

24 August 2022

Company Announcements Office  
Australian Securities Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

### INVESTOR PRESENTATION

Seven Group Holdings Limited (ASX: SVW) attaches the Investor Presentation for the year ended 30 June 2022.

This release has been authorised to be given to ASX by the Board of Seven Group Holdings Limited.

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**Seven Group Holdings Limited** is a leading Australian diversified operating and investment group with market leading businesses and investments in industrial services, media and energy. In industrial services, WesTrac is the sole authorised Caterpillar dealer in Western Australia, New South Wales and the Australian Capital Territory. WesTrac is one of Caterpillar's top dealers globally (by sales value). SGH owns Coates, Australia's largest nationwide industrial and general equipment hire business. SGH also has a 69.9% shareholding in Boral, an international building products and construction materials group. In energy, SGH has a 30.0% shareholding in Beach Energy and has interests in oil and gas projects in Australia and the United States. In media, SGH has a 38.9% shareholding in Seven West Media, one of Australia's largest multiple platform media companies, including the Seven Network, 7plus and The West Australian.



# FY22 Financial Results Presentation

24 August 2022



**SGH** | Industrial Services, Media,  
Energy and Investments

# Group Overview **FY22 Highlights**

## Group structure delivers resilient earnings

- **Revenue<sup>1</sup> of \$8,013.4m, up 65.6%**
- **EBITDA<sup>2</sup> of \$1,465.0m, up 39.2%**
- **EBIT<sup>2</sup> of \$987.1m, up 24.6% (up 8.3% pro-forma<sup>3</sup>)**
- **NPAT<sup>2</sup> of \$577.3m, up 14.4%**
- **Statutory NPAT \$607.4m, down 4.3%**
- **EPS<sup>2</sup> of 152 cents, up 4.1%**

The Group has delivered a strong result, achieving guidance

Earnings momentum continues into FY23 with exposure to growth sectors

Boral represents an opportunity for substantial improvement

<sup>1</sup> Excluding Boral discontinued operations.

<sup>2</sup> Underlying, excluding discontinued operations, property and significant items.

<sup>3</sup> For pro-forma details, refer slide 38.



# Group Overview SGH Advantage

**Mining Production and Capital Reinvestment**

**Infrastructure Investment**

**Domestic Gas / LNG facilitating energy transition**

**Leading market positions**

**Limited fixed price contract risk**

**Privileged assets with defensible moats**

**Ability to manage inflation**



# Group Overview Earnings Growth

## Group EBIT guidance achieved

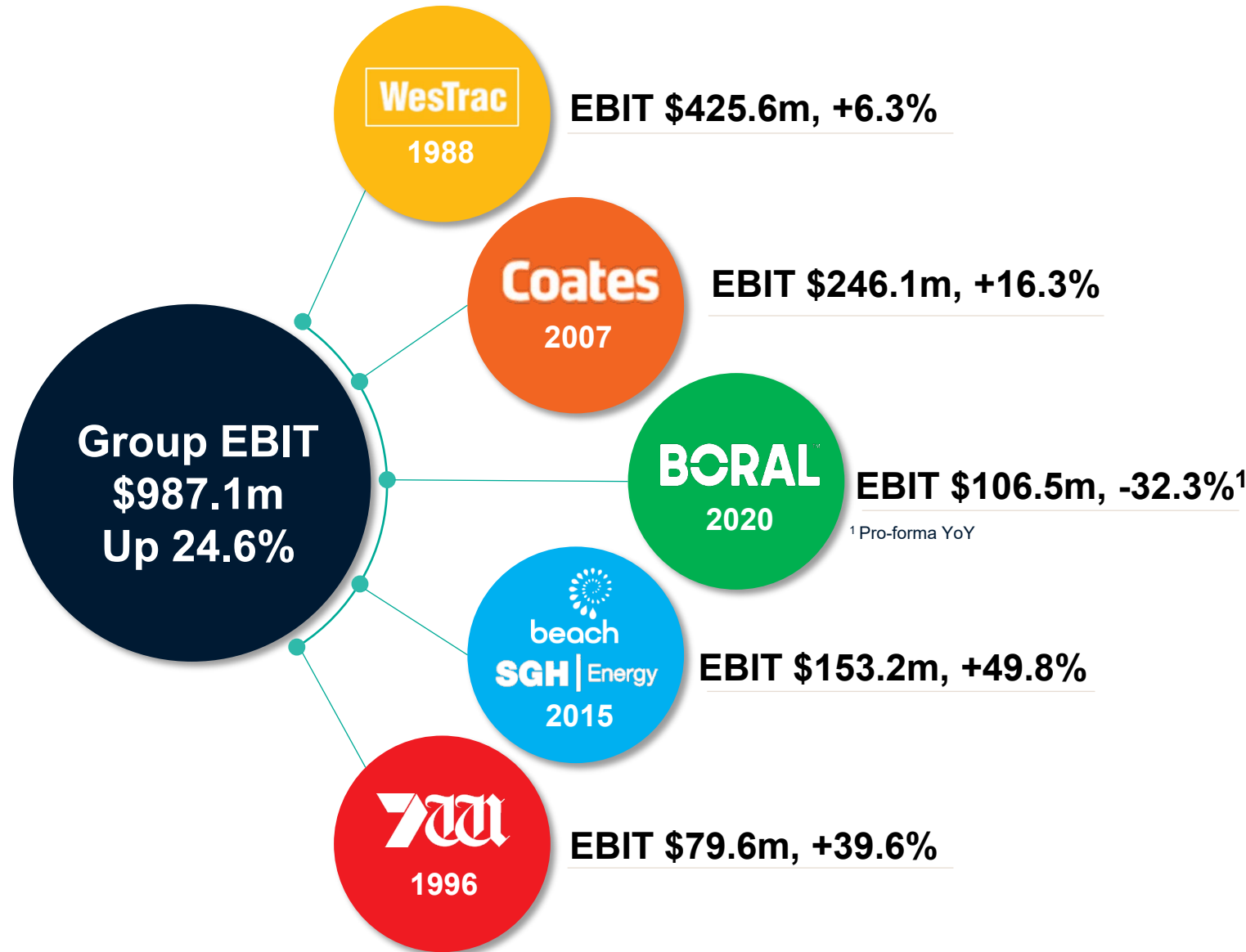
- Outperformance at WesTrac, Coates, Beach and SWM offset Boral underperformance
- Group continuing operations underlying EBIT \$987.1m, 24.6% on a reported basis and up 8.3% on a pro-forma basis

## Despite FY22 challenges

- NSW and Victorian construction shutdowns
- Global supply chain disruption and border closures
- Major weather events in New South Wales and Queensland
- Industrial disputes at key ports and loss of east west rail link

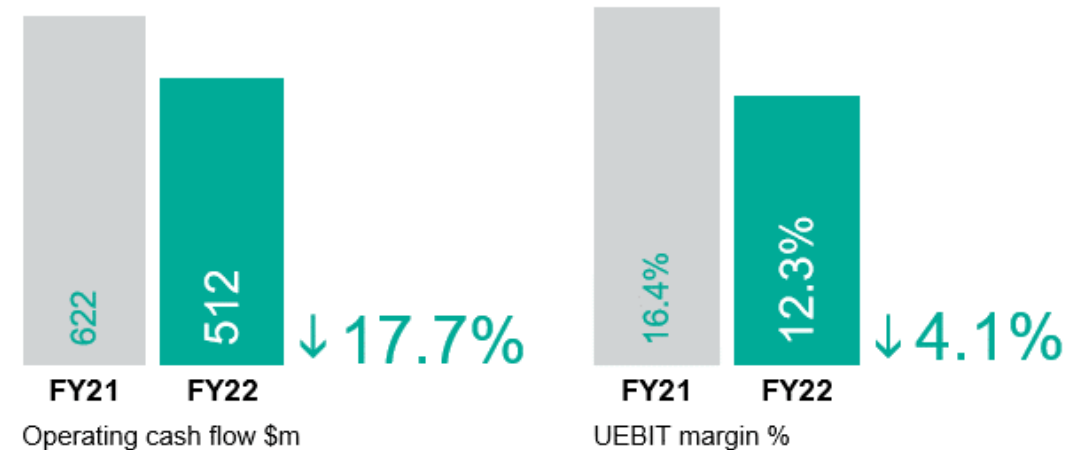
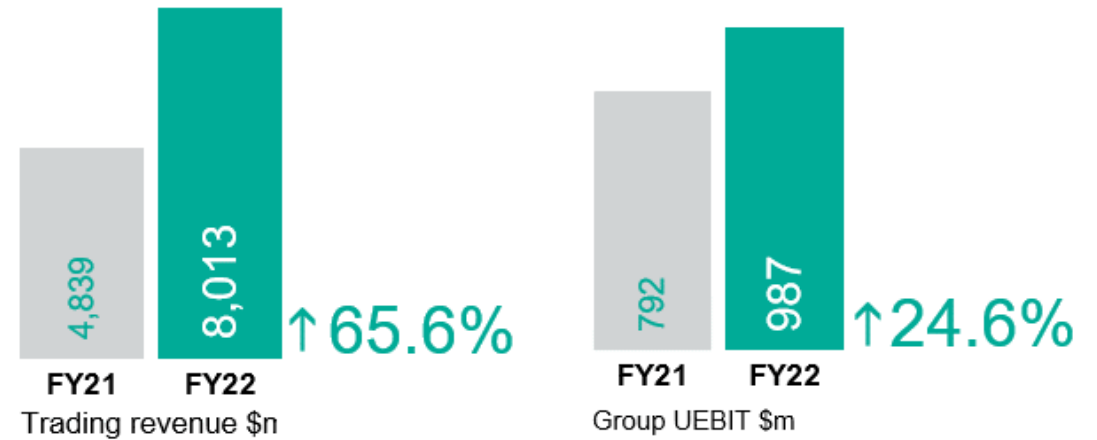
## Exit run-rate demonstrates earnings momentum into FY23

- **WesTrac:** mining production growth and ageing fleet supports servicing and fleet rebuild opportunities.
- **Coates:** infrastructure demand driving TU above 62% with Australia's largest fleet available to service the opportunity
- **Boral:** strong market activity and a refocus on operational execution will support earnings improvement
- **Beach:** production growth from the Otway positioned to capitalise on a tight gas East Coast gas market. FY23 repricing represents further upside
- **SWM:** superior content delivered rating leadership with unparalleled reach supporting digital growth



# Group Overview Key Financials

Underlying Results Continuing Ops (\$m)	FY21	FY22	% Change
Revenue	4,838.7	8,013.4	65.6%
Earnings before interest, tax, depreciation and amortisation <sup>1</sup>	1052.4	1,465.0	39.2%
Earnings before interest and tax <sup>1</sup>	792.1	987.1	24.6%
Underlying net profit after tax <sup>1</sup>	504.6	577.3	14.4%
Underlying earnings per share <sup>1</sup>	146 cents	152 cents	4.1%
Underlying EBITDA cash conversion <sup>1,2</sup>	84%	63%	(25%)
Statutory Results <sup>3</sup> (\$m)	FY21	FY22	% Change
Revenue	4,838.7	8,965.7	85.3%
Earnings before interest, tax, depreciation and amortisation	1,185.9	1,518.2	28.0%
Earnings before interest and tax	925.6	1,043.7	12.8%
Net profit after tax	634.6	607.4	(4.3%)
Earnings per share	184 cents	154 cents	(16.3%)
<b>Fully franked ordinary dividend</b>	46 cents	46 cents	0%



