

15 February 2023

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

PRESENTATION OF HALF YEAR RESULTS

Seven Group Holdings Limited (ASX: SVW) attaches the results presentation slides for the half year ended 31 December 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 Ltd SGH (ASX:SVW) 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 WA, NSW and ACT. WesTrac is one of Caterpillar's top dealers globally. SGH owns Coates, Australia's largest nationwide industrial and general equipment hire business. SGH also has a 72.6% shareholding in Boral (ASX:BLD), a leading construction materials group. In energy, SGH has a 30.0% shareholding in Beach Energy (ASX:BPT) and has interests in energy assets in Australia and the United States. In media, SGH has a 39.3% shareholding in Seven West Media (ASX:SWM), one of Australia's largest multiple platform media companies, including the Seven Network, 7plus and The West Australian.

WesTrac

Coates

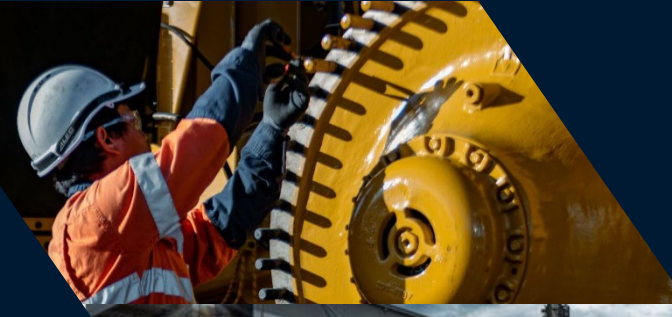


SGH | Energy

1H FY23 Financial Results Presentation

15 February 2023

SGH | Industrial Services, Media,
Energy and Investments



Group Overview 1H FY23 Key Results

\$4,607m ↑ 16%

Revenue

\$842m ↑ 12%

EBITDA

\$595m ↑ 16%

EBIT

\$341m ↑ 17%

NPAT¹

\$574m ↑ 23%

Op Cashflow

94c ↑ 18%

EPS



• This presentation refers to underlying results unless otherwise specified

¹ Attributable to members of the Group

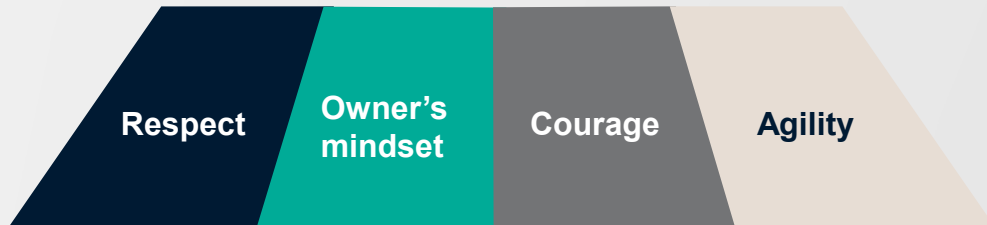
Group Overview Purpose, Objective and Values

Owner's 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

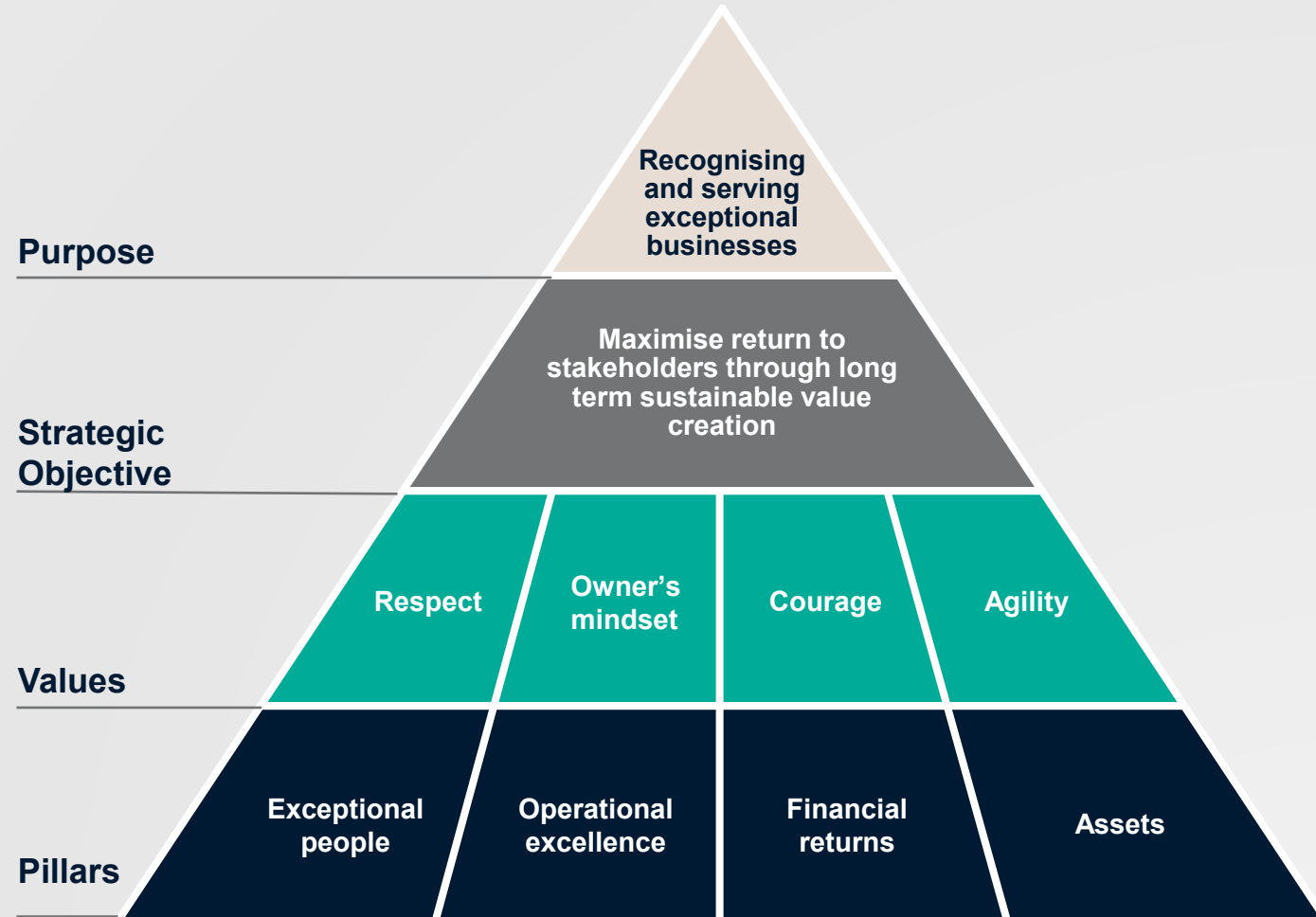


Respect

- 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



Group Overview SGH Advantage

Mining Production

Infrastructure & Construction Activity

Domestic Gas / LNG facilitating energy transition

Leading market positions

Limited fixed price contract risk

Privileged assets with defensible moats

Actively manage inflation

WesTrac

Coates

BORAL

**beach
SGH | Energy**

777

Group Overview Safety

Safety focus delivering results

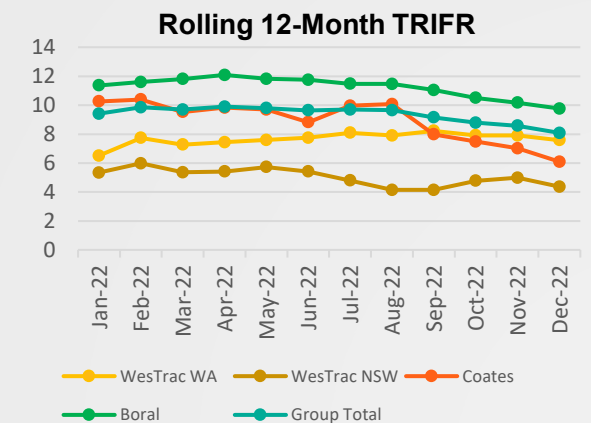
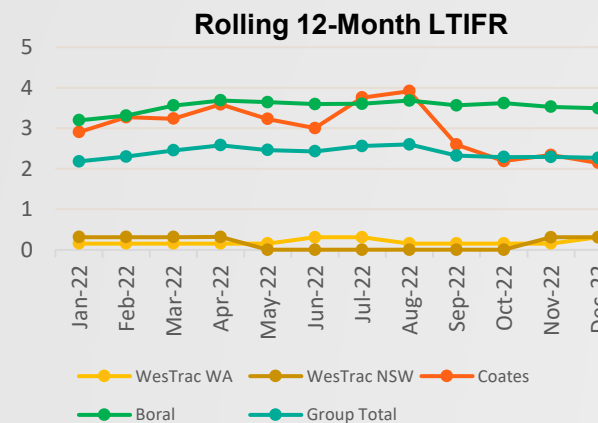
- Group TRIFR improved by 16%
- Improvements in safety performance at Coates and Boral

