118.7 – 126.2	132.3	10.3 – 4.7

The disparity between EPS and HEPS is attributable to impairments of R15 million recognised on property assets during the Review Period.

PUBLICATION OF RESULTS

The Group's results for the Review Period are expected to be published on SENS on or about 26 August 2024.

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

Johannesburg
12 August 2024

Sponsor
Merchantec Capital