1. Excluding significant items. Refer to slide 24 for listing of significant items

2. Refer to slide 26 for EBITDA cash flow conversion

3. Continuing and discontinued operations

# Group Overview People, Safety and Culture

## Continued focus on safety performance

- Increased use of contractors and turnover exacerbated by skills shortage impacted our FY22 safety performance metrics
- Renewed focus on lead indicators, safety awareness and remediation plans, translating into improved safety performance and reductions in actual and potential serious harm incidents

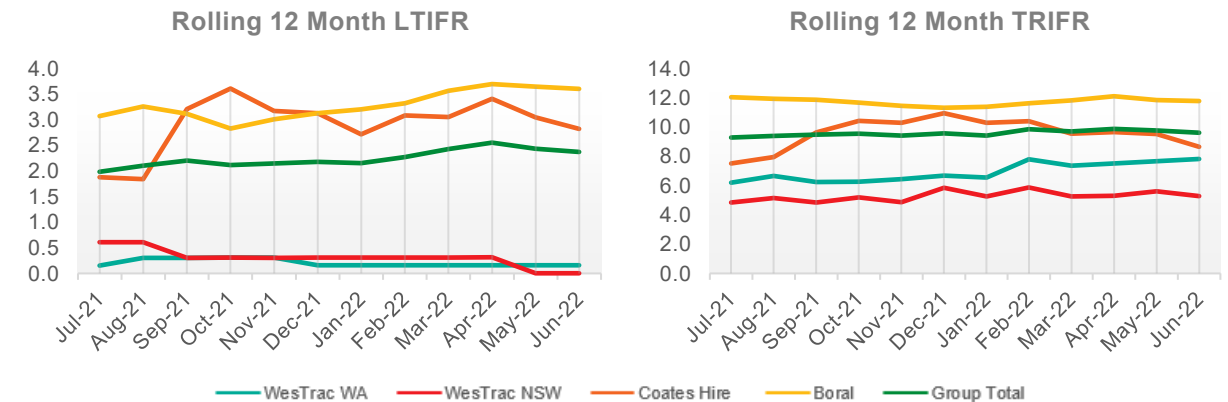
## Skills labour shortages

- A multifaceted response adopted to current skills labour shortages including accessing diverse talent pools, dynamic workforce planning and an increase in strategic training and apprenticeship programs to strengthen the development pipeline
- Enhancements made to the overall employee value proposition, including career pathing, recognition and benefits programs

## Diversity and inclusion

- Diversity and inclusion remains a strong focus, with improvements in overall female representation and females in management roles
- Gender base pay gap closed for like for like roles at WesTrac and Coates
- The SGH Board is now comprised of 33% female directors
- Strong momentum with RAP and Aboriginal and Torres Strait Islander participation

	LTIFR		TRIFR	
	June 2021	June 2022	June 2021	June 2022
WesTrac WA	0.2	0.2	5.7	7.8
WesTrac NSW	0.6	0	4.5	5.3
Coates	1.9	2.8	7.8	8.6
<b>Group Ex Boral</b>	<b>0.8</b>	<b>1.1</b>	<b>6.0</b>	<b>7.3</b>
Boral	3.0	3.6	11.5	11.8
<b>Group Total</b>	<b>2.0</b>	<b>2.4</b>	<b>8.9</b>	<b>9.6</b>



Notes:

- Lost time injury frequency rate (LTIFR) = number of work-related injuries that resulted in time lost from work per million hours worked
- Total recordable injury frequency rate (TRIFR) = number of work-related recordable injuries per million hours worked

# Group Overview Sustainability

## Ongoing focus on sustainability

- Emissions reductions roadmaps in place with first solar panels in operation at Port Hedland site
- Next tranche of solar installations and LED lighting now underway at eight additional sites, with aim to be operational in 1H FY23
- Evaluation of battery storage and hybrid light commercial vehicles also through FY23
- Beach took FID on 1.7mtpa Cooper Basin carbon capture and storage project, with expected start in 2024
- Boral trial of Calix carbon capture and usage technology in NSW Southern Highlands
- Increasing market penetration of Boral’s low carbon products
- Launch of Coates’ ‘Greener Choices’ offering
- Baseline metrics established for waste & water in Coates and WesTrac
- WesTrac ‘Reflect’ and Coates ‘Innovate’ Reconciliation Action Plans in place

## Caterpillar leading decarbonisation in the mining industry

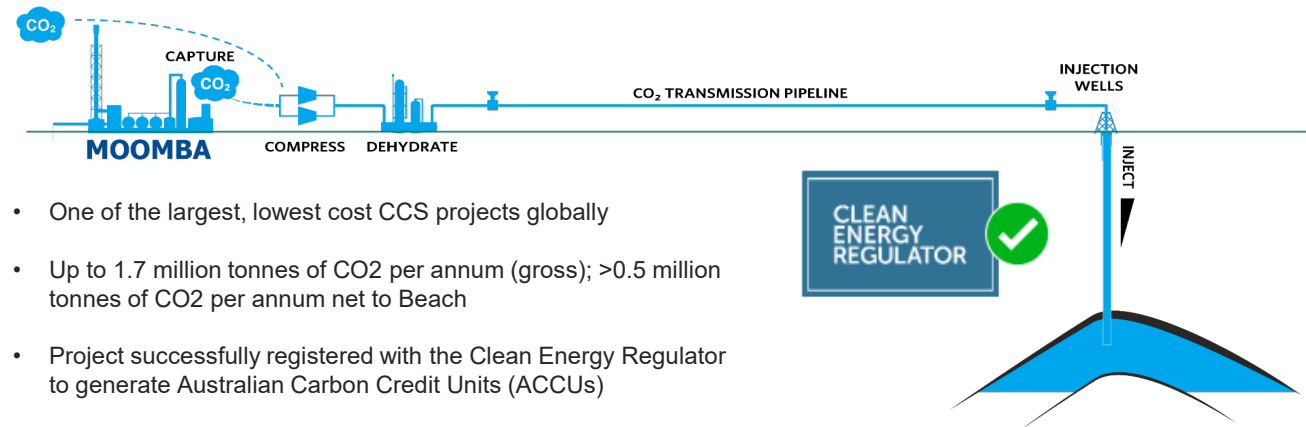
- Working with BHP, RIO and Newmont to deliver zero emissions mining fleet
- Pilot CAT 793 battery-powered truck trial in WA planned for late 2024, with commercial deployment targeted for 2027



Coates Greener Choice catalogue now live



CAT® R1700XE underground loader provides zero-emissions and can charge in less than 20 minutes



- One of the largest, lowest cost CCS projects globally
- Up to 1.7 million tonnes of CO2 per annum (gross); >0.5 million tonnes of CO2 per annum net to Beach
- Project successfully registered with the Clean Energy Regulator to generate Australian Carbon Credit Units (ACCUs)



# Business Unit Overview - WesTrac



# Industrial Services WesTrac Highlights

## Privileged mining market exposure with top tier partnerships

- WA and NSW are two of the best performing CAT dealers globally, with diversified mining and construction market exposure
- Significant mining and construction installed base supports stable revenue from industry leading mining customers
- Australian mining fleets at record age with limited idle capacity, generating opportunity for strong rebuild and support revenue over the next five years
- CAT partnering with BHP, RIO and Newmont to deliver zero emissions mining fleet

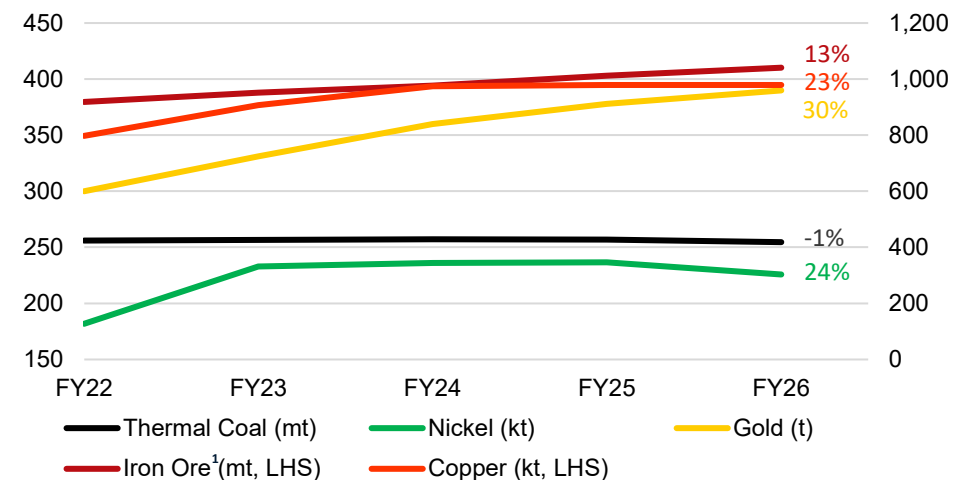
## Growth expected in key commodity markets (customer demand)

- Iron Ore volumes expected to remain strong throughout price cycle
- Coal remains resilient, reflecting the quality of the NSW product with high calorific values and low impurities
- Growth in domestic volumes of gold, lithium, nickel, copper and other minerals

## Competitive advantages

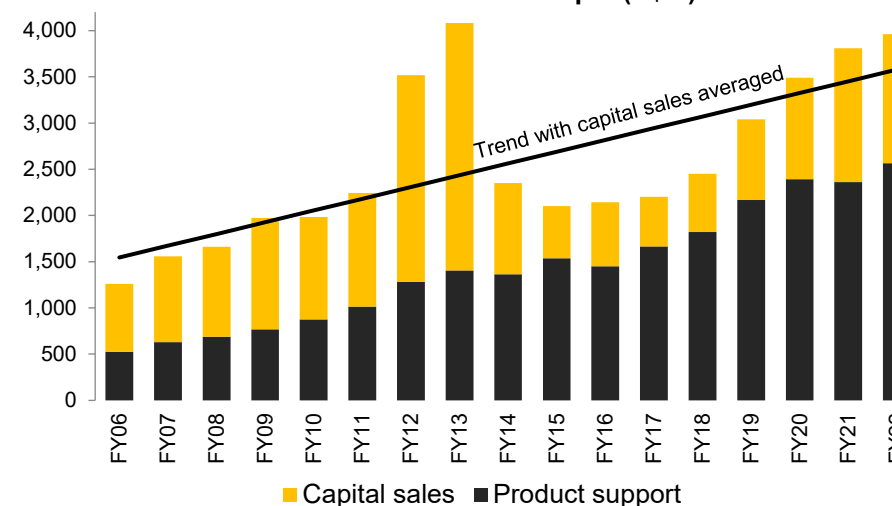
- Market leading installed base
- Customers have reported up to 30% productivity improvement using the CAT AHS solution
- CAT ongoing investment in R&D and ability to support our customers
- Strong global parts supply chain, upgraded facilities and dedicated staff

Australian Production and Expected FY22-26 Growth



Source: Resources and Energy Quarterly, Office of the Chief Economist  
<sup>1</sup> Iron ore data is gross export values

WesTrac Revenue Split (A\$m)



# Industrial Services WesTrac Financials

## Revenue up 4.0% to \$3,961.7m overcoming supply chain disruptions

- Product support sales of \$2,564.3m, up 8.4%
- Capital sales of \$1,397.4m, down 3.5%, reflecting supply chain disruption
- \$1 in capital spend generates an average of ~\$4 in service and parts revenue over mining assets life