Lead indicators driving safety performance

- Investment in training and induction of contractors and new starters
- Swift execution of safety intervention and remediation plans
- Safety cultural programs reinforcing “Safety First Zero Harm”
- Industry leading initiatives e.g., Elimination of Live Work

	LTIFR ¹		TRIFR ²	
	December 2022	December 2021	December 2022	December 2021
WesTrac WA	0.3	0.2	7.6	6.7
WesTrac NSW	0.3	0.3	4.4	5.9 ³
Coates	2.1	3.3 ³	6.1	10.9
Group Ex Boral	1.0	1.2³	6.3	7.7
Boral	3.5	3.1 ³	9.8	11.3 ³
Group Total	2.3	2.2³	8.1	9.6³

1. Lost time injury frequency rate (LTIFR) = number of work-related injuries that resulted in time lost from work per million hours worked.
 2. Total recordable injury frequency rate (TRIFR) = number of work-related recordable injuries per million hours worked.
 3. Restated following injury reclassification.



Group Overview ESG

Environmental

- Boral Berrima chlorine bypass on track
- Concrete recarbonisation offsetting up to 55% of process emissions, Boral quantifying impact
- Coates and WesTrac rolling out solar at 18 sites
- Coates Greener Choices fleet grew 18% in 1H
- CAT investing in sustainable testing and validation “mine of the future”

Social

- Coates NSW Indigenous Chamber of Commerce’s Partner of the Year
- Major provider of training through WesTrac Apprenticeship Program

Governance

- 33% female Board composition
- 78% Independent Directors



Caterpillar's first battery-electric 793 mining truck, Arizona Proving Ground, USA



Group Overview Earnings Growth

Strong 1H FY23 Group earnings

- EBIT of \$595m, up 16%

Enabled by our operated businesses

- Supported by strength in mining production, infrastructure and construction activity
- \$1.1tn five-year infrastructure & construction pipeline¹

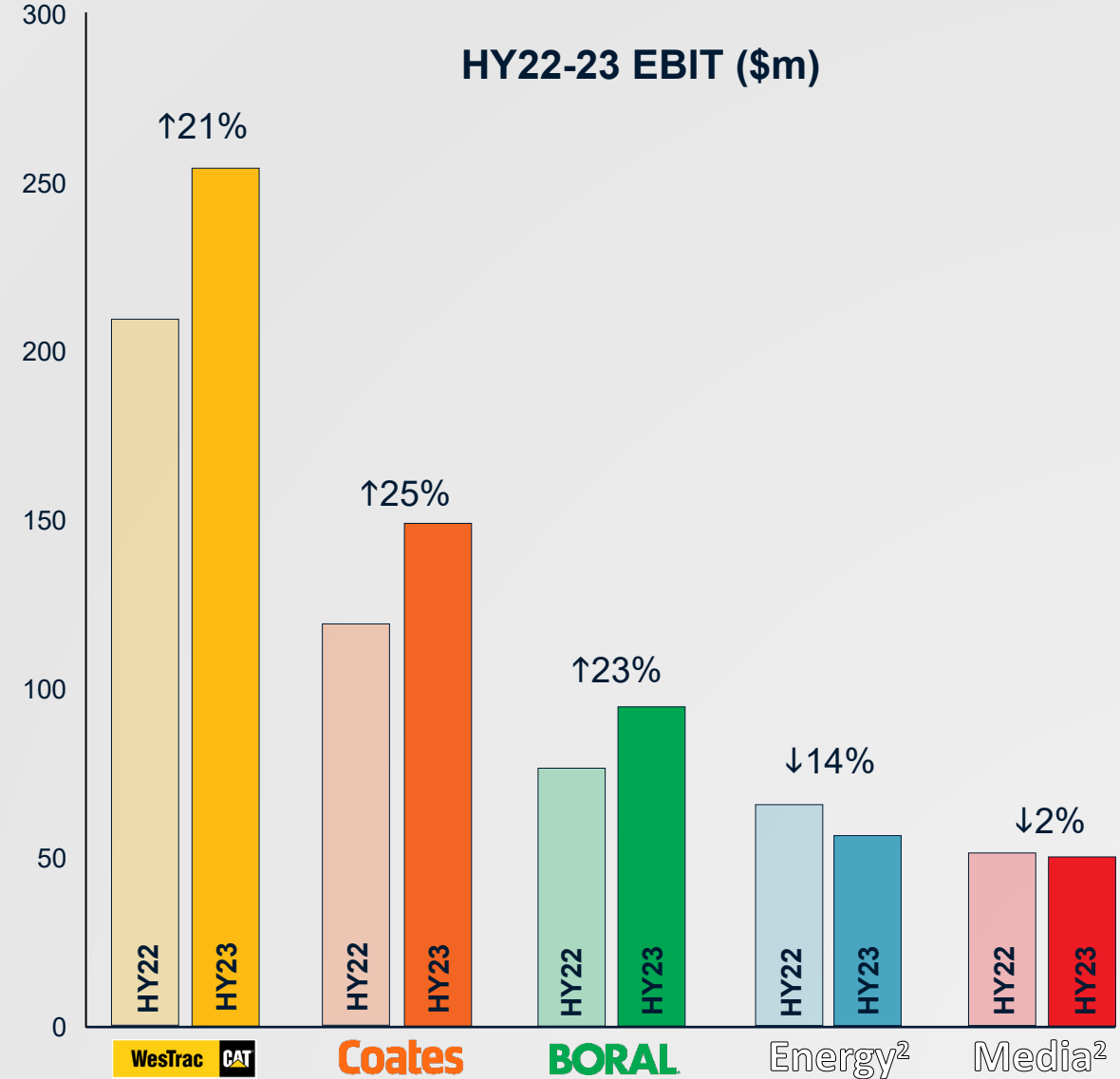
Earnings momentum

- Strong outlook across core sector exposures supports all industrial services businesses upgrading FY23 guidance

Key Outcomes

- Supported Boral’s performance journey, with renewed management delivering operating discipline and growth
- WesTrac and Coates continued their focus on execution delivering revenue and margin expansion
- Group adjusted net debt to EBITDA reduced from 2.8x to 2.7x

1. Infrastructure Australia Market Capacity Report, 2022

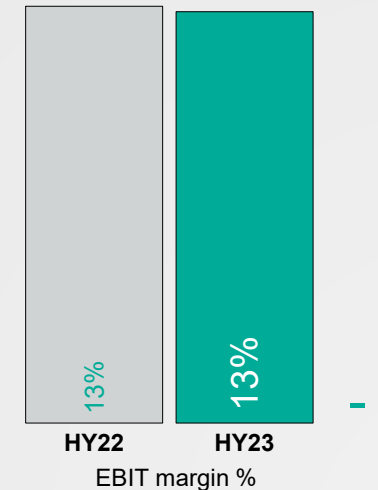
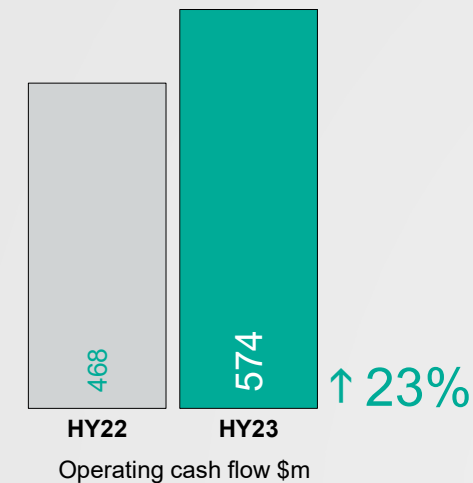
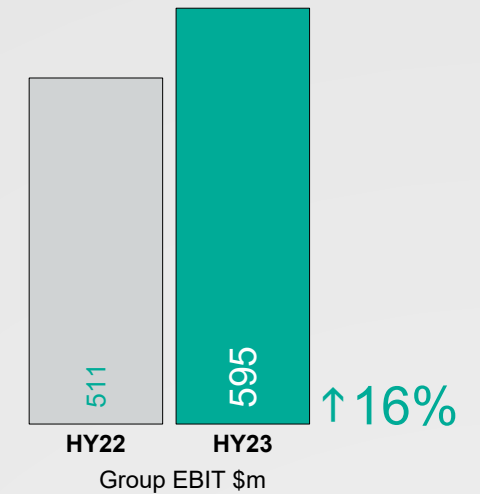
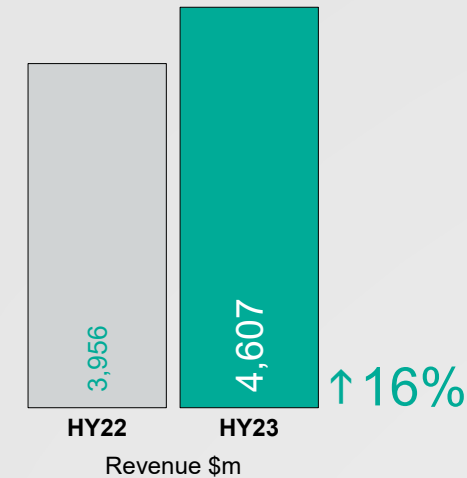


