

Geographical analysis

for the year ended 30 June 2025

(Rand million unless otherwise stated)

Reviewed year to 30 June 2025	South Africa	Rest of Africa	Australia	Consolidation	Group
Turnover	10 729	1 182	543	(3 578)	8 876
Non-current assets	7 459	494	226	(1 999)	6 180
Audited year 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

Notes

1. Basis of preparation and changes in accounting policy

Basis of preparation

The reviewed condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa. The Listings Requirements require reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS[®] Accounting Standards and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the reviewed interim condensed consolidated financial statements are in terms of IFRS[®] Accounting Standards and are consistent with those applied in the previous consolidated annual financial statements. These results have been prepared under the supervision of the Chief Financial Officer, Mr. L Booysen.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of these preliminary condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2024, except for the adoption of new and amended IFRS[®] Accounting Standards and International Financial Reporting Interpretations Committee interpretations which became effective during the current review year. The application of these standards and interpretations did not have a significant impact on the Group's reported results and cash flows for the year ended 30 June 2025 and the financial position at 30 June 2025.

2. Commitments and contingencies

There are no material contingent assets or liabilities at 30 June 2025.

Capital commitments (Rand million)	30 June 2025	30 June 2024
– Contracted	163	108
– Authorised but not contracted for	126	83
Total	289	191

Capital commitments will be funded by cash generated by operations.

3. Financial assets at fair value through profit or loss and fair values of financial instruments

Except for financial assets at fair value through profit or loss, the Group does not fair value its financial assets or liabilities in accordance with quoted prices in active markets or market observables, as their carrying value approximates fair value due to the short-term nature of these items and/or existing terms are equivalent to market observables.

In the fourth quarter of the 2025 financial year, The Italtile and Ceramic Foundation Trust invested in financial assets classified at fair value through profit and loss for R50 million, in the form of a managed investment portfolio. This investment is classified as level 2 in the fair value hierarchy. In accordance with IFRS 13, the fair value measurement of the investment is determined using the stated valuation technique, whereby the company receives a statement from the fund manager reflecting the market value of the units held in the fund. The fund manager's statement provides an observable input under level 2 of the fair value hierarchy, ensuring transparency and reliability in the valuation process.

The financial instruments held within the investment includes, South African equities, gilts and bonds, cash, local unit trusts, and asset swaps which are tradable instruments on the open market. There have been no transfers between levels 1 and 2 for recurring fair value measurements during the year and there have been no level 3 measurements during the 2025 financial year.

4. Staff share scheme

The Group's staff share scheme was implemented for the benefit of all employees of the Group and its franchisees who had been in the employ of the Group and/or franchise network for a period of three uninterrupted years at each specified allotment date in every year from implementation date.

As a result, 2,5 million of the Group's shares net of forfeitures were held by qualifying staff members at 30 June 2025 (2024: 3,2 million). Until vesting, the shares will continue to be accounted for as treasury shares and have an impact on the diluted weighted average number of shares.

The first allotment of shares in the scheme, granted in 2023, vested on 31 March 2025. A total of 253 employees qualified for the vesting, 250 of whom elected to have the shares disposed of on their behalf to receive the net value of the awards in cash with the balance electing to retain the shares.

The scheme is classified as equity-settled schemes in terms of IFRS 2 Share-Based Payment and has resulted in a total expense of R15,1 million (2024: R13,8 million) to the Group's income.

Notes, continued

5. Earnings per share

	Reviewed year to 30 June 2025	Audited year to 30 June 2024
Reconciliation of shares in issue (all figures in millions):		
– Total number of share issued	1 322	1 322
– Shares held by the Italtile Share Incentive Trust	(10)	(10)
– Shares held by the Italtile Retention Trust	(15)	(8)
– Black economic empowerment treasury shares	(60)	(61)
– Shares held by Italtile Ceramics Proprietary Limited	(44)	(50)
– Shares held by Italtile Staff Share Scheme Trust	(3)	(3)
Shares in issue to external parties	1 190	1 190
Reconciliation of share numbers used for earnings per share calculations (all figures in millions):		
Weighted average number of shares	1 190	1 198
Dilution effect of share awards	–	–
Diluted weighted average number of shares	1 190	1 198
Reconciliation of headline earnings (Rand million):		
– Profit attributable to equity shareholders	1 494	1 462
– (Profit)/loss on sale of property, plant and equipment– after taxation [#]	(7)	1
– Impairment of property, plant and equipment – after taxation ^{##}	–	11
Headline earnings	1 487	1 474
Headline EPS (cents)	125,1	123,0
Diluted headline EPS (cents)	125,6	123,0
Dividends per share (cents)	148,0	127,0
Net asset value per share (cents)	705,0	707,5

No adjustments to earnings are required for diluted earning per share calculations, as the share awards do not have an impact on diluted earnings.

