Notes to the financial statements continued
for the year ended 30 June 2025

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

Liquidity risk continued

Group

At the end of the financial year, the Group had cash and cash equivalents of R2 169 million (2024: R1 844 million) on its statement of financial position. The following table demonstrates the Group profit before tax sensitivity to a change in interest rates earned on cash and cash equivalents with all other variables held constant:

	2025 Rm	2024 Rm
+1%	**20**	14
-1%	**(20)**	(14)

At the end of the financial year, the Group had term funding liabilities of R500 million (2024: R500 million) on its statement of financial position. The following table demonstrates the Group's profit before tax sensitivity to a change in interest rates with all other variables held constant (through the impact of floating rate borrowings):

	2025 Rm	2024 Rm
+1%	**(5)**	(5)
-1%	**5**	5

Capital management

Group

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure (equity attributable to the equity holders) and makes adjustments to it in light of changes in economic conditions.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the years ended 30 June 2025 and 2024.

The Group monitors capital using a gearing ratio, which is defined as interest-bearing debt and borrowings as a percentage of equity attributable to the equity holders of the parent. (Refer to note 31 for further details on interest-bearing loans.)

	2025 Rm	2024 Rm
Interest-bearing debt and borrowings	**500**	500
Equity attributable to the equity holders of the parent	**8 091**	8 171
Gearing ratio (%)	**6,2**	6,1

37. SEGMENT REPORT

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segments and to assess their performance.

The Chief Operating Decision Maker has been identified as the executive directors of the Group.

On this basis, the Group has five reportable segments:

Segment	Nature of business
Retail	– Retailers of tiles, brassware, laminated flooring, bathroomware, other home-finishing products and accessories.
Franchising	– Bearer of South African and non-South African trademarks.
Properties	– Property investments and leasing.
Supply and support services	– Distributor of tiles, shower enclosures, brassware, laminate and vinyl flooring, accessories, and tiling tools. – Group administration, marketing and management services. – Outsourced debtor solutions. – Procurement.
Manufacturing	– Manufacturers of tiles, sanitaryware, baths, adhesive and related products.

All intersegmental transactions are concluded at arm's length.

37. SEGMENT REPORT continued

The following measures, as included in the quarterly management report reviewed by the Chief Operating Decision Maker, are used to assess performance.

(Rand millions unless otherwise stated)	Retail	Manu-facturing*	Supply and support services*	Fran-chising	Properties	Associates	Con-solidation	Total
For the year ended 30 June 2025								
Turnover	5 302	4 724	2 428	–	–	–	(3 578)	8 876
– From external customers*	5 302	3 116	458	–	–	–	–	8 876
– Intersegment	–	1 608	1 970	–	–	–	(3 578)	–
Turnover from franchise stores**	2 383	–	–	–	–	–	(2 383)	–
Cost of sales	(3 229)	(3 658)	(2 032)	–	–	–	3 652	(5 267)
Achieved gross margin***	1 890	1 056	286	2	–	–	308	3 542
Manpower costs	(331)	(562)	(167)	(11)	(7)	–	–	(1 078)
Depreciation	(88)	(304)	(19)	(3)	(119)	–	–	(533)
Freight cost	(12)	(441)	(73)	–	–	–	26	(500)
Impairment of property, plant and equipment	–	–	–	–	–	–	–	–
Profit on sale of property, plant and equipment	#	(4)	(4)	#	14	–	–	6
Trading profit	546	507	287##	334###	378####	–	9	2 061
Finance income	16	37	68	#	37	–	(33)	125
Finance costs	(8)	(6)	(37)	#	(58)	–	33	(76)
Income from associates	–	–	–	–	–	6	–	6
Profit before taxation	**554**	**538**	**318**	**334**	**357**	**6**	**9**	**2 116**
For the year ended 30 June 2024								
Turnover	5 178	5 013	2 470	–	–	–	(3 597)	9 064
– From external customers*	5 177	3 426	461	–	–	–	–	9 064
– Intersegment	1	1 587	2 009	–	–	–	(3 597)	–
Turnover from franchise stores**	2 471	–	–	–	–	–	(2 471)	–
Cost of sales#####	(3 128)	(3 812)	(2 079)	–	–	–	3 642	(5 377)
Achieved gross margin***	1 880	1 192	285	1	–	–	273	3 631
Manpower costs	(339)	(636)	(164)	(10)	(7)	–	(7)	(1 163)
Depreciation	(88)	(284)	(25)	(3)	(106)	–	–	(506)
Freight cost#####	(13)	(468)	(71)	–	–	–	23	(529)
Impairment of property, plant and equipment	–	–	–	–	(15)	–	–	(15)
Profit on sale of property, plant and equipment	#	#	1	#	(2)	–	–	(2)
Trading profit	507	556	286##	338###	355####	–	14	2 056
Finance income	17	28	74	–	54	–	(53)	120
Finance costs	(1)	(12)	(29)	–	(98)	–	53	(87)
Income from associates	–	–	–	–	–	12	–	12
Profit before taxation	523	572	331	338	311	12	14	2 101

* *Turnover from external customers includes sales to franchise stores.*
** *Franchise stores are not controlled by the Group.*
*** *Achieved Gross Margin is calculated as Gross Margin less freight costs, movement in stock provisions and other cost of sales.*
# *Less than R1 million.*
Includes franchise income of R72 million (2024: R72 million) disclosed in note 3.3.
Includes royalty income of R133 million (2024: R146 million) disclosed in note 3.3.
The trading profit in the Properties division includes unconsolidated property rental received of R503 million (2024: R495 million).
The 2024 Segmental report has been amended to separately disclose the cost of sales and freight costs, which contribute a significant portion of the operating expenses.

Geographical analysis

(Rand millions unless otherwise stated)	South Africa	Rest of Africa	Australia	Con-solidation	Group
For the twelve months ended 30 June 2025					
Turnover	**10 729**	**1 182**	**543**	**(3 578)**	**8 876**
Non-current assets	**7 459**	**494**	**226**	**(1 999)**	**6 180**
For the twelve months ended 30 June 2024					
Turnover	10 887	1 110	664	(3 597)	9 064
Non-current assets	7 654	503	234	(1 988)	6 403