2. Group segment earnings

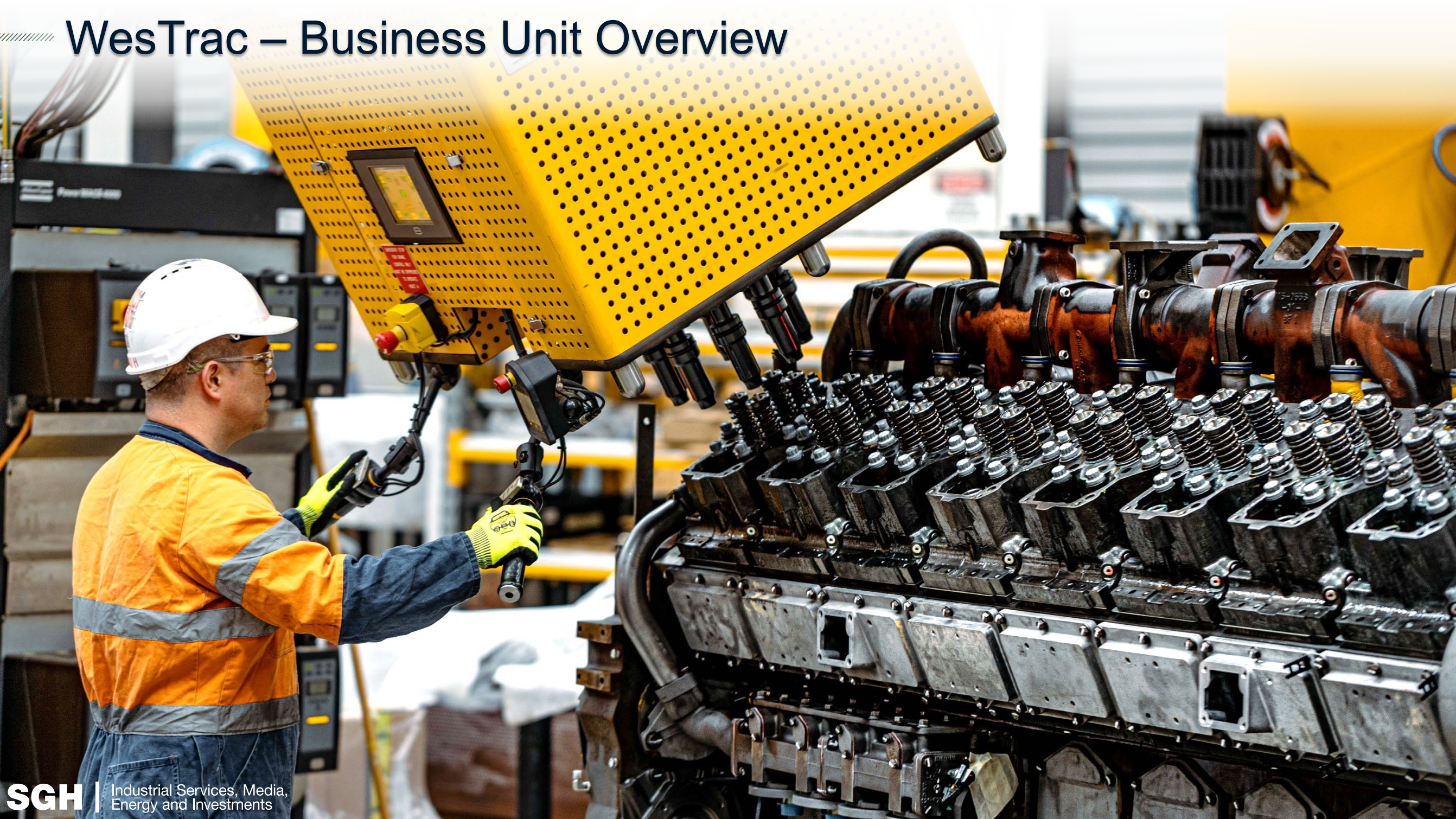
Group Overview Key Financials

Underlying Results (\$m) ¹	HY23	HY22	% Change
Revenue	4,607	3,956	16%
Earnings before interest, tax, depreciation and amortisation	842	749	12%
Earnings before interest and tax	595	511	16%
Net profit after tax ²	341	291	17%
Earnings per share (cps)	94	80	18%
Operating cash flow	574	468	23%
Statutory Results (\$m)	HY23	HY22	% Change
Revenue	4,607	4,839	(5%)
Earnings before interest, tax, depreciation and amortisation	837	1,707	(51%)
Earnings before interest and tax	578	1,471	(61%)
Net profit after tax ²	320	1,175	(73%)
Earnings per share (cps)	88	324	
Fully franked ordinary dividend	23 cents	23 cents	-

1. Excluding significant items. Refer to slide 23 for listing of significant items
2. Attributable to members of the Group



WesTrac – Business Unit Overview



Industrial Services WesTrac Highlights

Growth across new machines and support sales

- Machine sales up 33%, product support up 13%
- 1H Sales growth of 20% outperforming 5-year CAGR of 9%

Supported by demand and customer activity

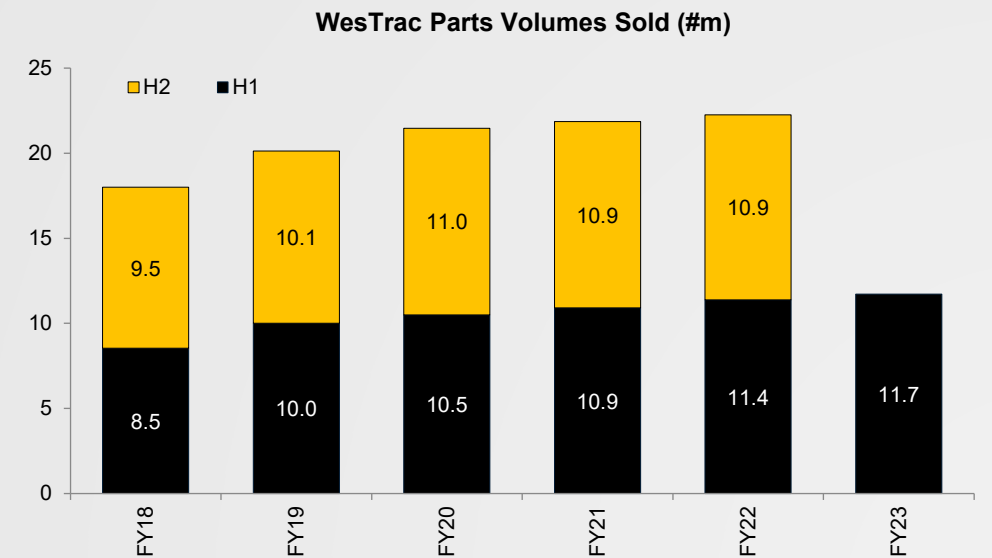
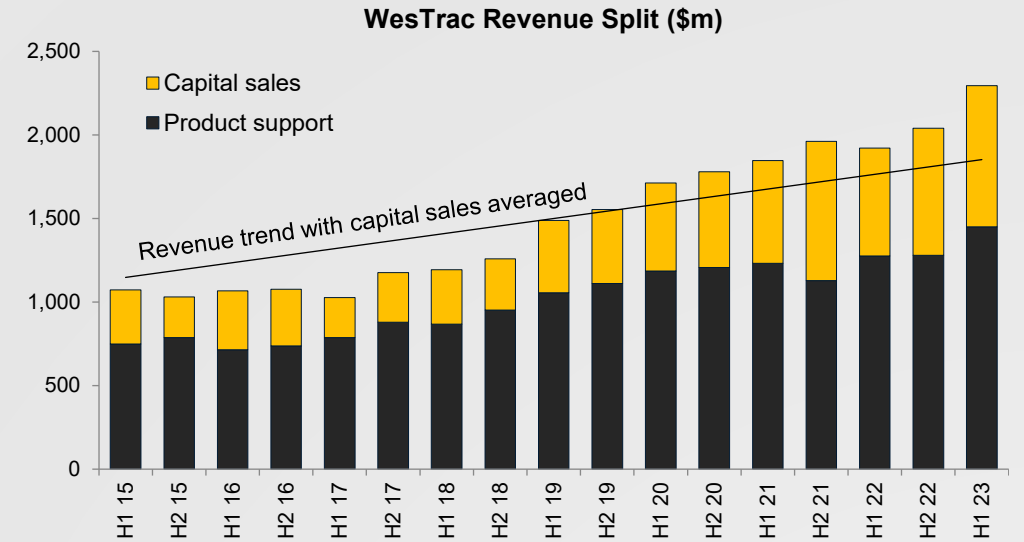
- Strong customer activity in Mining and Construction