## EBIT margin of 10.7%, up 2.3% (relative) on pcp driven by

- Operating leverage mitigating inflationary pressure
- Favourable change in sales mix towards product support, supported by a strong used machine sales market

## Inventory investment allowing WesTrac to support customers resulted in lower cash conversion

- **Parts:** supply chain and transport disruptions required WesTrac to increase buffer stock, providing a cushion against inflation in FY23
- **New equipment:** went on risk to support customers and achievement of FY23 growth, now substantially presold
- We will continue to invest to support profitable growth
- ROCE in excess of 22%



# FY22 Business Unit Overview - Coates



# Industrial Services Coates Highlights

## Privileged market position and strong customer activity

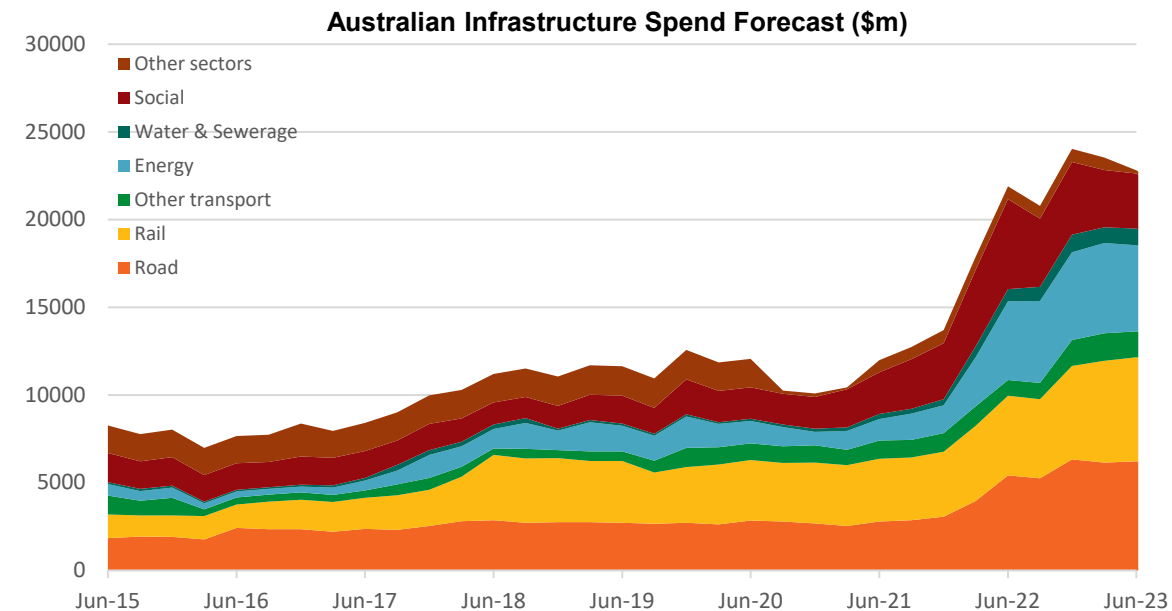
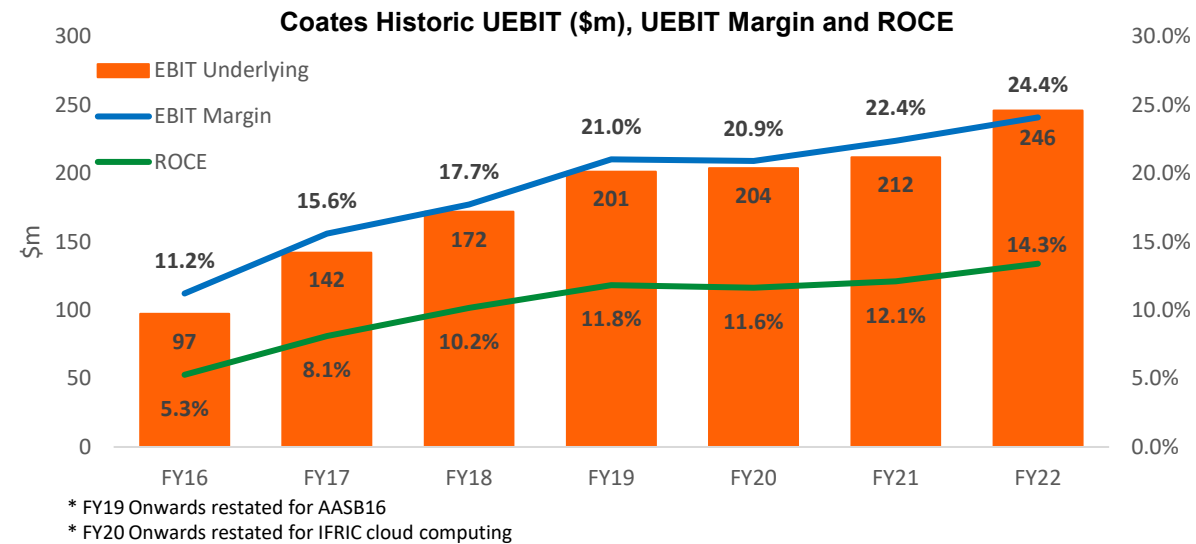
- Largest national footprint with leading Tier-1 customer market share
- Benefitting from increasing infrastructure investment
- All geographies delivering growth
- FY22 time utilisation averaging 59.6%
- Operating leverage and technology supporting enhanced returns
- Relative immunity from inflation due to contract formation and pricing discipline

## Supporting customers with Australia's largest range of equipment hire assets

- More than one million pieces of equipment with an original cost of \$1.8bn
- 2,000 highly skilled employees ensuring product availability and delivery, making Coates the equipment provider of choice
- Disciplined investment to support growth and ROCE

## Continued focus on product performance

- Profitability, utilisation, value accretive capital allocation, technology, standardised processes and scale via hub and spoke network
- Growing into differentiated higher margin product offerings, such as end-to-end engineering/industrial solutions and Power & HVAC
- Bunnings partnership to drive expansion into the trades segment



Source: Deloitte Access Economics Investment Monitor June 2022

# Industrial Services Coates Financials

## Revenue of \$1,009.3m up 6.7%

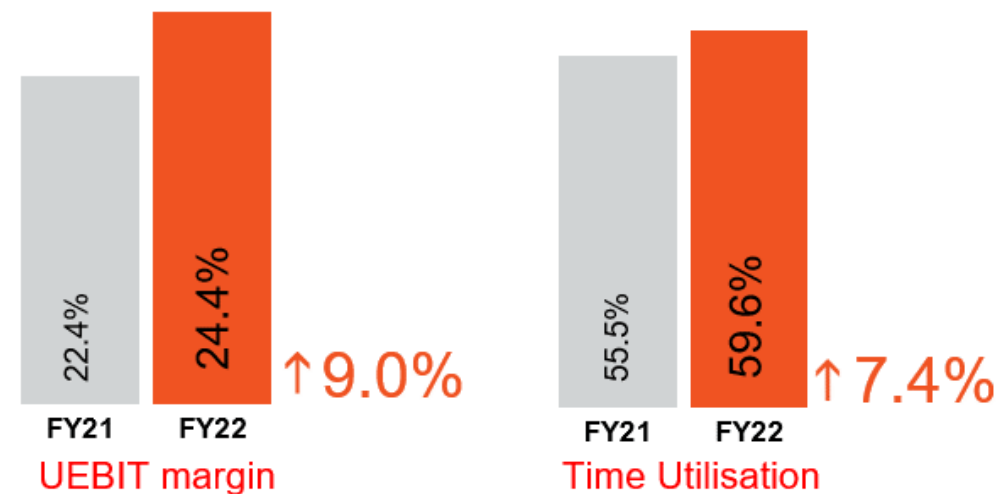
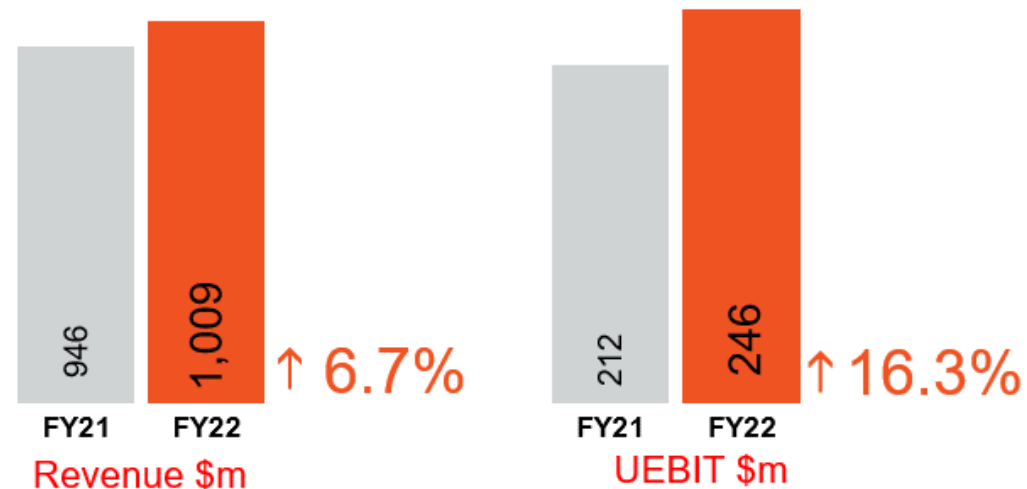
- Pricing discipline delivering improving performance across key segments
- Growth in equipment hire in all geographies
- Slowed fleet disposals to support real fleet expansion in original cost terms

## 8.8% relative EBIT margin expansion

- 16.3% YOY EBIT growth to \$246.1m
- EBIT margin of 24.4% up slightly, with price and operating leverage mitigating inflation pressure
- Disciplined execution enabled EBITDA cash flow conversion of 100.0% despite construction sector challenges
- Delivering 14.3% ROCE<sup>1</sup>

## Activity outlook strengthening

- Increased infrastructure project activity and broader economic post-lockdown rebound
- Further opportunities in West Coast, Queensland and Industrial shutdowns (eg LNG plants)
- Limited fixed price contract risk
- Growing renewables pipeline of activity representing the next leg of growth opportunities



<sup>1</sup> LTM EBIT/Average Capital Employed

# FY22 Business Unit Overview - Boral



# Industrial Services Boral Overview (69.6%)

## SGH focused on executing its Boral value creation strategy

- \$4.7bn investment reduced to \$2.6bn post capital return
- Expectation that double-digit EBIT margins should be restored but will take longer than originally anticipated
- Activity levels expected to benefit from infrastructure expansion with weather events deferring rather than destroying demand

## Focus on margin expansion and improving returns

- Cost focus post pivot back to Australia – relentless focus on performance and results
- New CEO with proven track record to drive enhanced performance
- Margins lag local and global peers
- Simplified corporate organisational structure implemented to increase agility and efficiency
- Effectively leverage scale and quarry and rail positions
- Build resilience and agility back into Boral
- Implement supply chain & logistics opportunities, focused on customer service improvements and cost reductions