[#] (Profit)/loss on sale of property, plant and equipment is net of taxation of R2 million (2024: less than R1 million).

^{##} Impairment of property, plant and equipment is net of taxation R4 million in 2024.

6. Disaggregation of revenue from contracts with customers

(Rand million unless otherwise stated)

	Reviewed year to 30 June 2025	Audited year to 30 June 2024##
Turnover#	8 876	9 064
– Retail	5 302	5 177
CTM	3 380	3 450
TopT	1 110	978
Italtile Retail	812	749
– Manufacturing	3 116	3 426
Ceramic Industries – South Africa	2 049	2 221
Ceramic Industries – Australia	543	664
Ezee Tile	523	541
– Supply and support services	458	461
Royalty income from franchising	133	146
Other franchise income	72	72
	9 081	9 282

Turnover represents net revenue from sale of goods, excluding value added tax and intercompany sales.

The Disaggregation of revenue from contracts with customers note has been amended to separately disclose the retail brands as well as Ceramic Industries and Ezee Tile within the manufacturing segment.

7. Reconciliation of profit before tax to cash generated from operations

(Rand million unless otherwise stated)

	Reviewed year to 30 June 2025	Audited year to 30 June 2024
Cash flows from operating activities:		
Profit before taxation	2 116	2 101
Adjusted for:		
Income from associates	(6)	(12)
Depreciation and amortisation	444	422
Depreciation - right-of-use asset	89	84
Finance cost - lease liability	38	40
Profit on sale of property, plant and equipment	(12)	2
Impairment of property, plant and equipment	–	15
Loss on sale of controlling interest of subsidiary	6	–
Finance income and fair value gains	(125)	(120)
Finance costs (excluding lease liability finance costs)	38	47
Share-based payment expenses	40	47
Foreign currency translation difference	(26)	12
Working capital changes:		
– Inventory	43	44
– Trade and other receivables	23	196
– Trade and other payables (including provisions)	(2)	(164)
Cash generated by operations	2 666	2 714

Notes, continued

8. Interest-bearing loans

In the prior year, the interest-bearing loan of R500 million bore interest at three-month JIBAR plus 1,3% and was repayable in full in November 2024 and was disclosed as current. From June 2022, an interest rate swap was entered into to fix the variable interest rate at 6,85% on the loan amount of R500 million.

Management negotiated facilities with two institutions and drew down on these for the purpose of early settling the abovementioned loan. Simultaneously to the granting of the new facilities, management early terminated the interest rate swap. The interest rates on the new facilities range from 8.00% to 9.05%. Following the initial draw-down of the negotiated facilities, further resettlements and draw-downs have taken place. These have been disclosed on the statement of cash flows. These facilities are on demand and subject to bi-annual and annual renewal and are classified as loans on the face of the statement of financial position. The loans are financial liabilities measured at amortised cost in terms of IFRS 9.

9. Non-current assets held for sale

Non-current assets held for sale relate to non-productive land and buildings, which are in the process of being sold.

During the year, properties classified as held for sale with a value of R90 million were reclassified back into property, plant and equipment as the sale transactions did not materialise. Properties worth R41 million were sold and a further R33 million, relating to non-productive land and buildings, was classified to non-current assets held for sale.

No impairment loss was recognised on the fair value adjustment on these assets during the year.

10. Related parties

The Group is controlled by Rallen (Pty) Ltd which owns 56,46% (2024: 56,46%) of its share capital. Management fees totalling R3,4 million (2024: R5,1 million) were paid by the Group to Rallen (Pty) Ltd during the year. Various other transactions occur between companies within the Group, all of which are eliminated on consolidation. These transactions include rendering of services and supply of product. Key management personnel and prescribed officers comprise only the Group executive directors and executive directors of Ceramic Industries. Executive directors' remuneration is paid by Italtile Ceramics (Pty) Ltd, a subsidiary of the Company. No balances were owing at year-end (2024: Rnil).

11. Events after reporting date

Other than the dividend declaration, the directors are not aware of any matters or circumstances arising since the end of the reporting period which significantly impact the financial position at 30 June 2025 or the results of its operations or cash flow for the year then ended.