Labour and supply chain management

- Workforce growth of 7% to meet strong customer demand
- Training ~450 students through WesTrac Apprentice Program
- Supply chain easing, still lagging demand growth

CAT strengthening electrification offerings in 1H

- Demonstrated first battery electric 793 large mining truck
- Showcased four prototype battery electric construction machines



Industrial Services WesTrac Financials

Revenue up 20% to \$2,296m

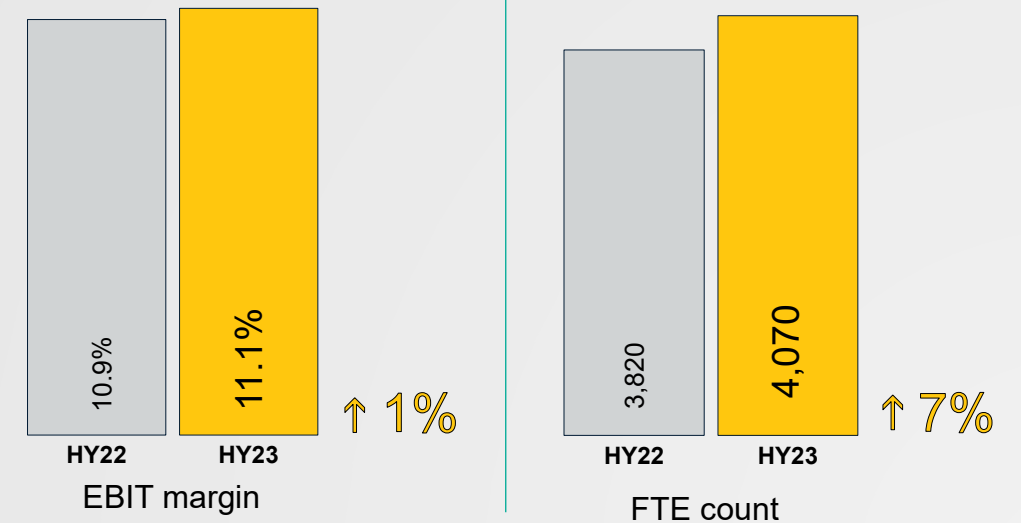
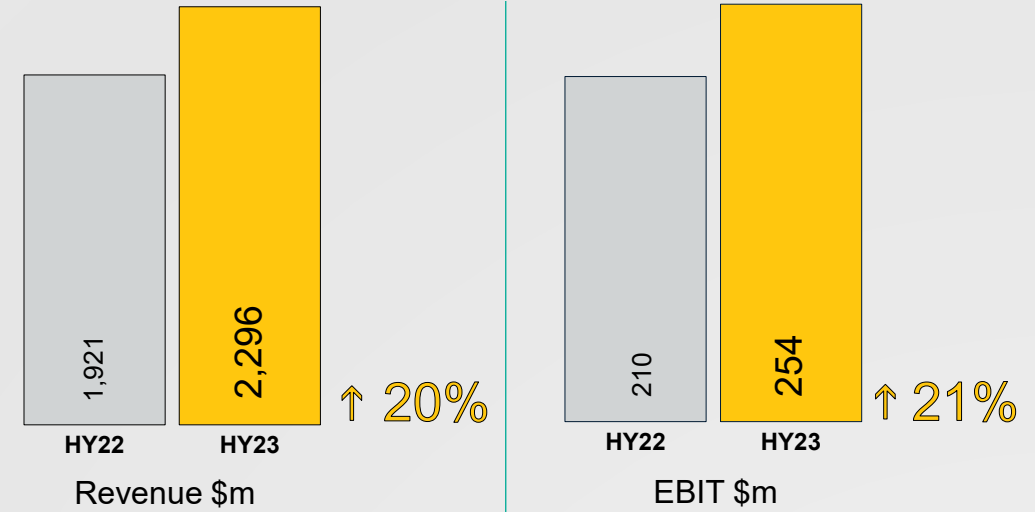
- Combination of volume growth and pricing

EBIT up 21% to \$254m

- EBIT Margin of 11.1% up 14bp
- Increasing operational leverage
- Operating cashflow up \$202m to \$103m
- Capital sales and support growth enabled by disciplined execution & effective management of labour scarcity

Working capital remains elevated

- Inventory levels slightly up HoH
- Investment in inventory to support 2H customer deliveries
- Targeting 2H inventory reduction, working capital release, increased cash conversion



Coates – Business Unit Overview



Industrial Services Coates Highlights

Elevated customer activity

- Strong East Coast demand through Infrastructure projects
- Average asset utilisation (TU) above 60%, with some markets above 65%

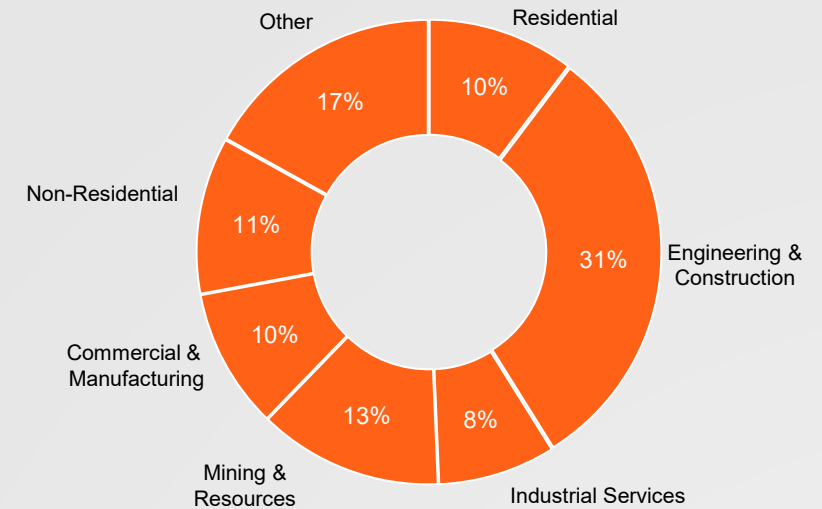
Hub and spoke model driving:

- Service uplift through asset positioning and decision making
- Increased R&M efficiency with improved redline benefits
- Branch productivity and collaboration assisting ROCE uplift
- Higher asset utilisation

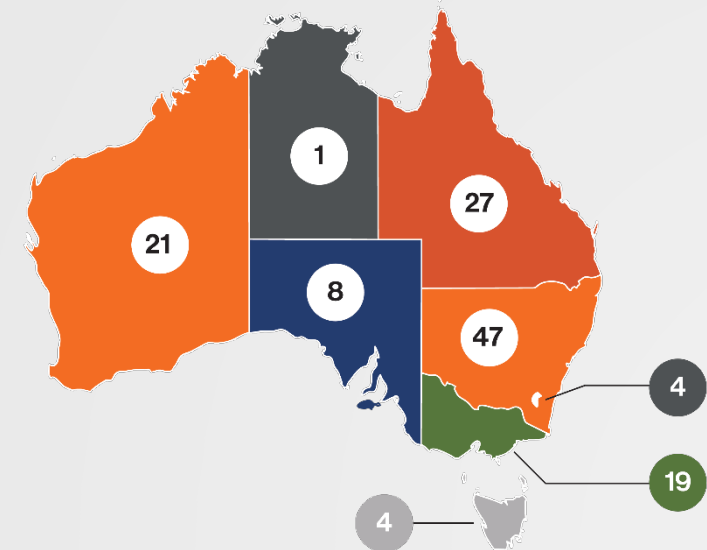
Specialised solutions provider

- Strong demand for Engineering Solutions aiding revenue growth
- Improved East Coast penetration of Industrial Solutions services
- Establishment of Power & HVAC solutions enabling next pillar of growth

