

Geographical analysis

for the six months ended 31 December 2025

(Rand millions unless otherwise stated)

Unreviewed six months to 31 December 2025	South Africa	Rest of Africa	Australia	Consolidation	Group
Turnover	5 616	603	268	(1 786)	4 701
Non-current assets	7 285	490	211	(1 876)	6 110
Reviewed six months to 31 December 2024					
Turnover	5 877	602	308	(2 005)	4 782
Non-current assets	7 794	497	211	(2 186)	6 316

Notes

1. Basis of preparation and changes in accounting policy

Basis of preparation

The unreviewed interim 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 interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS® Accounting Standards ("IFRS") 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 unreviewed interim condensed consolidated financial statements are in terms of IFRS 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. The Interim Results have not been reviewed or reported on by the Group's external auditors.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of these unreviewed interim 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 2025, except for the adoption of new and amended IFRS and International Financial Reporting Interpretations Committee interpretations which became effective during the current interim period. The application of these standards and interpretations did not have a significant impact on the Group's reported results and cash flows for the six months ended 31 December 2025 and the financial position at 31 December 2025.

2. Commitments and contingencies

There are no material contingent assets or liabilities at 31 December 2025.

Capital commitments (Rand millions)	31 December 2025	31 December 2024	30 June 2025
– Contracted	50	59	163
– Authorised but not contracted for	156	170	126
Total	206	229	289

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.

The Italtile and Ceramic Foundation Trust invested R30 million (2025: R50 million) in financial assets classified at fair value through profit and loss, 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 2026 financial year (2025: nil).

4. Staff share scheme

On 31 March 2023, the Group implemented a new staff share scheme, which replaced the previous scheme implemented by the Group during the 2014 financial year. Both schemes were 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, 2,3 million of the Group's shares net of forfeitures were held by qualifying staff members at 31 December 2025 (2024: 3,1 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 schemes are classified as equity-settled schemes in terms of IFRS 2 Share-Based Payment and have resulted in a total expense of R6,1 million (2024: R7,3 million) to the Group's income.

Notes continued

5. Earnings per share

	Unreviewed six months to 31 December 2025	Reviewed six months to 31 December 2024	Audited year to 30 June 2025
Reconciliation of shares in issue <i>(all figures in millions):</i>			
– Total number of shares issued	1 322	1 322	1 322
– Shares held by the Italtile Share Incentive Trust	(10)	(10)	(10)
– Shares held by the Italtile Retention Trust	(12)	(15)	(15)
– Black economic empowerment treasury shares	(60)	(61)	(60)
– Shares held by Italtile Ceramics Proprietary Limited	(45)	(43)	(44)
– Shares held by Italtile Staff Share Scheme Trust	(3)	(3)	(3)
Shares in issue to external parties	1 192	1 190	1 190
Reconciliation of share numbers used for earnings per share calculations <i>(all figures in millions):</i>			
Weighted average number of shares	1 190	1 190	1 190
Dilution effect of share awards	7	-	-
Diluted weighted average number of shares	1 197	1 190	1 190
Reconciliation of headline earnings <i>(Rand millions):</i>			
– Profit attributable to equity shareholders	726	841	1 494
– Impairment of property, plant and equipment – after taxation**	2	-	-
– Loss/(profit) on sale of property, plant and equipment – after taxation#	(6)	(7)	(7)
Headline earnings	722	834	1 487
Headline EPS (cents)	60,6	70,1	125,1
Diluted headline EPS (cents)	60,3	70,6	125,6
Dividends per share (cents)	24,0	28,0	148,0
Net asset value per share (cents)	637,4	678,1	705,0

Profit on sale of property, plant and equipment is net of taxation of R2 million (2025: nil).

** Impairment of property, plant and equipment is net of taxation of R1 million (2025: nil).

6. Disaggregation of revenue from contracts with customers

(Rand millions unless otherwise stated)

	Unreviewed six months to 31 December 2025	Reviewed six months to 31 December 2024	Audited year to 30 June 2025
Turnover#	4 701	4 782	8 876
– Retail	2 784	2 836	5 302
• CTM	1 735	1 790	3 380
• TopT	601	618	1 110
• Italtile Retail	448	427	812
– Manufacturing	1 661	1 703	3 116
• Ceramic Industries – South Africa	1 085	1 106	2 049
• Ceramic Industries – Australia	268	308	543
• Ezee Tile	308	289	523
– Supply and support services	256	243	458
Royalty income from franchising	76	70	133
Other franchise income	35	41	72
	4 812	4 893	9 081

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

Notes continued

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

(Rand millions unless otherwise stated)

	Unreviewed six months to 31 December 2025	Reviewed six months to 31 December 2024	Audited year to 30 June 2025
Cash flows from operating activities:			
Profit before taxation	1 042	1 206	2 116
<i>Adjusted for:</i>			
Income from associates	(1)	(2)	(6)
Depreciation and amortisation	213	228	444
Depreciation – right-of-use asset	44	42	89
Fair value gains	(5)	–	–
Finance cost – lease liability	17	19	38
Profit on sale of property, plant and equipment	(8)	(7)	(12)
Impairment of property, plant and equipment	3	–	–
Loss on sale of controlling interest of subsidiary	–	–	6
Finance income	(64)	(66)	(125)
Finance costs (excluding lease liability finance costs)	26	23	38
Share-based payment expenses	19	20	40
Foreign currency translation difference	(22)	(18)	(26)
Working capital changes:			
Inventory	82	(95)	43
Trade and other receivables	1	(82)	23
Trade and other payables (including provisions)	37	78	(2)
Cash generated by operations	1 384	1 346	2 666

8. Interest-bearing loans

During the prior year, management negotiated on-demand loan facilities with two institutions and drew down on these facilities for the purpose of early settling the previously existing interest-bearing loan.

The new facilities bear interest at rates ranging from 7,50% to 7,75%. These facilities are repayable on demand and are subject to annual renewal. Management has renewed these facilities and intends to roll them forward for a further 12 months during the year. The facilities are presented as loans on the face of the statement of financial position and are classified as 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 period, properties classified as held for sale with a value of R5 million were reclassified back into property, plant and equipment. Properties worth R8 million were sold and a further R71 million, relating to non-productive land and buildings, was classified to non-current assets held for sale.

A R3 million impairment loss (2024: nil) was recognised on the fair value adjustment on these assets.

10. Related parties

The Group is controlled by Rallen (Pty) Ltd which owns 56,46% (2025: 56,46%) of its share capital. Management fees totalling R1,0 million (2025: R2,1 million) were paid by the Group to Rallen (Pty) Ltd during the period. 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 (2025: Rnil).

11. Restatement

Correction of understatement of trade and other receivables and trade and other payables

During the preparation of the Group's 2025 annual financial statements, and in the process of providing enhanced disclosure through further disaggregation of the credit risk note for trade receivables, the Group identified a matter relating to intercompany consolidation entries dating back to preceding financial years.

This resulted in an understatement of both trade and other receivables and trade and other payables amounting to R190,5 million in each of the preceding years.

The matter has been rectified in the current year's financial statements. Importantly, this adjustment does not impact headline earnings per share ("HEPS"), earnings per share ("EPS"), net asset value ("NAV") per share, or the statement of cash flows.

11. Restatement continued

The following line items have been impacted as follows:

	2024 – as previously reported Rm	Adjustment Rm	Restatement Rm
Statement of financial position			
Current assets			
Trade and other receivables	769	190	959
Total assets	769	190	959
Current liabilities			
Trade and other payables	592	190	782
Total equity and liabilities	592	190	782

12. 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 31 December 2025 or the results of its operations or cash flow for the period then ended.