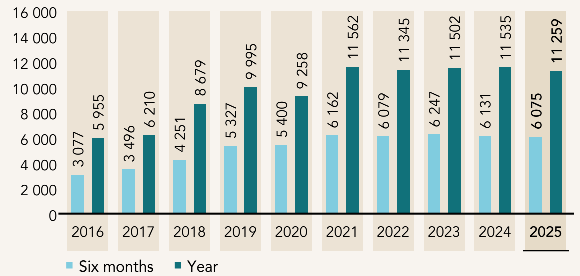
ITALTILE LIMITED

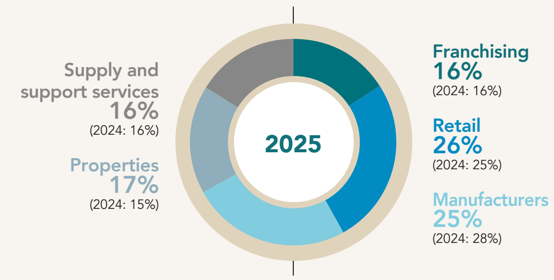
Reviewed Condensed Group Results for the year ended 30 June 2025, cash dividend declaration and change to the Board of directors

www.italtile.com

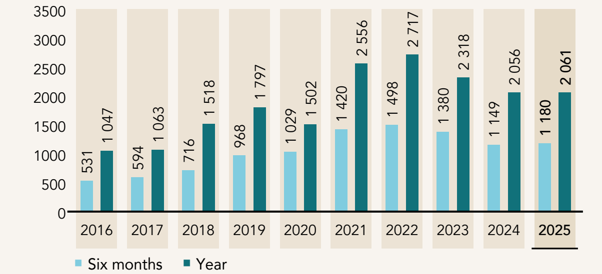
System-wide turnover (Rm)



Contribution to Group profit before tax (%)



Trading profit (Rm)



System-wide turnover	↓	2%	**R11,3 billion** (2024: R11,5 billion)
Trading profit	←→		**R2,1 billion** (2024: R2,1 billion)
Operating cost	↓	3%	**R1,9 billion** (2024: R2,0 billion)
Earnings per share	↑	3%	**125,6 cents** (2024: 122,1 cents)
Headline earnings per share	↑	2%	**125,1 cents** (2024: 123,0 cents)
Store network	↑	1%	**210** (2024: 208)
Ordinary dividend per share	↑	2%	**50,0 cents** (2024: 49,0 cents)
Special dividend per share	↑	26%	**98,0 cents** (2024: 78,0 cents)
Total dividend per share	↑	17%	**148,0 cents** (2024: 127,0 cents)
Net asset value per share	←→		**705,0 cents** (2024: 707,5 cents)
Cash and cash equivalents	↑	18%	**R2,2 billion** (2024: R1,8 billion)

Associate investment

Our focus on an exceptional customer experience across many touch points has ensured volume growth on retail sales and increased retail market share despite challenging trading conditions. Customers remain loyal to our trusted brands, searching out value of big savings, reliable quality, leading fashion and customer service when choosing where to spend their hard-earned savings. Our resilient, skilled and motivated teams remain our competitive advantage and ensure we are well placed to convert opportunities when the building sector recovers and trading conditions improve.
– Lance Foxcroft, Chief Executive Officer

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 and TopT, represented through a total network of 210 stores, including seven online webstores. The brand offering targets homeowners across LSM 4 to 10. The retail operation is strategically supported by a vertically integrated supply chain comprising key manufacturing and import operations and an extensive property portfolio.

Group performance

System-wide turnover for the year decreased 2% driven by a small increase in retail revenue, but a decline in revenue in supply chain businesses and Ceramic Industries. Retail sales improved slightly (1%), while market share improved with sales transactions increasing 1,3% and basket size decreased 0,7% as price sensitive customers bought down. Retail margins continued to be under pressure and declined 0,7%, with a 0,2% increase in average selling price. Retail profits for the period increased 1%.

Our East African operations delivered a good performance due to the stronger regional economy, strategic trading enhancements and an improved product range. We continue to bed down relatively new stores and assess opportunities to open new stores in Kenya. In the Southern African region, Botswana's margins have been impacted by aggressive pricing by independents supplied by other regional manufacturers.