Hire Revenue Split by Sector



Branch Footprint



Industrial Services Coates Financials

Revenue of \$575m up 16% driven by:

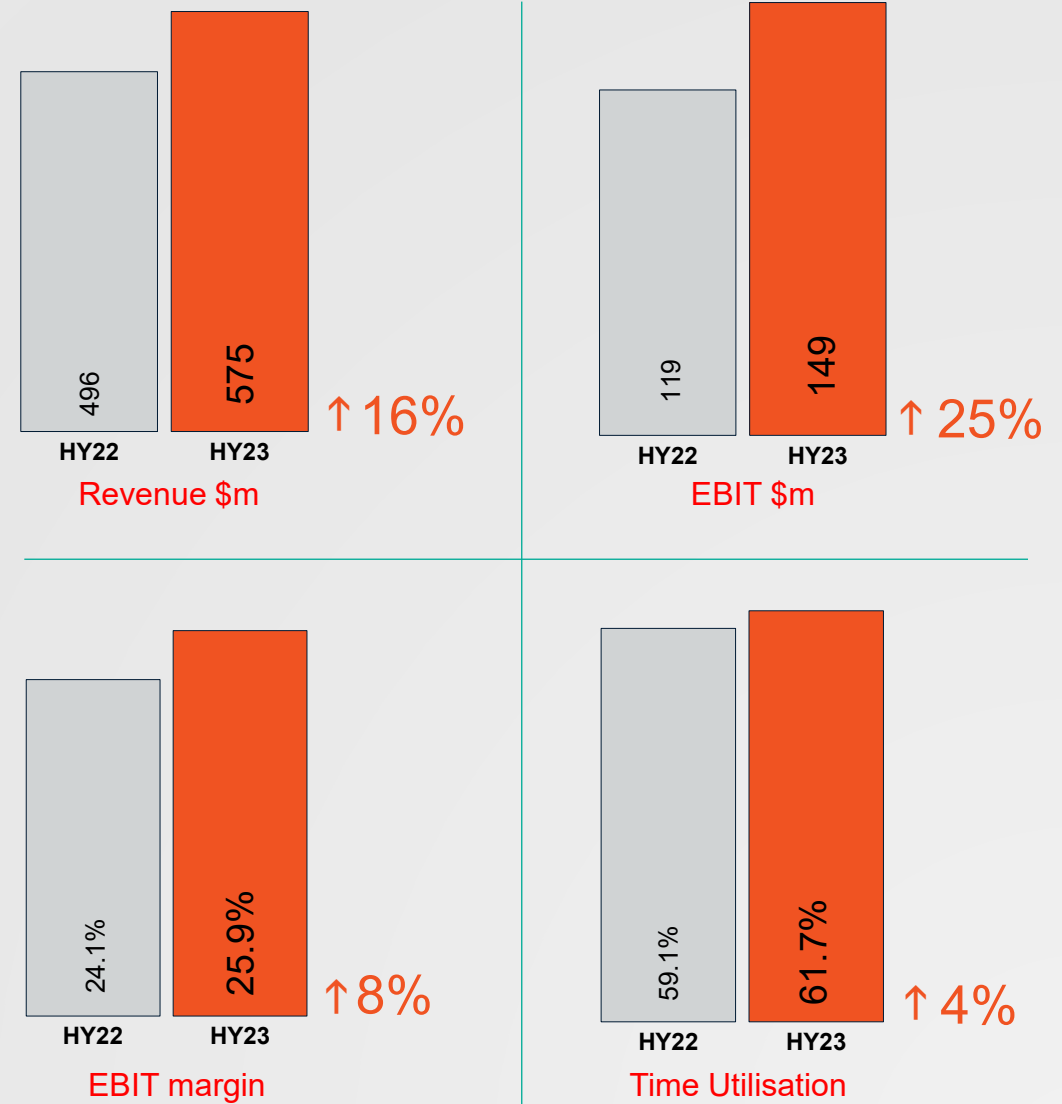
- Construction activity driving increased duration supporting equipment hire growth across key geographies
- Pricing actions and operational discipline

Scale and operating leverage driving higher yield

- 25.9% EBIT margin, up 183bp
- ROCE of 15.7% increased by 264bp, or 20%
- Improvement in asset utilisation (TU 61.7%) and red line
- Enhanced technology and org structure driving operational improvement

Operating cashflow of \$238m up 10%

- 1H EBITDA cash conversion 97%
- 1H net Capex of \$113m, with \$50m fleet expansion
- Fleet size of \$1.83bn (OC), growing to ~\$1.9bn in 2H FY23



Boral – Business Unit Overview



Industrial Services Boral Highlights (72.6%)

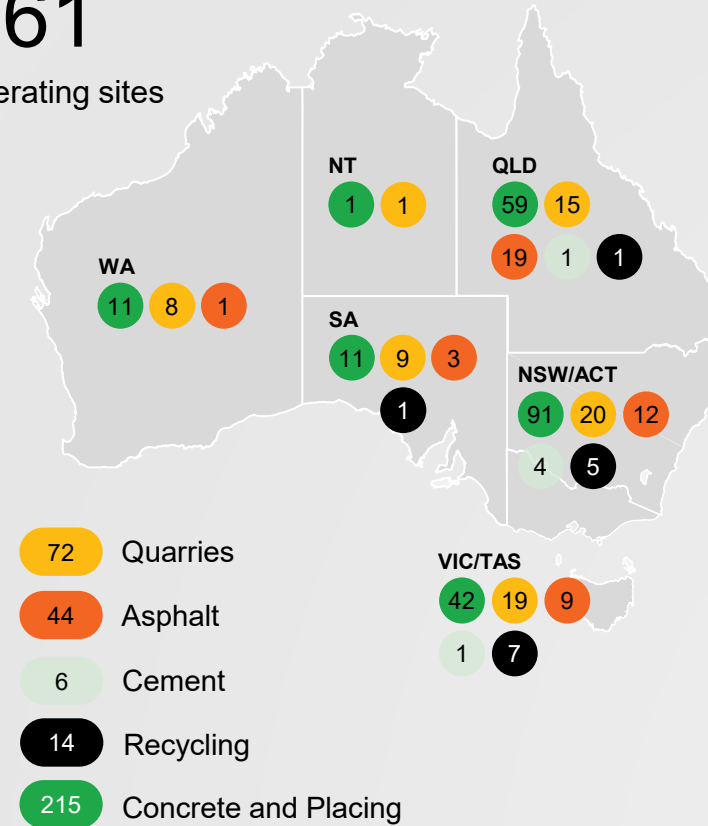
Progress on performance journey

- Leadership changes – Essentially in place
- Cost focus on SG&A – Initial work complete, progress continues
- Pricing discipline – Improved traction in 1H
- Operating discipline – Embedding new operating model (PEMAF)
- Serving customers – Focus on share and DIFOT
- Drive accountability – pivot to region focused operating model

