Notes to the financial statements continued

for the year ended 30 June 2026

Company 2026 Rm	Company 2025 Rm		Group 2026 Rm	Group 2025 Rm
		7. FINANCE INCOME AND FAIR VALUE GAINS		
		Bank interest received	**108**	86
		Fair value gains	**6**	2
		Dividends received	**13**	37
			127	125
		8. FINANCE COST		
–	–	Bank loans and overdraft	**49**	38
–	–	Lease liability finance costs	**33**	38
–	–	Total finance cost	**82**	76
		9. TAXATION		
		Current taxation through profit or loss		
2	4	– Normal tax (South Africa) – current year	**483**	491
		– Normal tax (foreign) – current year	**31**	42
#		– Normal tax – prior year adjustments	**(3)**	(9)
		– Deferred tax (South Africa) – current year	**2**	49
		– Deferred tax (foreign) – current year	**(3)**	2
		– Deferred tax (South Africa) – prior year adjustments	**(1)**	(1)
		– Deferred tax (foreign) – prior year adjustments	**2**	–
2	4		**511**	574
		Reconciliation of tax rate		
27,0	27,0	Standard rate – South Africa	**27,0**	27,0
		Adjusted for:		
(24,5)	(27,0)	Non-taxable dividend income	**(0,2)**	(1,4)
–	0,2	Expenses disallowed as a deduction*	**0,5**	0,5
9,8		Other differences, including the effects of prior year over/underprovisions and donations tax	**(0,4)**	1
12,3	0,2	Effective tax rate	**26,9**	27,1

* *Includes non-deductible share-based payment expenses, expenses attributable to exempt and non-taxable income and expenditure which is capital in nature.*

\# *Less than R1 million.*

		10. EARNINGS PER SHARE		
		Earnings per share and diluted earnings per share are based on the income attributable to ordinary shareholders of R1 341 million (2025: R1 494 million).		
		The earnings per share calculations are based on 1 185 512 645 (2025: 1 189 757 731) weighted average number of shares in issue during the 2026 period, excluding weighted average treasury shares.		
		Reconciliation of shares in issue:		
		– Total number of shares issued	**1 321 654 148**	1 321 654 148
		– Shares held by the Italtile Share Incentive Trust	**(9 922 234)**	(9 922 234)
		– Shares held by the Italtile Retention Trust	**(11 670 000)**	(14 995 000)
		– Black economic empowerment treasury shares	**(59 442 683)**	(60 191 961)
		– Shares held by Italtile Ceramics (Pty) Ltd	**(68 667 167)**	(44 127 495)
		– Treasury shares held by the Staff Share Scheme Trust	**(2 834 394)**	(2 673 015)
		Shares in issue to external parties	**1 169 117 670**	1 189 744 443

Company 2026 Rm	Company 2025 Rm		Group 2026 Rm	Group 2025 Rm
		10. EARNINGS PER SHARE continued		
		The calculation of diluted earnings per share is based on:		
		Weighted average number of shares in issue for basic earnings per share	**1 185 512 645**	1 189 757 731
		Potentially dilutive ordinary shares resulting from outstanding share-based payment awards per note 6	**6 845 924**	–
		Weighted average number of shares for diluted earnings per share	**1 192 358 569**	1 189 757 731
		Earnings per share (cents)	**113,1**	125,6
		Diluted earnings per share (cents)	**112,4**	125,6
		11. HEADLINE EARNINGS		
		The calculation of headline and diluted headline earnings per share is based on the income attributable to ordinary shareholders – as used in the calculation for basic earnings, adjusted in terms of Circular 1/2023, Headline Earnings.		
		Reconciliation of headline earnings (Rm):		
		Basic earnings	**1 341**	1 494
		Profit on sale of property, plant and equipment	**(4)**	(7)
		Gross amount	**(5)**	(9)
		Taxation	**1**	2
		Impairment of plant and equipment	**7**	1
		Gross amount	**10**	1
		Taxation	**(3)**	#
		Headline earnings	**1 344**	1 488
		Headline earnings per share (cents)	**113,4**	125,1
		Diluted headline earnings per share (cents)	**112,7**	125,1
		12. DIVIDENDS		
		12.1 Dividends paid in the current year		
		Final 2025 – No 118		
291	291	Paid 2026: 22 cents per share (2025: 22 cents per share)	**267**	269
		Interim 2026 – No 119		
317	370	Paid 2026: 24 cents per share (2025: 28 cents per share)	**286**	342
	–	Special dividend – No 9		
1295	1 031	Paid 2026: 98 cents per share (2025: 78 cents per share)	**1 190**	954
1903	1 692		**1 743**	1 565
		12.2 Dividends declared in relation to current year profit		
		Interim 2026 – No 119		
317	370	24 cents per share (2025: 28 cents per share)	**290**	338
		Final 2026 – No 120		
278	291	21 cents per share (2025: 22 cents per share)	**248**	266
		Special dividend – No 10		
330	1 295	25 cents per share (2025: 98 cents per share)	**296**	1 183
925	1 956	Total – 70 cents per share (2025: 148 cents per share)	**834**	1 787

Less than R1 million.