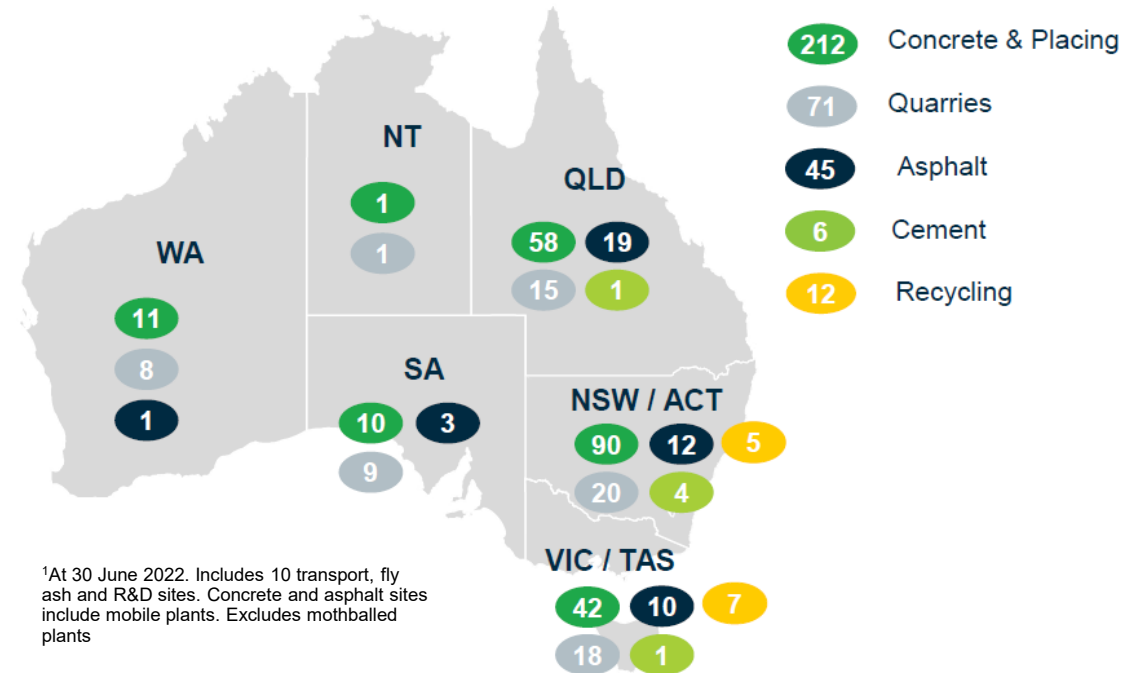
## Property

- Property pivot to capitalise on potential value by moving to a retention and co-develop strategy for industrial property maturing over the long term

## Boral's construction materials network

**356**

operating sites<sup>1</sup>



<sup>1</sup>At 30 June 2022. Includes 10 transport, fly ash and R&D sites. Concrete and asphalt sites include mobile plants. Excludes mothballed plants



# Industrial Services Boral Financials

Revenue of \$2,955.9m from continuing operations, up 1.1%

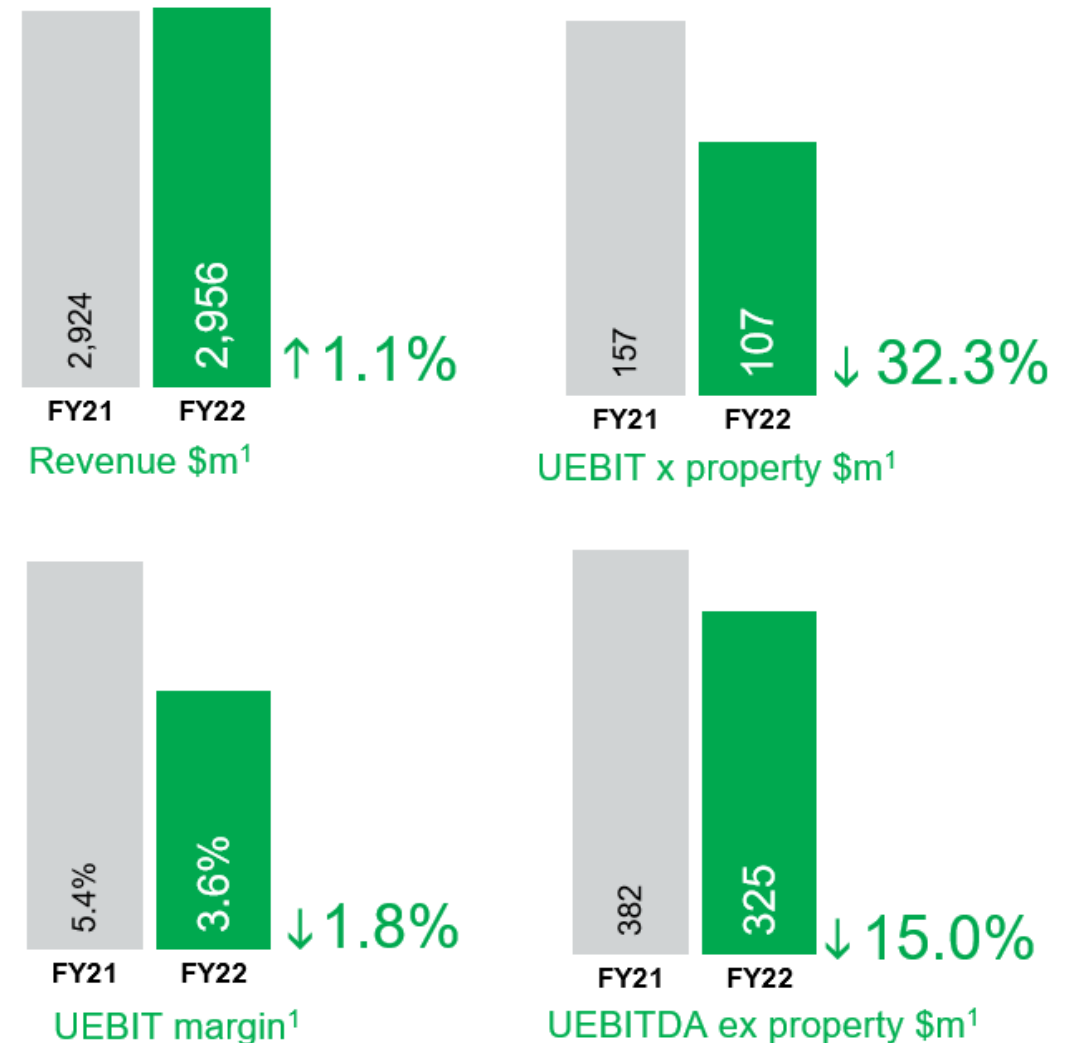
- UEBITDA ex property of \$324.5m, down 15.0% (pro-forma)
- UEBIT ex property of \$106.5m, down 32.3% (pro-forma)
- FY22 earnings impacted by construction lockdowns, extreme rain and flooding and energy price exposure
- FY23+ energy exposure can be managed through hedging

## Focused on improving returns

- Resetting cost structure for continuing operations
- Focus on pricing discipline, effective sales and execution
- Successful implementation of margin improvement strategies at Coates gives us confidence in the Group's ability to successfully restore Boral performance

## Low carbon concrete paving the way for higher margins

- Low carbon concrete sales up +135% in FY22, representing 7% of volumes, with adoption run rate at 19% by last week of June 2022
- ENVISIA® and Envirocrete®Plus command a higher margin than traditional concrete products reflecting their superior performance characteristics



<sup>1</sup> Against FY21 pro-forma, see slide 38 for details

# FY22 Business Unit Overview - Energy

Ryan Stokes MD & CEO



# Energy Beach Energy Highlights (30%)

## Earnings growth momentum

- Revenue of \$1,771.4m, up 13.4%
- Statutory NPAT of \$500.8m, up 58.2%, underlying NPAT of \$504.3, up 38.9%
- Positive exposure to increasing energy prices

## Diversified portfolio

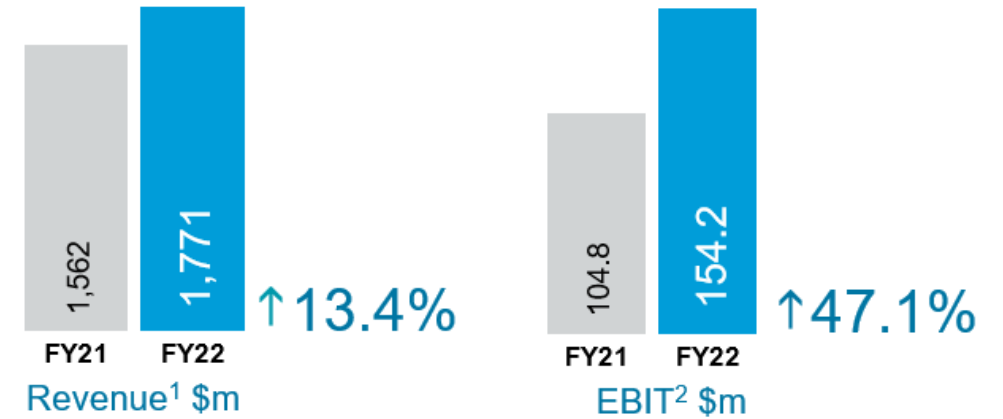
- Five production hubs supplying five distinct commodity markets
- Waitsia development to provide access to global LNG markets, while supporting a tight WA domestic market
- Carbon capture and storage (CCS) exposure through Beach's 33% interest in the Santos operated Moomba CCS project, with start-up expected in FY24

## Successful delivery of the 7-well Otway offshore program on time and on budget

- All wells coming in at or above pre-drill expectations
- Contribution from new wells lifted FY22 Otway production to 4.1Mmboe, up 47%
- Connection and commissioning of remaining wells in mid-2023 will bring production capacity in line with processing capacity of 205 TJ/day

## Production growth positioned to capitalise on a tight gas East Coast gas market

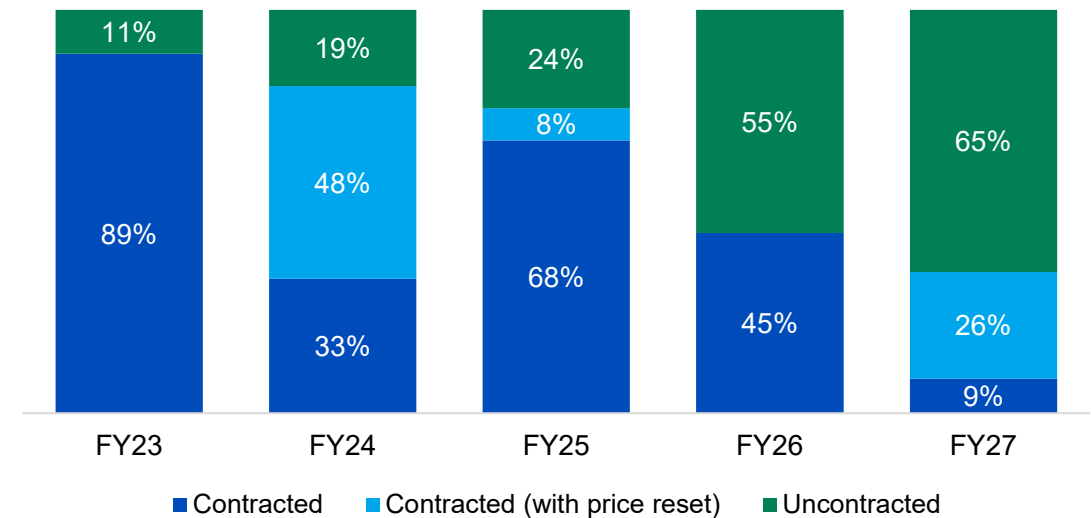
- The tight Southern States gas market through winter 2022, and expectation for 2023, underlines the importance of gas in the energy mix, and the need for additional supply
- Beach has increasing uncontracted and repricing gas volumes to meet this opportunity