SGH increased ownership by 3% to 72.6%


Construction materials:
Leading integrated network


361¹
operating sites




1. Operating sites include transport, fly ash, and research and development sites as at 31 December 2022.

 **4,723**
employees²

 **~4,300**
contractors

 **~3,500**
heavy road vehicles

 **~14,000**
customers

2. Full-time equivalent from continuing operations.

Industrial Services Boral Financials

Boral revenue from continuing ops of \$1,681m, up 12%

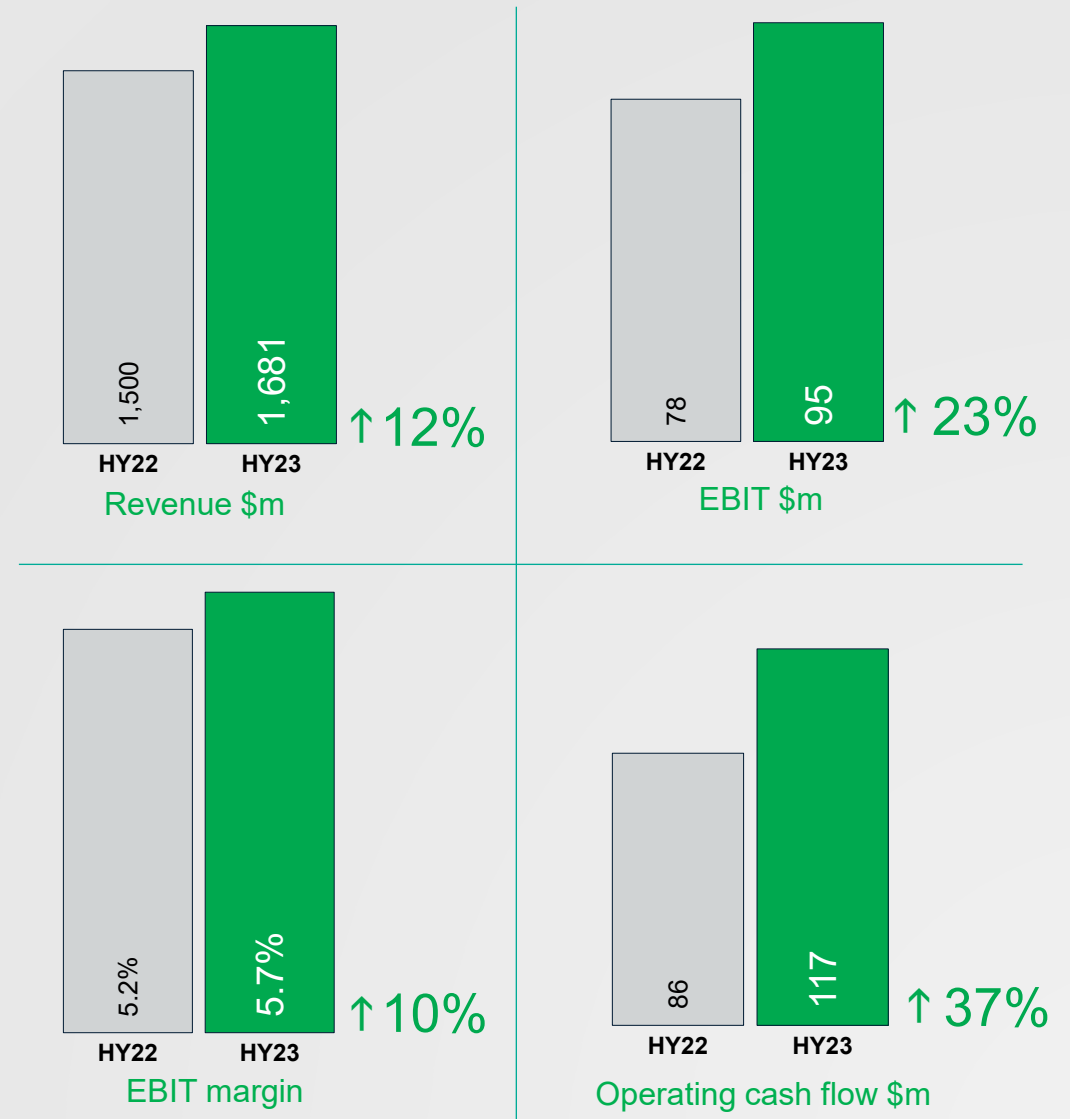
- Driven by volumes and pricing traction
- Strong customer activity

EBIT of \$95m up 23%

- EBIT margin up 50bp
- Pricing discipline mitigating cost pressures
- New operating model to drive further value
- Continued cost-out programme lowering SG&A

Conditions remain positive

- Revenue growth and major-project pipeline reinforces sector opportunity
- Pricing discipline countering cost pressures
- Lower-carbon concrete penetration increased to 26%



Energy – Business Unit Overview



Energy Beach and SGH Energy Highlights

Beach Energy (30%)

- NPAT of \$191m, down 10% on lower production coupled with margin compression
- Otway production up 36% PcP, well connection program on track
- Webuild contracted to complete Waitsia Stage 2, targeting start-up by end CY23
- Net cash balance sheet, strong FCF outlook
- New dividend framework, 40-50% payout of pre-growth FCF¹

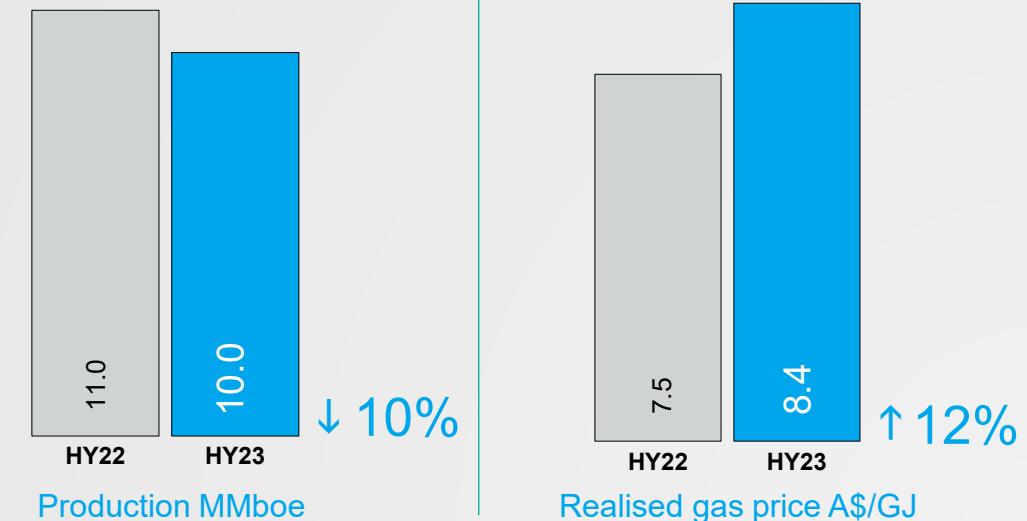
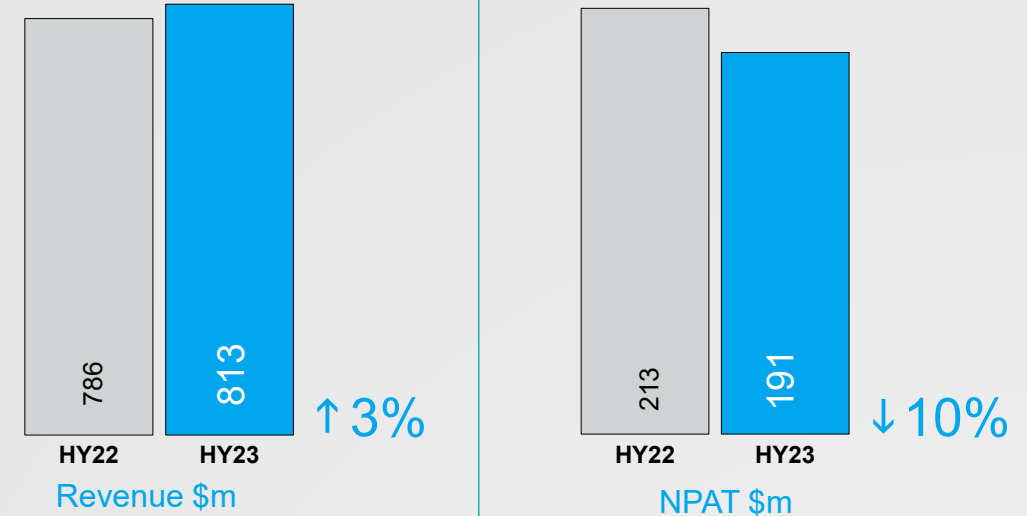
SGH Energy

- Sales process ongoing at Crux, with parties in DD
- Project construction on-track, targeting FY27 start-up
- East Coast gas price cap supports economics at Longtom, exploring commercialisation options

LNG project startups aligned with tightening market

1. Pre-growth free cash flow defined as Operating Cash Flows, less investing cash flows excluding acquisitions, divestments and major growth capital expenditure, less lease liability payments. The Board will have the discretion to adjust free cash flow for individually material items

Beach Energy Key Financials



Media – Business Unit Overview



Media Seven West Media (39%) & Other Media

Revenue of \$815m, flat against short ad market

- EBITDA of \$205m, down 5%
- EBIT of \$185m, down 9%
- NPAT of \$123m, down 4%
- Operating cash flow¹ of \$204m, up 55%