Our Webstore continued its strong performance and increased traffic and sales, underpinned by improved digital content offering an innovative online experience and personalised sales expertise.

Trading conditions in Ceramic's market continued to deteriorate mainly due to excess manufacturing capacity in the Southern African region. Reduced margins weighed heavily on the performance of the tile division, with a 5% reduction in volume sold and, despite moving to larger formats, a decline of 2,1% in average selling prices per square metre for tiles. Export sales decreased significantly due to tariffs in our two biggest export markets, Zambia and Zimbabwe.

The Ceramic team responded to reduced volumes by decreasing costs and improving efficiencies, with assistance from our supply partners. Despite efforts to control costs, like-on-like margin value decreased driven primarily by lower capacity utilisation in our volume-sensitive factories. Ezee Tile achieved a small increase in revenue but significant improvement in margins, following further efficiencies in the Vulcania factory and regional factory upgrades. Performance of the Silica Quartz sand mining and processing businesses was disappointing. An Ezee Tile management priority will be to improve efficiencies and unlock value from this acquisition.

In the integrated supply chain, revenue from Cedar Point, International Tap Distributors (ITD) and Distribution Centre (DC) decreased 2,9% mainly due to substitution of imported tiles from SADC suppliers. DC unlocked efficiencies through in-sourcing warehouse operations in Durban, better stockturn and reduced freight costs, and successfully completed the integration of Cedar Point Durban into the DC warehouse resulting in cost savings. Cedar Point grew sales through improved product availability and rationalised ranges, enabling faster introduction of new, fashionable products. ITD grew sales volumes from retail stores and maintained margin despite a decrease in average selling price and ongoing exchange rate volatility.

Cost leadership is a core discipline, driven hard by management, with Group operating costs reducing 2,8%. The key focus was on containing logistic costs and improving productivity and efficiencies. Net finance income increased due to higher average cash balances during the year.

Group trading profit was similar to prior year at R 2 061 million. With a 1% decrease in weighted number of shares, EPS increased 3% on the prior year.

Total inventory holdings decreased 3% to R1 228 million due to improved system-wide stockturns. Projects to further improve logistics to reduce lead times and improve stockturn are expected to deliver further inventory reduction despite plans to open additional stores. The Group continues to benefit from its integrated supply chain with 86% of total procurement sourced from local manufacturers and suppliers. Optimal product mix and range was supported by our business optimisation programme.

Cash generation enables investment requirements and dividend payments. Debt levels remain low providing a solid financial foundation. Managed capital investment for the next year will support value creation for core businesses. We pursue ongoing prudent capital allocation and cost control to strengthen resilience.

Prospects

We expect continued headwinds to subdue growth, margins and profitability in the year ahead. We believe that a rigid focus on the controllable aspects of our business will position us to capitalise on opportunities when the trading environment improves. Our priorities will be to strengthen leadership through personal development, invest in our brands and product development, optimise operational efficiencies, improve productivity, control costs, reinforce the Group as a selling organisation, reduce inventory and grow market share. As part of our continual review of our asset base, we will consider disposals of non-core assets and focus on our core productive assets.

Organic growth will continue to be driven by capitalising on our leading brand positions in South Africa and our growing brand strength in East Africa. Our strategic initiatives include investment in our new product development programmes, excellent customer service and our brand portfolio. Group synergy will be leveraged within our portfolio of complementary businesses. The emphasis on strong human capital management will continue in the new year as we prioritise strong leadership, effective training programmes and excellence in attracting, recruiting, developing and retaining talent in alignment with our high-performance culture.

As South Africa persists in allowing uncontrolled dumping of product in the country which, coupled with import tariffs imposed by neighbouring countries, worsens the trading environment and places margins under pressure, management will continue to engage the authorities to gain the government's support for a level domestic playing field.

We have sound assets, competent, engaged and motivated teams, robust iconic brands, industry-leading technology and products, and the competitive advantage of a vertically integrated supply chain. Productivity and efficiency are critical in an environment where GDP growth is limited aggregated by growing competition. We strive to remain a low-cost manufacturer and world-class retailer.