<sup>1</sup> BPT full contribution (100%)

<sup>2</sup> Reflects SGH equity accounted portion of BPT NPAT

Beach's Contracted vs Uncontracted East Coast Gas Volumes (%)



**Key assumptions:** Based on assumed production profiles for currently producing assets. Incremental volumes from Thylacine development wells and Enterprise discovery included. No volumes from Yolla West or Trefoil included. No volumes from exploration success included. Does not assume re-contracting of uncontracted volumes

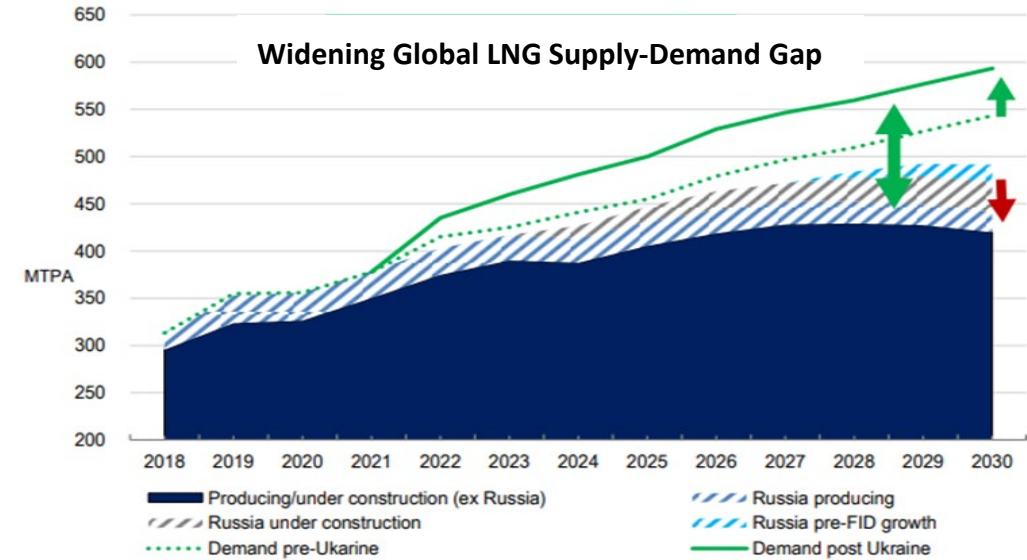
# Energy SGH Energy Highlights

## Crux (SGHE 15.5%)

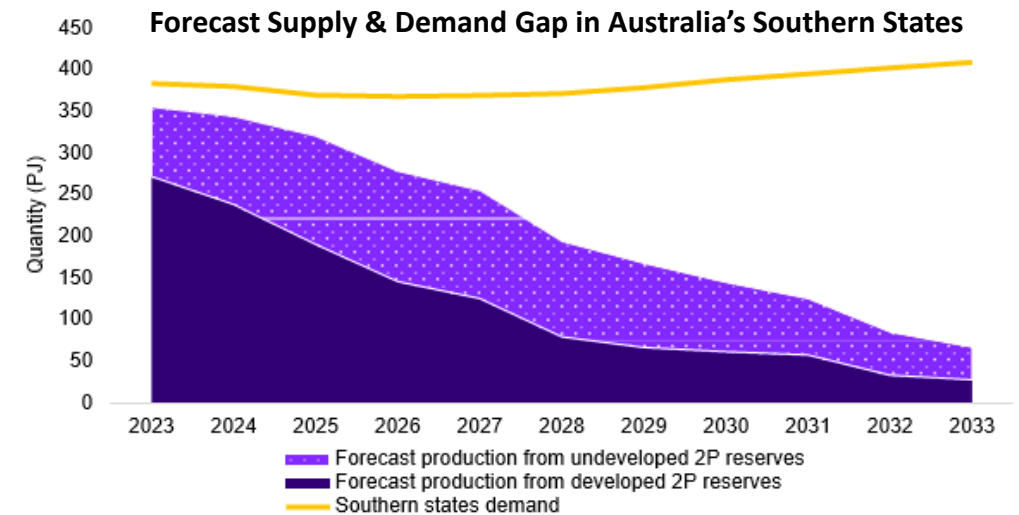
- World class gas resource to provide important backfill into the Shell-operated Prelude floating LNG facility
- Pathway to market confirmed with project final investment decision in May 2022
- Execute phase underway and construction commencing in 2H 2022
- Global LNG supply constraints and growing LNG demand support strong spot prices and a robust longer-term pricing outlook
- A sale process is underway with the potential to realise near-term value in a strong LNG market.

## Longtom (SGHE 100%)

- East coast gas market is in urgent need of additional domestic supply
- Longtom project has 80 PJ of gas to support the local market
- Progressing access to existing infrastructure as a key step to field re-start and bringing gas to market



Source: Credit Suisse, Rystad



Source: ACCC Gas Inquiry 2017- 2025 Interim Report, January 2022

# FY22 Business Unit Overview - Media



# Media Seven West Media Highlights (38.9%)

## Australia's leading TV network

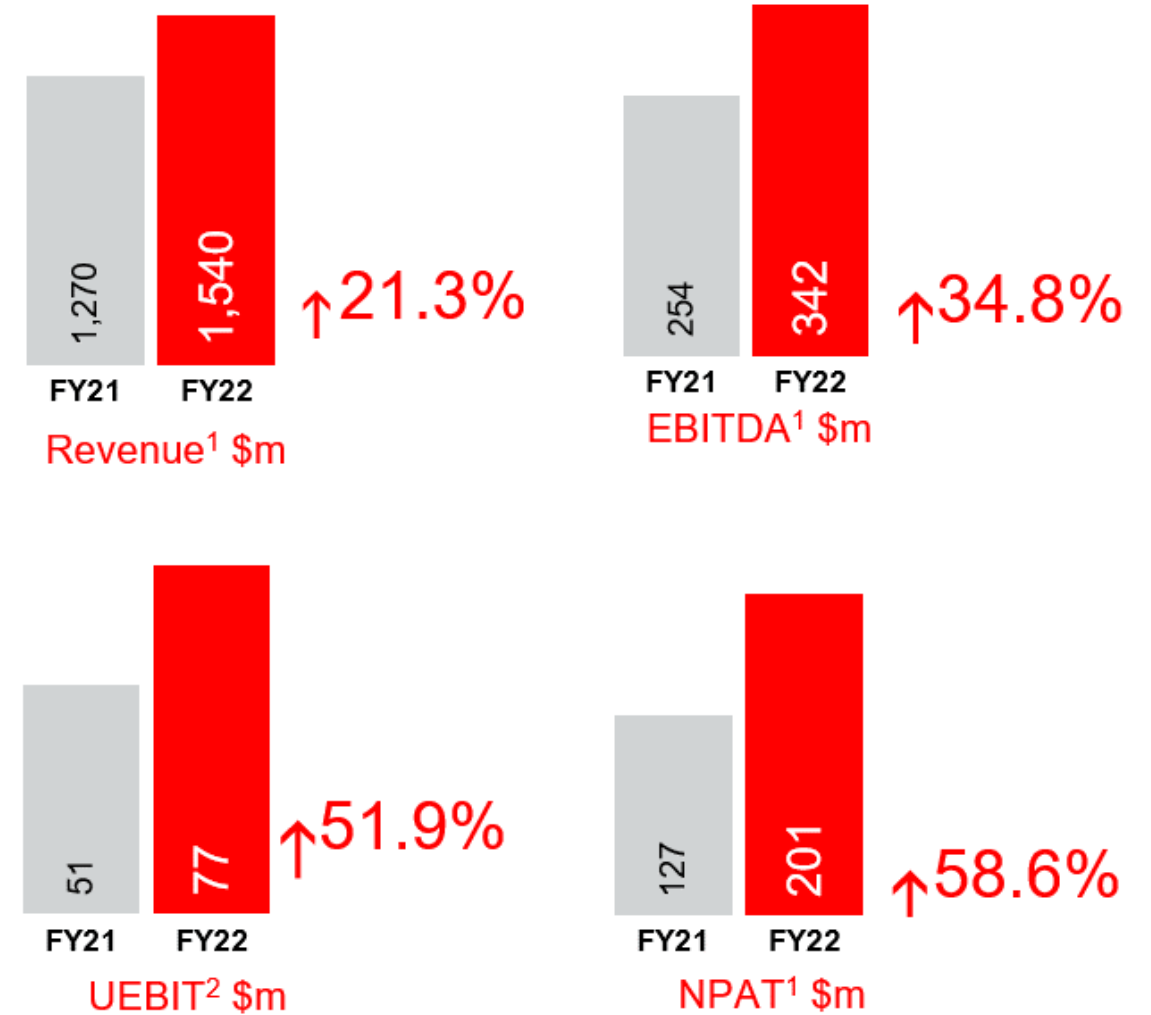
- Largest and #1 total television network
- 7plus is the #1 BVOD channel with 12.5m registered and verified users
- Home to the fastest-growing print and digital news brands in the country

## Delivering positive financial results

- Seven West Media revenue up 21.3% to \$1,539.6m
- Seven West Media EBIT<sup>2</sup> up 51.9% to \$76.7m
- Seven West Media EBITDA up 35% to \$342m
- Seven Digital EBITDA up 129% to \$139m, now over 40% of earnings compared with just 2% four years ago
- Balance sheet deleveraged to sub 1x with debt refinanced, halving interest cost and extending maturity three years

## Acquisition of Prime, the #1 TV network in regional Australia

- Seven West Media to now reach +90% of Australians, the largest broadcaster in the country
- Provides advertisers superior audience reach across metropolitan, regional and BVOD markets through one integrated company



<sup>1</sup> SWM full contribution (100%)

<sup>2</sup> Reflects SGH equity accounted portion of SWM NPAT

# FY22 Group Financials

Richard Richards CFO



# Financials Profit and Loss

\$m	FY21	FY22	YoY Change %
Revenue (continuing operations)	4,838.7	8,013.4	65.6%
Other income	47.0	59.3	26.2%
Share of results from equity accounted investees	195.4	252.9	29.4%
<b>Trading revenue and other income</b>	<b>5,081.1</b>	<b>8,325.8</b>	<b>63.9%</b>
Expenses (excluding depreciation, amortisation and interest)	(4,028.7)	(6,860.6)	70.3%
<b>Underlying EBITDA</b>	<b>1,052.4</b>	<b>1,465.0</b>	<b>39.2%</b>
Depreciation and amortisation	(260.3)	(477.9)	83.6%
<b>Underlying EBIT</b>	<b>792.1</b>	<b>987.1</b>	<b>24.6%</b>
Net finance costs	(157.9)	(253.6)	60.6%
<b>Underlying net profit before tax</b>	<b>634.2</b>	<b>733.5</b>	<b>15.7%</b>
Underlying tax expense	(129.6)	(156.2)	20.5%
<b>Underlying continuing operations NPAT</b>	<b>504.6</b>	<b>577.3</b>	<b>14.4%</b>
Profit from discontinued operations	-	108.8	>100%
Significant items (including tax impact)	130.0	(78.7)	>100%
<b>Statutory net profit after tax</b>	<b>634.6</b>	<b>607.4</b>	<b>(4.3)%</b>
<b>Profit attributable to SGH shareholders</b>	<b>631.4</b>	<b>558.4</b>	<b>(11.6)%</b>