Balance Sheet

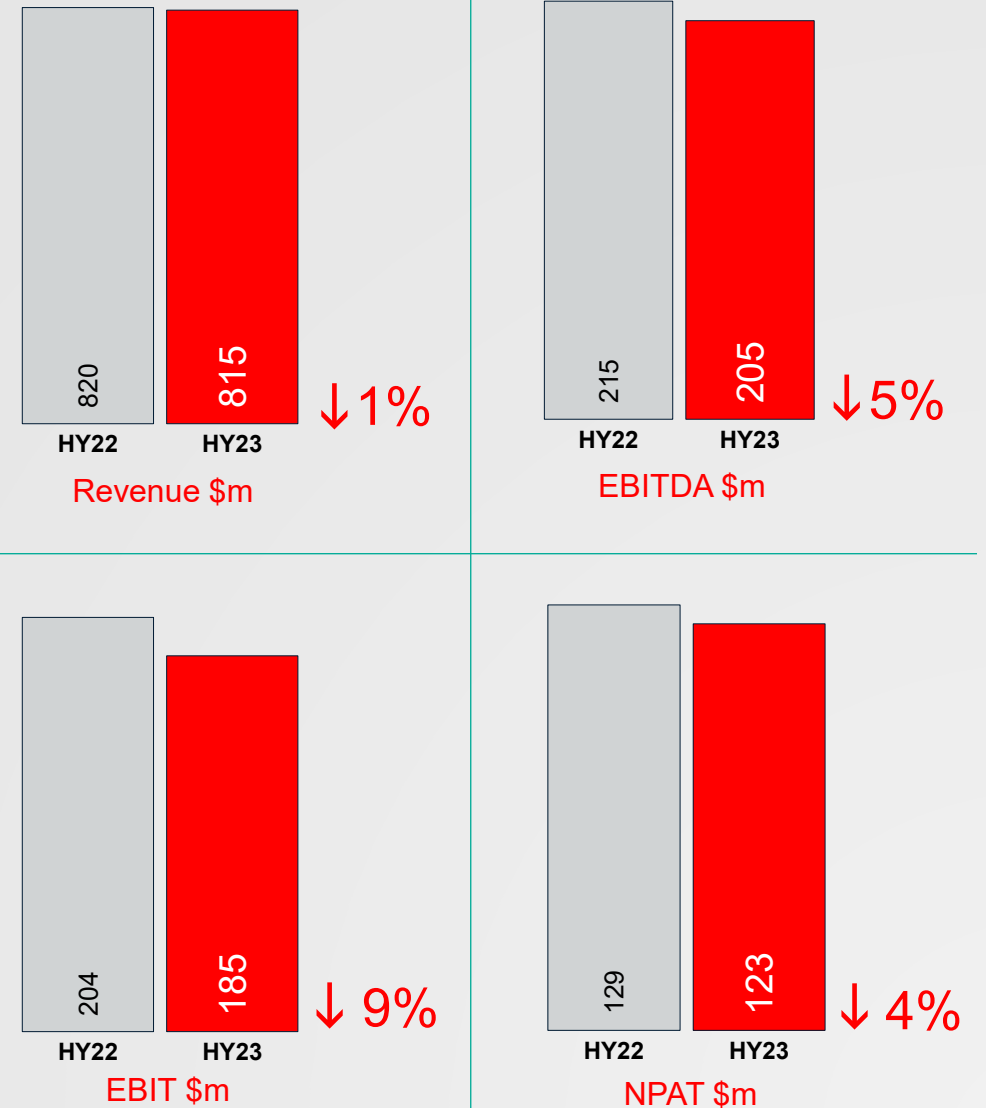
- Adjusted Net Debt of \$223m², down 13% HoH
- Sub 1x ND/EBITDA LTM

Disciplined execution

- 7Digital EBITDA earnings up 35% (ex Olympics)
- New content deals with AFL, CA and NBCU, long-term broadcast and digital rights

Other Media EBIT of \$3.2m, CMC distributions \$3.1m

Seven West Media Key Financials



1. Operating cash flow before interest and tax

2. Adjusted Net Debt includes Reported Net Debt of \$186m + \$37m adjustment for timing differences on payment Note: Extra week in 1H23 resulted in \$17.2m revenue; \$14.4m expenses and \$2.8m EBITDA

Financials Profit and Loss

\$m	HY23	HY22	Change %
Revenue (continuing operations)	4,607.0	3,956.0	16.5%
Other income	20.2	24.5	(17.6)%
Share of results from equity accounted investees	114.0	127.4	(10.5)%
Trading revenue and other income	4,741.2	4,107.9	15.4%
Expenses (excluding depreciation, amortisation and interest)	(3,899.4)	(3,358.6)	16.1%
Underlying EBITDA	841.8	749.3	12.3%
Depreciation and amortisation	(247.2)	(238.4)	3.7%
Underlying EBIT	594.6	510.9	16.4%
Net finance costs	(128.2)	(127.8)	0.3%
Underlying net profit before tax	466.4	383.1	21.7%
Underlying tax expense	(105.0)	(80.7)	30.1%
Underlying NPAT	361.4	302.4	19.5%
Profit from discontinued operations	-	107.3	(100.0)%
Significant items (including tax impact, continuing and discontinued)	(11.9)	811.8	(101.5)%
Statutory net profit after tax	349.5	1,221.5	(71.4)%
Profit attributable to SGH shareholders	319.6	1,175.0	(72.8)%

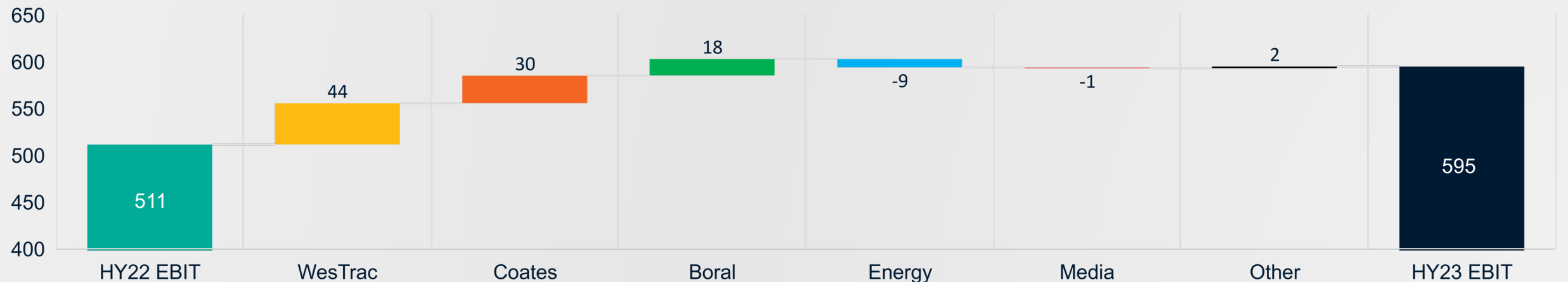
Financials Significant Items

\$m	HY23	HY22
Revaluation of equity accounted interest on acquisition of Boral	-	756.8
Fair value adjustments on acquisition of Boral	6.9	(13.3)
Boral transaction costs	-	(7.3)
Boral property segment	-	5.4
Project implementation benefit/(costs) and Boral transaction costs	6.8	(20.8)
Impairment reversal/(impairment) of investment in Seven West Media	(50.7)	76.2
Significant items in results of equity accounted investees	1.3	(3.2)
Loss arising from dilution of investment in equity accounted investee	-	(10.2)
Significant items on discontinued operations	18.9	21.5
Significant items - EBIT impact	(16.8)	805.1
Significant items in finance expense	11.4	(8.1)
Significant items - PBT impact	(5.4)	797.0
Tax benefit/(expense) relating to significant items	(6.5)	14.8
Significant items - NPAT impact	(11.9)	811.8
Statutory NPAT	349.5	1,221.5
NPAT excluding significant items	361.4	409.7

Financials Business Unit Earnings

\$m	Total Group	WesTrac	Coates	Boral	Energy	Media	Investments	Corporate
Revenue from continuing operations	4,607.0	2,296.3	574.9	1,681.1	2.4	-	52.3	-
Statutory EBIT	558.9	254.1	149.0	109.0	61.7	(3.9)	3.5	(14.5)
Add: unfavourable significant items	54.2	-	-	-	-	54.2	-	-
Subtract: favourable significant items	(18.5)	-	-	(13.7)	(4.8)	-	-	-
Total significant items – EBIT	35.7	-	-	(13.7)	(4.8)	54.2	-	-
Underlying EBIT – 1H FY23	594.6	254.1	149.0	95.3	56.9	50.3	3.5	(14.5)
Underlying EBIT – 1H FY22	510.9	209.9	119.4	77.6	66.1	51.1	(0.4)	(12.8)
Change %	16.4%	21.1%	24.8%	22.8%	(13.9)%	(1.6)%	(975.0)%	13.3%

HY23 Underlying EBIT Bridge/Movement (\$m)

