

Italtile says earnings will be higher

Italtile says its basic earnings per share for the six months to December (EPS) would be between 18% and 20% higher, and its headline earnings per share (HEPS) would be between 15% and 17% higher, compared with the EPS of 23.9c and the HEPS of 24.0c for last year.



Italtile is expected to report stronger earnings this year. Image: cooldesign [Free Digital Photos](#)

HEPS had been adjusted for the post-tax effect of one-off events, including a profit of R2.4m achieved on the sale of a property in SA and a profit of R4.4m achieved on the sale of Allmuss Properties Zambia.

During the period the group disposed of non-core businesses, including the eight-store CTM retail operation in Australia via a facilitated management buyout, the Allmuss Properties Zambia, property holding company and its Cladding Finance company, a niche provider of outsourced debtors' solutions.

Both the EPS and HEPS calculations included a R14m charge, of which R11m is a one-off charge, related to an equity-settled staff share incentive scheme implemented during the six-month period.

Turnover from continuing operations increased by 31%, significantly affected by the conversion and contribution of nine previously franchised CTM stores to group-owned stores, and the opening of one new CTM store.

Excluding the contribution from these 10 stores, turnover from comparable group-owned stores and entities increased by 15%. Average selling prices were inflation linked.

The performance was attributable to a gain in market share across the group's merchandise categories.

While consumers remained highly price-sensitive, particularly in the lower-middle and middle-income segments, the group's year-round value offering and policy of "right product at the right time, place and price" found favour among homeowners across the LSM three to 10 categories.

Italtile's results are expected to be published next week.

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