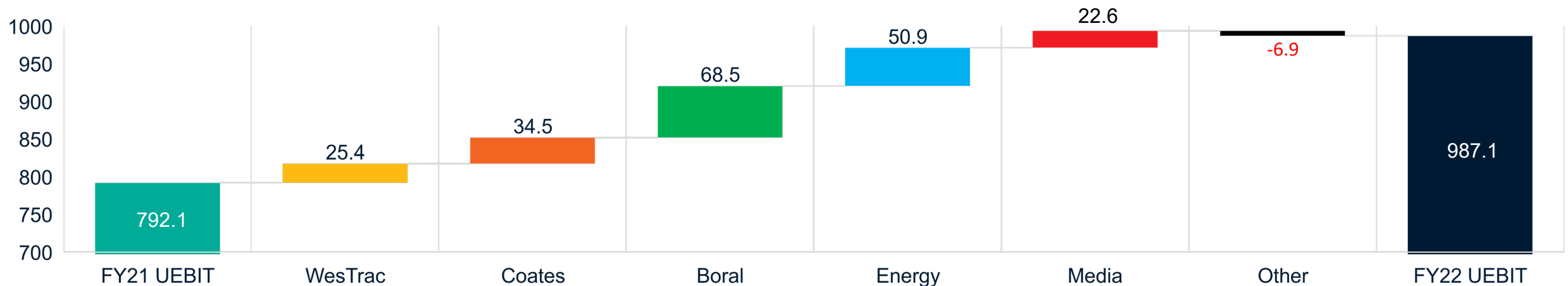
# Financials Significant Items

\$m	FY21	FY22
Revaluation of equity accounted interest on acquisition of Boral	-	756.8
Fair value adjustments on acquisition of Boral	-	(5.7)
Impairment of goodwill	-	(728.4)
Boral property segment	-	(1.9)
Project implementation costs / Boral transaction costs	(3.4)	(81.1)
Impairment reversal/(impairment) on investment in Seven West Media	92.9	(83.4)
Significant items in results of equity accounted investees	44.0	4.3
Loss arising from dilution of investment in equity accounted investee	-	(10.2)
Significant items on discontinued operations	-	55.4
<b>Significant items - EBIT impact</b>	<b>133.5</b>	<b>(94.2)</b>
Significant items in finance expense	(5.0)	(12.1)
<b>Significant items - PBT impact</b>	<b>128.5</b>	<b>(106.3)</b>
Tax benefit relating to significant items	1.5	27.6
<b>Significant items - NPAT impact</b>	<b>130.0</b>	<b>(78.7)</b>
<b>Statutory NPAT</b>	<b>634.6</b>	<b>607.4</b>
<b>NPAT excluding significant items</b>	<b>504.6</b>	<b>686.1</b>

# Financials Business Unit Earnings

\$m	Total Group	WesTrac	Coates	Boral	Energy	Media	Investments	Corporate
Revenue from continuing operations	8,013.4	3,961.7	1,009.3	2,955.9	4.6	-	81.9	-
Statutory EBIT	837.5	425.6	246.1	46.2	152.1	(8.6)	1.1	(25.0)
Add: unfavourable significant items	911.8	-	-	817.1	1.1	93.6	-	-
Subtract favourable significant items	(762.2)	-	-	(756.8)	-	(5.4)	-	-
<b>Total significant items – EBIT</b>	149.6	-	-	60.3	1.1	88.2	-	-
<b>Underlying EBIT – FY22</b>	<b>987.1</b>	<b>425.6</b>	<b>246.1</b>	<b>106.5</b>	<b>153.2</b>	<b>79.6</b>	<b>1.1</b>	<b>(25.0)</b>
Underlying EBIT – FY21	792.1	400.2	211.6	38.0	102.3	57.0	6.5	(23.5)
<b>Change %</b>	25%	6%	16%	180%	50%	40%	(83)%	6%

FY22 Underlying EBIT Bridge (\$m)

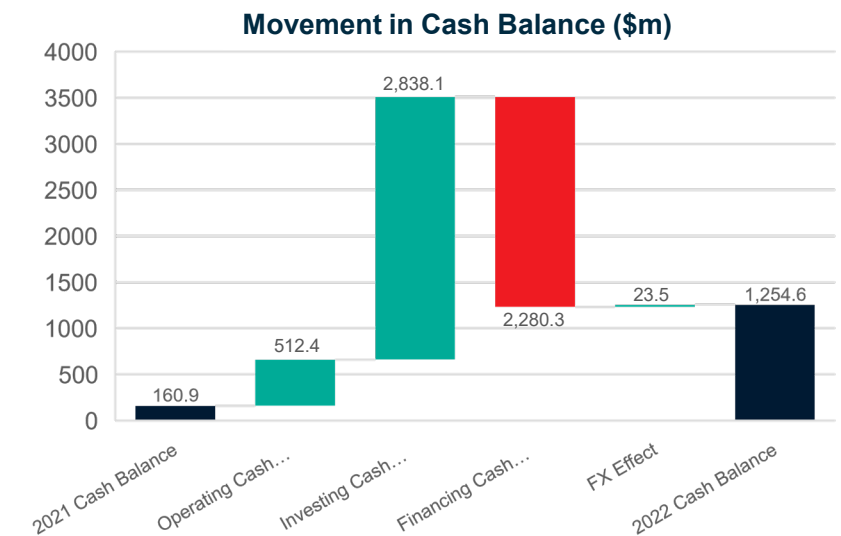


# Financials Cashflow

\$m	FY21	FY22
Underlying EBIT	792.1	1,137.9
Add: depreciation and amortisation	260.3	477.9
<b>Underlying EBITDA</b>	<b>1,052.4</b>	<b>1,615.8</b>
<b>Operating cash flow</b>	<b>622.4</b>	<b>512.4</b>
Add: net interest and other costs of finance paid	143.5	257.4
Net income taxes paid	111.7	196.2
Add back: restructuring and transaction costs	7.8	50.9
<b>Underlying operating cash flow</b>	<b>885.4</b>	<b>1,016.9</b>
<b>Underlying EBITDA cash conversion</b>	<b>84%</b>	<b>63%</b>
Operating cash flow	622.4	512.4
Investing cash flow	(591.2)	2,838.1
Financing cash flow	12.2	(2,280.3)
<b>Net increase in cash and cash equivalents</b>	<b>43.3</b>	<b>1,070.2</b>
Opening net debt	2,434.9	2,271.5
Movement in net debt	(163.4)	2,136.5
<b>Closing net debt</b>	<b>2,271.5</b>	<b>4,408.0</b>

## Key Commentary

- Decrease in operating cashflow of \$110.0m on increased investment in inventory at WesTrac
- Increase in investing cash flow relates to the \$3.1bn incremental investment in Boral, \$622.0m increase in investment in PP&E offset by the proceeds from the sale of the listed investment of \$119.9m
- Decrease in financing cashflow resulting from \$888.6m return of capital to NCI relating to Boral's \$3bn capital return



# Financials Balance Sheet

\$m	FY21	FY22	Change %
Trade and other receivables	832.3	1,534.7	84.4%
Inventories	804.2	1,692.8	110.5%
Net assets held for sale	5.0	3.7	(26.0%)
Investments	3,223.9	1,791.3	(44.4%)
Property, plant and equipment	967.2	3,424.7	254.1%
Oil and gas assets	351.2	365.7	4.1%
Intangible assets (including goodwill)	1,627.4	2,229.0	37.0%
Other assets	39.6	163.8	313.6%
Trade and other payables	(586.1)	(1,007.9)	72.0%
Provisions	(196.6)	(800.4)	307.1%
Deferred income	(159.9)	(259.7)	62.4%
Net tax assets (liabilities)	(413.8)	(341.1)	(17.6%)
Derivative financial instruments	(82.8)	152.5	(284.2%)
Net lease liabilities	(240.1)	(257.4)	7.2%
Net debt (excluding leases)	(2,271.5)	(4,408.0)	94.1%
<b>Total shareholders' equity</b>	<b>4,065.6</b>	<b>4,283.7</b>	<b>5.4%</b>

# Financials Capital and Liquidity Management

## Strong credit support for the Group

- Attractive sector exposure and thematic
- Operating performance of core businesses
- Bank confidence in ability to execute strategy

## Deleveraging plan completed

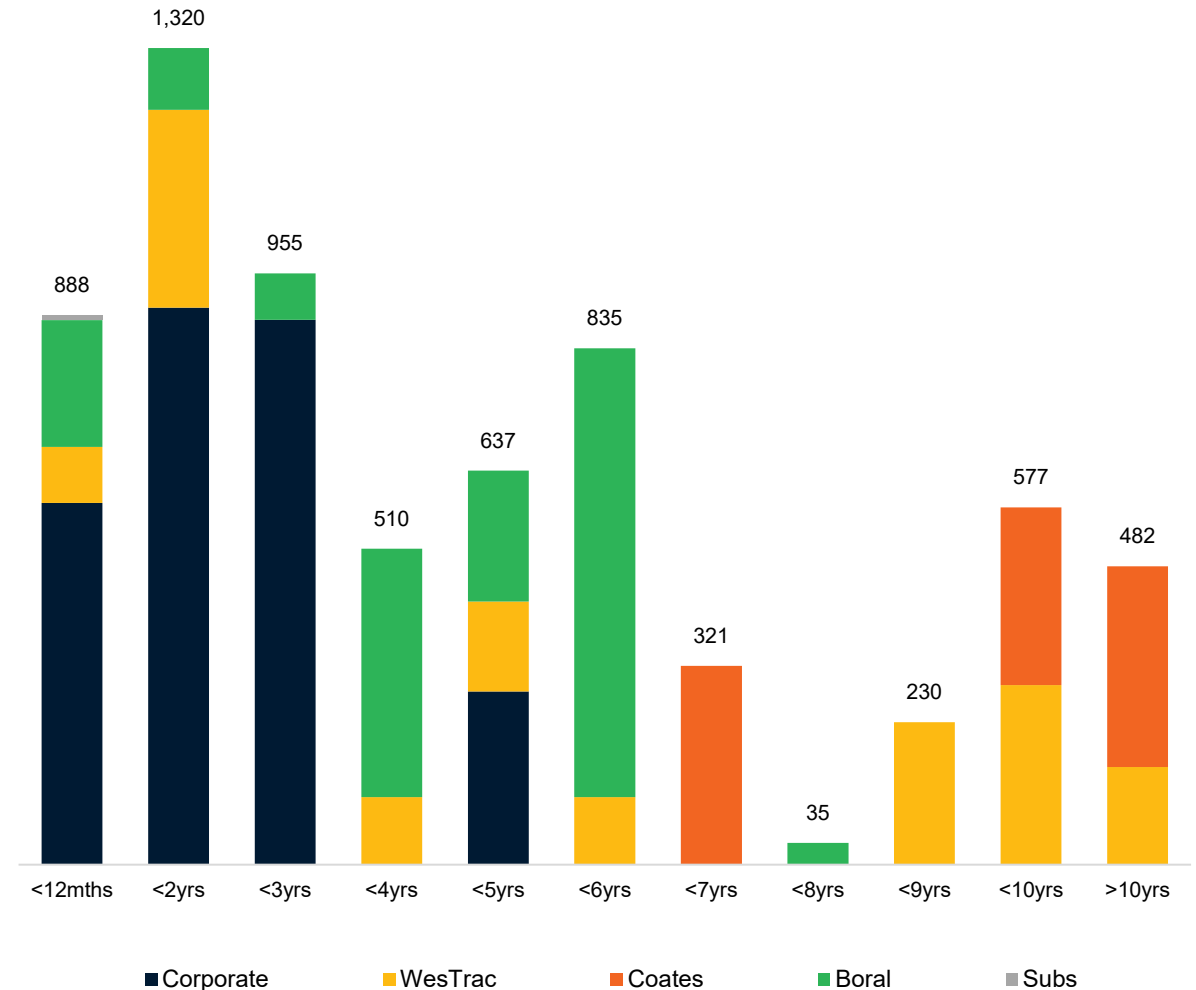
- \$2.97bn bridge loan substantially repaid in February, ~6 months after Boral offer close
- \$905m Coates USPP completed in January
- Consolidated net debt (ex-lease liabilities) of ~\$4.4bn post Boral distribution and Fly Ash completion
- Corporate bank covenants reverting to historical levels
- Net debt to EBITDA of 2.8x<sup>1</sup> (adjusted basis)