We are confident that if we execute retail excellence disciplines better at every customer touchpoint and continue to reduce inefficiencies, we will deliver increased sales, profit growth, and gain market share. We will improve customer experience, operating efficiencies and logistics, and develop and grow our teams' core competencies in sales and operating excellence.

Board changes

In compliance with paragraph 3.59 of the Listings Requirements of the JSE Limited, the board of directors of Italtile ("the Board") hereby notifies its shareholders of the appointment of Ms Matsipa as an independent non-executive director, with effect from 22 August 2025.

As a former CEO of a private equity fund manager, together with over 20 years' experience in private equity, investment banking and information systems, she brings a wealth of experience and expertise in driving value through governance and execution excellence. Ms Matsipa has served as a non-executive director on boards spanning the energy, telecoms, healthcare, industrials and insurance sectors. She currently serves as a non-executive director on the boards of Absa financial services, Absa Life, Absa insurance company and Novasun Products. Ms Matsipa will be a valued addition to our Board.

The Board welcomes Ms Matsipa and looks forward to her contribution to the Company.

Declaration of ordinary and special cash dividend

The Group's dividend cover is two and a half times. The Board has declared a final gross ordinary cash dividend (number 118) for the financial year ended 30 June 2025 of 22,0 cents per ordinary share (2024: 22,0 cents) to all shareholders of Italtile as at the record date of Friday, 12 September 2025. The local dividend withholding tax is 20% (twenty percent). The net local dividend amount is 17,6 cents per share for shareholders liable to pay dividends tax and 22,0 cents per share for shareholders exempt from paying dividends tax.

This final dividend, together with the interim gross ordinary cash dividend of 28,0 cents per share (2024: 27,0 cents per share), produces a total gross ordinary cash dividend declared for the year ended 30 June 2025 of 50,0 cents per share (2024: 49,0 cents per share).

Given the Group's strong cash generation and cash reserves in excess of operational requirements, the Board has declared a special cash dividend (number 9) of 98,0 cents per share (2024: 78,0), to all shareholders recorded in the shareholder register of Italtile as at the record date of Friday, 12 September 2025. The net special cash dividend amount is 78,4 cents per share for shareholders liable to pay dividends tax and 98,0 cents per share for shareholders exempt from paying dividends tax. The dividend per share is calculated based on 1 321 654 148 shares (2024: 1 321 654 148) shares in issue at the date of dividend declaration.

Italtile has obtained the relevant South African Reserve Bank approval in respect of the special dividend, and the Board has reasonably concluded that the Group will satisfy the solvency and liquidity test immediately after distribution thereof and for the next 12 months.

Italtile's income tax reference number is 9050182717.

Dividend declaration date	Monday, 25 August 2025
Last day to trade cum the dividend	Tuesday, 9 September 2025
Date to commence trading ex-dividend	Wednesday, 10 September 2025
Record date	Friday, 12 September 2025
Payment date	Monday, 15 September 2025

Share certificates may not be rematerialised or dematerialised between Wednesday, 10 September 2025 and Friday, 12 September 2025 both days inclusive.

Results announcement: The content of this results announcement is the responsibility of the Board. Shareholders are advised that this announcement represents a summary of the information contained in the full announcement which has been released on SENS and is available on the JSE cloudlink: https://senspdf.jse.co.za/documents/2025/jse/isse/ite/ye25.pdf and on Italtile's website at https://italtile.com/sens-announcements.php. This results announcement was published on SENS on Monday, 25 August 2025.

The condensed Group results for the year ended 30 June 2025 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/reports-and-results.php or from the Company Secretary who is contactable on +27 11 325 6363 or roxanne@acorim.co.za.

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, as detailed herein.

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

Registered office: The Italtile Building, 72 Peter Place, Bryanston, 2021
Postal address: PO Box 1689, Randburg, 2125 **Transfer secretaries:** Computershare Investor Services Proprietary Limited **Company Secretary:** Acorim Proprietary Limited **Sponsor:** Merchantec Capital
Auditor: PricewaterhouseCoopers Inc.

Bastion