## Positioning for future growth

- Focused on operating cash flow conversion
- Continued optimisation of funding structure to support organic and inorganic growth opportunities

<sup>1</sup> Net debt to EBITDA adjusted for the positive mark to market on debt related derivatives and cash collateral against swaps

Facility Maturity (as at 30 Jun 2022)



# Group Outlook and Guidance



# Group Outlook Guidance and Priorities

## Group carrying strong earnings momentum into FY23

- WesTrac expects to benefit from strong customer activity and an ageing mining fleet, driving growth in support sales and new equipment deliveries
- Strength in the infrastructure and construction pipeline positions Coates and Boral for earnings growth
- Boral’s performance journey to be accelerated by the appointment of a new CEO and MD; FY23 will see an intensified focus on margin improvement and risk mitigation
- Beach expects production of 20.0 to 22.5 Mmboe
- SWM looks to capitalise on its position as the number one total TV network in Australia, to grow its revenue share and increase digital earnings, while maintaining tight cost control and reducing leverage.

## SGH expects high single to low double-digit Group UEBIT growth in FY23

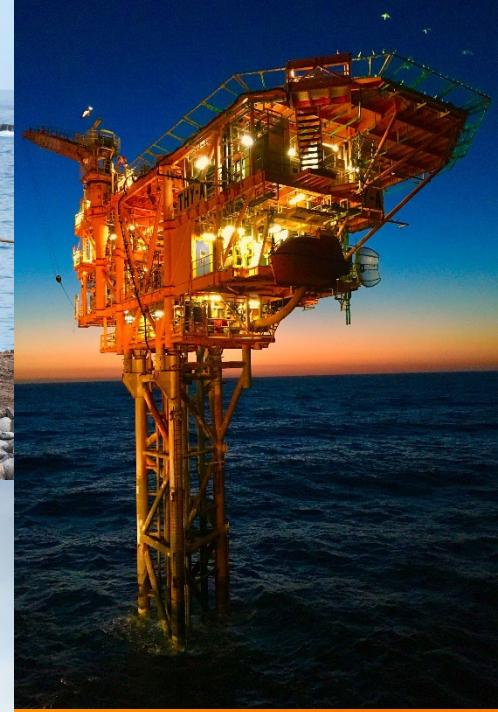
- The guidance reflects the resilience of the Group’s businesses, benefiting from growth in mining production, infrastructure investment, media’s digital transition and robust demand in energy markets
- Proven ability to manage inflationary pressures, supply chain disruption and labour shortages via the delivery of improved margins
- Subject to no material change in market conditions



# FY22 Financial Results Q&A Session

Dial \*1 on your keypad to ask a question

Ryan Stokes MD & CEO  
Richard Richards CFO





# Appendix Inflation Management

## Proven track record managing inflation

- Group cost of sales increased, driven by energy, labour and transport costs
- EBIT margins expanded at WesTrac, Coates, Beach and SWM through FY22, despite rapid inflation
- Energy price exposure eroded margins at Boral, though can be managed going forward via the re-introduction of hedging

## Pricing power and discipline

- WesTrac and Coates have implemented out of cycle price increases, without negatively impacting market share
- Effective pricing discipline limiting margin leakage
- +60% of Beach’s gas has price resets or is uncontracted by FY24, capturing contract and spot price inflation

## Limited fixed price contract exposure

- Where possible, exposure to fixed price contracts has been avoided, limiting inflation impact on long-term contract margins

## Privileged assets

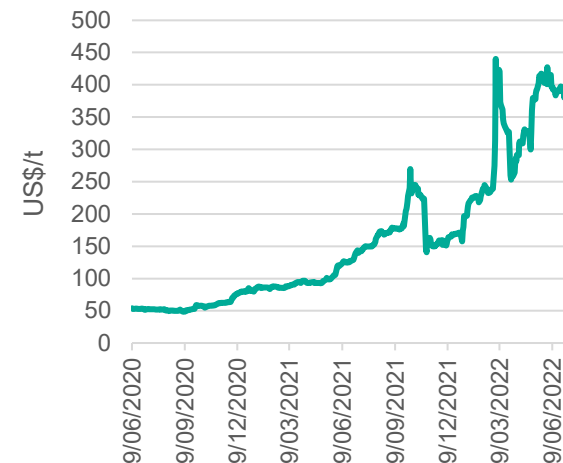
- Predominantly upstream, market leading positions with relatively inelastic demand in our core businesses offers a competitive advantage in managing inflation

Australian Transport Cost Movement – Road and Rail Freight



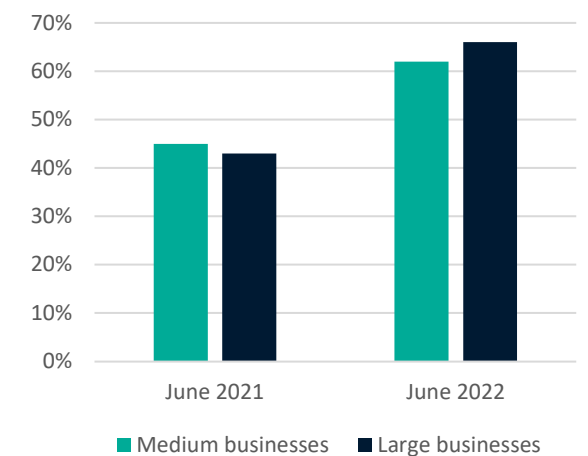
Source: Australian Bureau of Statistics

Newcastle Coal Price (US\$/t)



Source: Bloomberg

Businesses Reporting Labour Shortage



Source: Australian Bureau of Statistics

# Appendix FY22 Guidance vs Results

Company	Guidance Item	FY22 Guidance	FY22 Result	Vs Guidance
Seven Group Holdings	Underlying EBIT ex property	8 – 10% <sup>2</sup> growth YoY	8.3% <sup>2</sup> growth YoY	Achieved
WesTrac	Underlying EBIT	Low single-digit	6.3% growth YoY	Outperformed
Coates	Underlying EBIT	Low double-digit	16.3% growth YoY	Outperformed
Boral	Underlying EBIT ex property	\$100 – 110 million <sup>1</sup>	\$106.5 million	Achieved reduced guidance
Beach	Production	21 – 23 mmboe	21.8 mmboe	Achieved
Seven West Media	Underlying EBITDA	\$335 – 340 million	\$342.2 million	Outperformed

<sup>1</sup>Original guidance \$145-155 million

<sup>2</sup>On a pro-forma basis

Source: Various company announcements

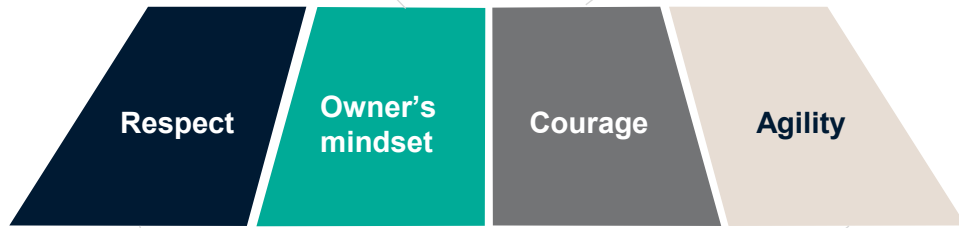
# Appendix Purpose, Objective and Values

## Owners Mindset

- Commit to achieving our long-term objectives and delivery of outcomes
- Invest in businesses where the investment opportunity exceeds the return requirements
- Pursue a high-performance culture where we continuously strive for efficiency and growth

## Courage

- Empower and trust our people to recognise and pursue opportunities
- Strive to fundamentally improve the way we do business

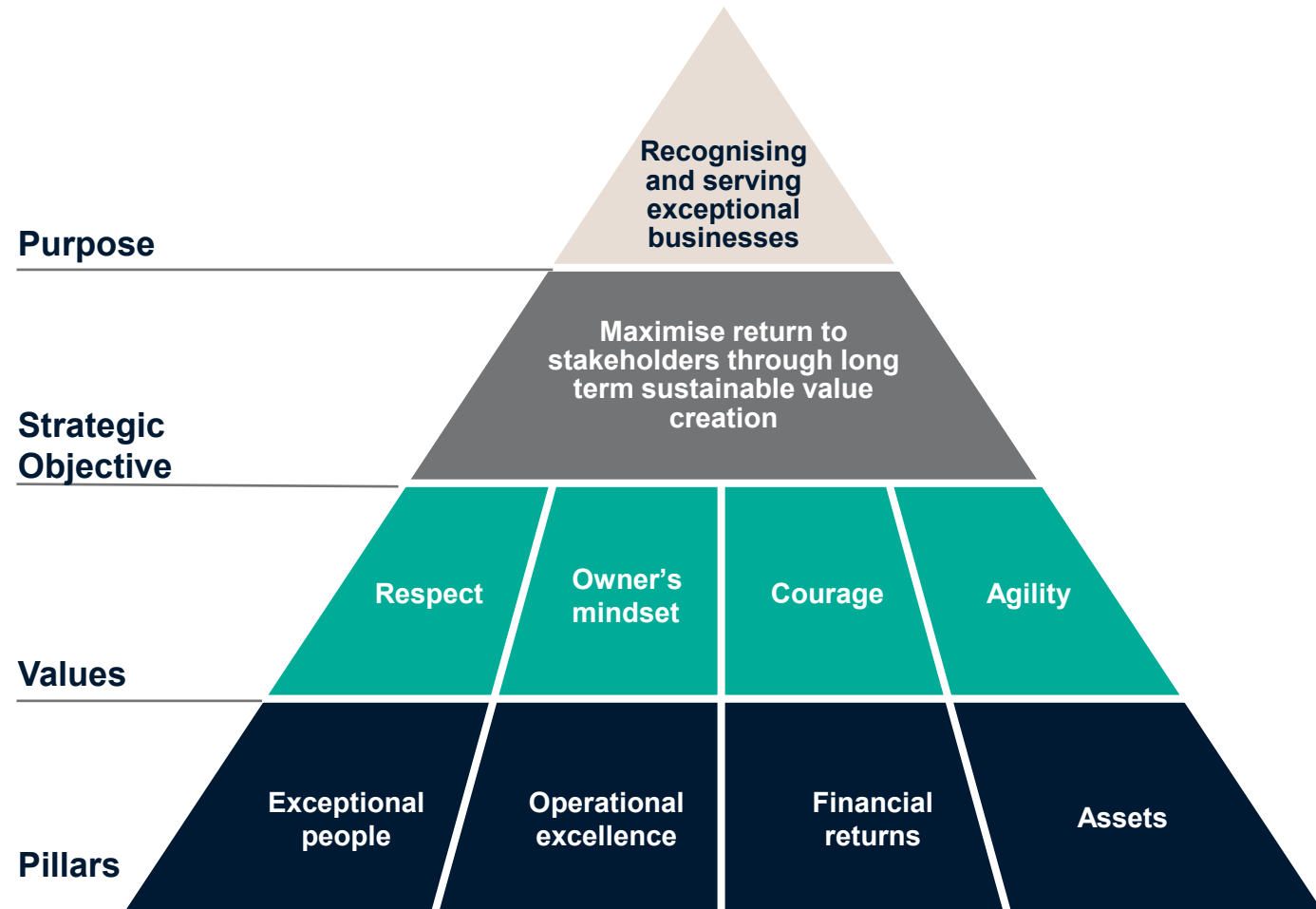


## Respect






- Fosters an inclusive culture and embrace diversity in all its forms
- Collaborate constructively with all stakeholders to drive shareholder value

## Agility

- Overcome our challenges and achieve great outcomes
- Evolve our businesses and transform our markets
- Opportunistic approach to sector, structure and geography



# Appendix Businesses and Markets

Industrials	Industrials	Industrials	Energy	Media
				
<b>100%</b>	<b>100%</b>	<b>70%</b>	<b>Beach 30% SGHE 100%</b>	<b>39%</b>
WesTrac is one of the largest CAT® dealers globally (by sales) operating the WA and NSW/ACT territories	Coates is Australia's largest industrial and general equipment hire company providing end-to-end solutions	Boral is Australia's largest construction materials and building products supplier with operations in all states & territories	Beach Energy is a leading mid-cap E&P business and a key supplier to a growing East Coast gas market	Seven West Media is a leading diversified media company in Australia
<b>28 sites</b>	<b>150 sites</b>	<b>356 sites</b>	<b>Onshore and offshore assets in multiple basins</b>	<b>Market leading in TV, publishing and digital</b>
Focus on customers in direct mining, mining contractors, construction and infrastructure	Focus on large tier-one customers, mid-tier and trade, engineering and industrial solutions	Focus on infrastructure, non-residential and residential construction	Operated and non-operated interests including Crux LNG Project (15.5%)	Australia's #1 TV network and #1 BVOD service in 2021
<b>~3,950 Employees</b>	<b>~2,050 Employees</b>	<b>~4,800 Employees</b>	<b>~750 (Beach) Employees</b>	<b>~2,300 Employees</b>
Installed base delivering annuity income linked to production not commodity price with lowest quartile C1 costs customers	Largest fleet and network servicing asset light contractor's delivering infrastructure and construction pipeline	Privileged aggregate and cement delivers integrated position to support growth in construction and infrastructure	Reserves and midstream infrastructure servicing market imbalance in key gas markets supporting the energy transition	Ratings leadership with superior content and growing digital offering supports a re-rate as a value opportunity

# Appendix Reconciliation – Underlying to Statutory

Year ended June 2022	Underlying Trading Performance			Significant Items			Reported Statutory Results		
	Continued	Discontinued	Total	Continued	Discontinued	Total	Continued	Discontinued	Total
<b>Revenue</b>	<b>8,013.4</b>	<b>952.3</b>	<b>8,965.7</b>	-	-	-	<b>8,013.4</b>	<b>952.3</b>	<b>8,965.7</b>
Other Income	59.3	-	59.3	(1.9)	-	(1.9)	57.4	-	57.4
Share of results from equity accounted investees	252.9	7.4	260.3	4.3	-	4.3	257.2	7.4	264.6
Revaluation of equity accounted interest on acquisition of Boral Limited	-	-	-	756.8	-	756.8	756.8	-	756.8
Impairment of intangible assets	-	-	-	(728.4)	-	(728.4)	(728.4)	-	(728.4)
Impairment of equity accounted investee	-	-	-	(83.4)	-	(83.4)	(83.4)	-	(83.4)
Net gain on sale of discontinued operations	-	-	-	-	52.9	52.9	-	52.9	52.9
Expenses excluding depreciation and amortisation	(6,860.6)	(808.9)	(7,669.5)	(100.4)	2.5	(97.9)	(6,961.0)	(806.4)	(7,767.4)
<b>Profit before depreciation, amortisation, net finance expense and tax</b>	<b>1,465.0</b>	<b>150.8</b>	<b>1,615.8</b>	<b>(153.0)</b>	<b>55.4</b>	<b>(97.6)</b>	<b>1,312.0</b>	<b>206.2</b>	<b>1,518.2</b>
Depreciation and amortisation	(477.9)	-	(477.9)	3.4	-	3.4	(474.5)	-	(474.5)
<b>Profit before net finance expense and income tax</b>	<b>987.1</b>	<b>150.8</b>	<b>1,137.9</b>	<b>(149.6)</b>	<b>55.4</b>	<b>(94.2)</b>	<b>837.5</b>	<b>206.2</b>	<b>1,043.7</b>
Net finance expense	(253.6)	(4.5)	(258.1)	(12.1)	-	(12.1)	(265.7)	(4.5)	(270.2)
<b>Profit before income tax</b>	<b>733.5</b>	<b>146.3</b>	<b>879.8</b>	<b>(161.7)</b>	<b>55.4</b>	<b>(106.3)</b>	<b>571.8</b>	<b>201.7</b>	<b>773.5</b>
Income tax (expense)/benefit	(156.2)	(37.5)	(193.7)	27.6	-	27.6	(128.6)	(37.5)	(166.1)
<b>Profit for the year</b>	<b>577.3</b>	<b>108.8</b>	<b>686.1</b>	<b>(134.1)</b>	<b>55.4</b>	<b>(78.7)</b>	<b>443.2</b>	<b>164.2</b>	<b>607.4</b>
Profit for the year attributable to:									
Equity holders of the Company	553.7	75.7	<b>629.4</b>	(109.6)	38.6	<b>(71.0)</b>	444.1	114.3	<b>558.4</b>
Non-controlling interest	23.6	33.1	<b>56.7</b>	(24.5)	16.8	<b>(7.7)</b>	(0.9)	49.9	<b>49.0</b>
<b>Profit for the year</b>	<b>577.3</b>	<b>108.8</b>	<b>686.1</b>	<b>(134.1)</b>	<b>55.4</b>	<b>(78.7)</b>	<b>443.2</b>	<b>164.2</b>	<b>607.4</b>

# Appendix Pro-forma Balance Sheet

\$m	As at 30 June 2022	As at 30 June 2021					Change vs pro-forma	
		SGH Reported	SGH ex Boral	Boral Reported <sup>1</sup>	Purchase Price Adjustments	Other Adjustments <sup>2</sup>	SGH Pro-forma	\$m
Trade and other receivables	1,534.7	832.3	496.9	-	-	1,329.2	205.5	15.5%
Inventories	1,692.8	804.2	218.3	356.3	-	1,378.8	314.0	22.8%
Net assets held for sale	3.7	5	3,015.8	979.5	-	4,000.3	(3,996.6)	(99.9%)
Investments	1,791.3	3,223.9	15.0	149.5	(1,440.6)	1,947.8	(156.5)	(8.0%)
Property, plant and equipment	3,424.7	967.2	1,926.3	311.4	-	3,204.9	219.8	6.9%
Oil and gas assets	365.7	351.2	-	-	-	351.2	14.5	4.1%
Intangible assets (including goodwill)	2,229.0	1,627.4	72.4	1259.2	-	2,959.0	(730.0)	(24.7%)
Other assets	163.8	39.6	53.8	-	-	93.4	70.4	75.4%
Trade and other payables	(1,007.9)	(586.1)	(454.1)	-	-	(1,040.2)	32.3	(3.1%)
Provisions	(800.4)	(196.6)	(290.6)	(271.7)	-	(758.9)	(41.5)	5.5%
Deferred income	(259.7)	(159.9)	-	-	-	(159.9)	(99.8)	62.4%
Net tax assets (liabilities)	(341.1)	(413.8)	114.3	(419.7)	-	(719.2)	378.1	(52.6%)
Derivative financial instruments	152.5	82.8	(21.6)	-	-	61.2	91.3	149.2%
Net lease liabilities	(257.4)	(240.1)	(11.5)	8.7	-	(242.9)	(14.5)	6.0%
Net debt (excluding leases)	(4,408.0)	(2,271.5)	(1,035.8)	-	(3,571.8)	(6,879.1)	2,471.1	(35.9%)
<b>Total shareholders' equity</b>	<b>4,283.7</b>	4,065.6	4,099.2	2,373.2	(5,012.4)	5,525.6	(1,241.9)	(22.5%)

1. Boral reported 30 June 2021 \$4,334.5m less \$235.3m cash for the Boral share buyback to 7 July 2021

2. Other adjustments includes the net reduction in equity accounted interest in Boral with increase in interest to 40% (\$1,102.6m) less derecognition of total equity accounted interest on control (\$2,543.2m) and acquisition of shares from 1 July 2021 (\$3,571.8m).

# Appendix Pro-forma Profit and Loss

\$m, continuing, underlying	FY21				FY22	
	Reported	Less Boral in reported results	Add Boral results	Pro-forma	Reported	Change vs pro-forma (%)
Revenue	4,838.7	0.0	2,924.1	7,762.8	8,013.4	3.2%
Other income	47.0	0.0	2.9	49.9	59.3	18.8%
Share of results from equity accounted investees	195.4	(38.0)	19.1	176.5	252.9	43.3%
Revenue and other income	5,081.1	(38.0)	2,946.1	7,989.2	8,325.6	4.2%
Expenses (excluding depreciation, amortisation and interest)	(4,028.7)	0.0	(2,564.3)	(6,593.0)	(6,860.6)	4.1%
Underlying EBITDA	1,052.4	(38.0)	381.8	1,396.2	1,465.0	5.0%
Depreciation and amortisation	(260.3)	0.0	(224.6)	(484.9)	(477.9)	(1.4%)
Underlying EBIT	792.1	(38.0)	157.2	911.3	987.1	8.3%

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SGH results comply with International Financial Reporting Standards (“IFRS”). The underlying segment performance is presented in Note 2 to the financial statements for the period and excludes Significant Items comprising impairment of equity accounted investees, investments and non-current assets, fair value movement of derivatives, net gains on sale of investments and equity accounted investees, restructuring and redundancy costs, share of results from equity accounted investees attributable to Significant Items, loss on sale of investments and derivative financial instruments, acquisition transaction costs, significant items in other income, remeasurement of tax exposures and unusual tax expense impacts. Significant Items are detailed in Note 3 to the financial statements and Slide 20 of this presentation.

This presentation includes certain non-IFRS measures including Underlying Net Profit After Tax (excluding Significant Items), total revenue and other income, Segment EBIT margin and Segment EBITDA margin. These measures are used internally by management to assess the performance of the business, make decisions on the allocation of resources and assess operational management. Non-IFRS measures have not been subject to audit or review.