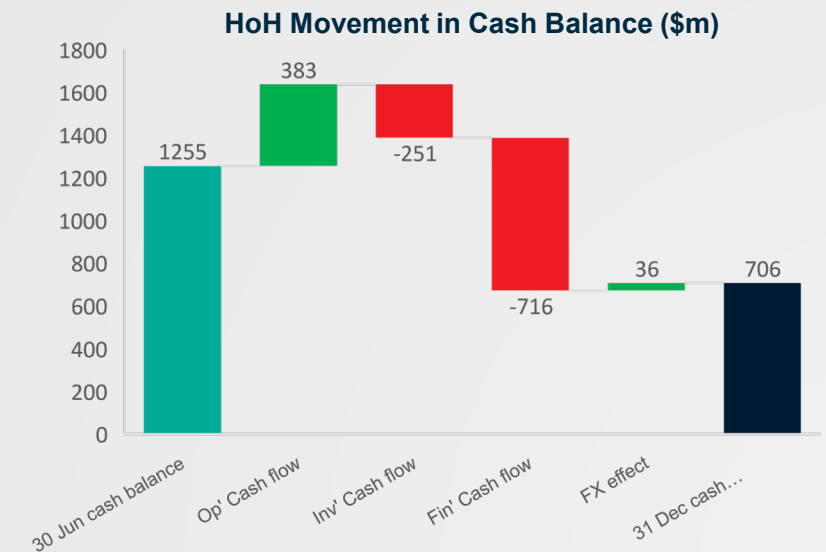


Financials Cashflow

\$m	HY23	HY22
Underlying EBIT	594.6	510.9
Add: depreciation and amortisation	247.2	238.4
Underlying EBITDA	841.8	749.3
Operating cash flow	382.8	221.5
Add: net interest and other costs of finance paid	109.1	123.6
Net income taxes paid	63.5	80.9
Add back: restructuring and transaction costs	18.1	41.6
Underlying operating cash flow	573.5	467.6
Underlying EBITDA cash conversion	68%	62%
Operating cash flow	382.8	221.5
Investing cash flow	(251.3)	2,321.3
Financing cash flow	(715.7)	1,075.3
Net increase/(decrease) in cash and cash equivalents	(584.2)	3,618.1
Opening net debt	4,408.0	2,271.5
Movement in net debt	75.9	1,850.0
Closing net debt	4,483.9	4,121.5

Key Commentary

- OCF \$105.9m higher led by favourable working capital movements in WesTrac
- Coates continued to achieve a strong cash conversion of 97%
- Net working capital outflow of \$59.0m for Boral due to build-up of inventory for shutdown of the Berrima facility in January 2023
- Net interest was \$7.4 million favourable to PCP reflecting effective debt management



Financials Balance Sheet

\$m	1H FY23	FY22	Change %
Trade and other receivables	1,554.5	1,534.7	1.3%
Inventories	1,768.9	1,692.8	4.5%
Assets held for sale	2.9	3.7	(21.6)%
Investments	1,811.7	1,791.3	1.1%
Property, plant and equipment	3,452.7	3,424.7	0.8%
Oil and gas assets	422.9	365.7	15.6%
Intangible assets (including goodwill)	2,225.3	2,229.0	(0.2)%
Other assets	233.1	163.8	42.3%
Trade and other payables	(1,031.1)	(1,007.9)	2.3%
Provisions	(746.5)	(800.4)	(6.7)%
Deferred income	(229.7)	(259.7)	(11.6)%
Net tax assets (liabilities)	(388.4)	(341.1)	13.9%
Derivative financial instruments	107.3	152.5	(29.6)%
Net lease liabilities	(264.9)	(257.4)	2.9%
Net debt (excluding leases)	(4,483.9)	(4,408.0)	1.7%
Total shareholders' equity	4,434.8	4,283.7	3.5%

Financials Capital and Liquidity Management

Leverage

- Improving to 2.7x supported by increased EBITDA
- Targeting 2.5x in the next 12 - 18 months
- Reduce working capital without compromising opportunity

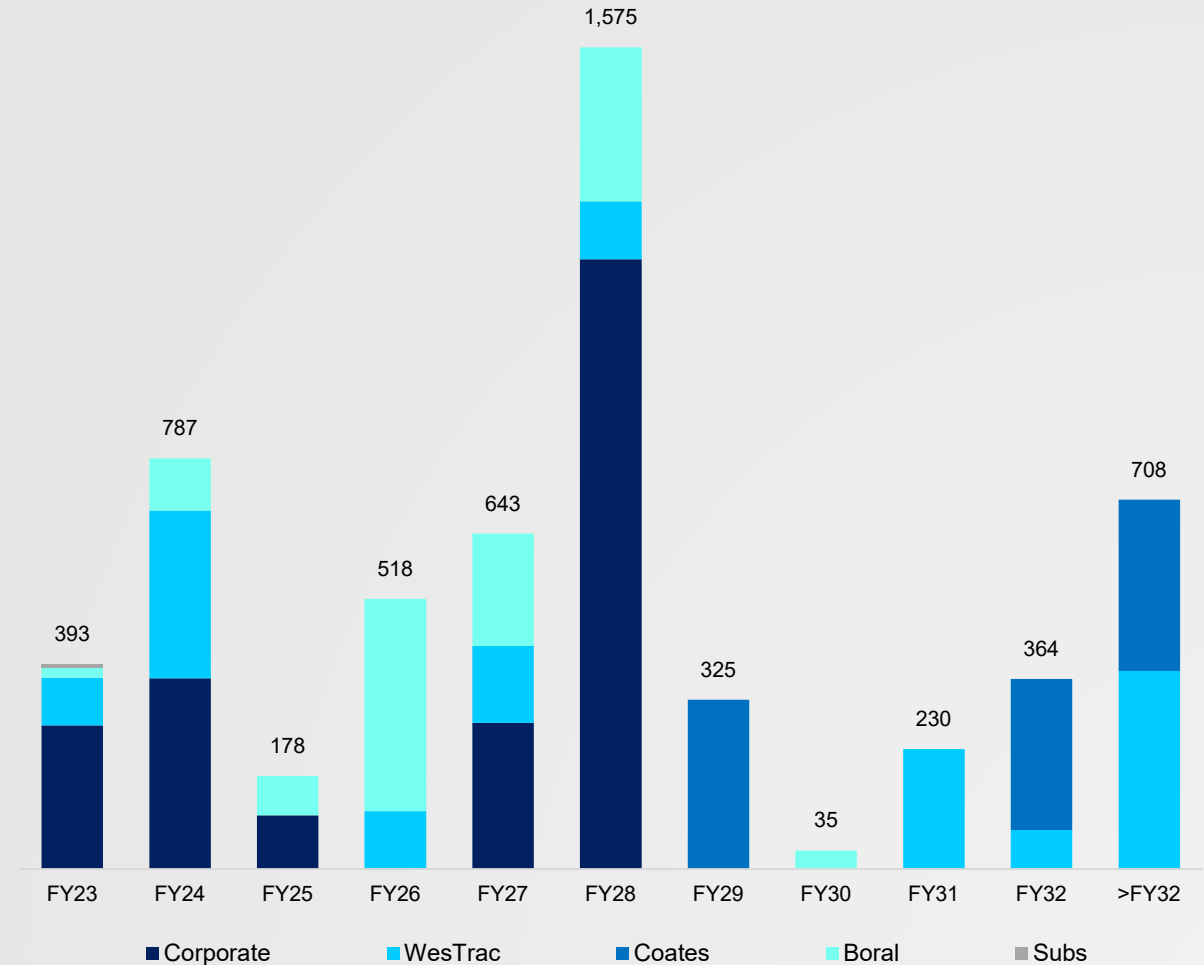
Working capital

- WesTrac targeting material working capital reduction in 2H FY22
- Reversion of Boral cash conversion to historical norms

Interest costs

- 46% of the Group's drawn debt is fixed
- Effective Group borrowing cost of 4.9%
- Weighted average facility maturity is 4.3 years
- FY23 cost expected to be broadly consistent with FY22
- Longer maturity reflects the SFA Tranche B extension in September 22
- \$250m new Exchangeable Bond issued in October 22
- \$114m Convertible Bond repurchased in October 22 with a further \$189m repurchased in January 23

Facility Maturity (as at 31 Dec 2022)



Group Outlook Guidance and Priorities

Upgrading guidance on 1H results and positive 2H outlook

WesTrac - Strong customer activity and delivery pipeline support guidance of “mid-teen per cent FY23 EBIT growth”

Coates - Infrastructure activity and continued high TU supports guidance of “high-teen per cent FY23 EBIT growth”

Boral - Boral expects 2H FY23 EBIT to be broadly in line with 1H FY23

Energy - Beach has narrowed its full-year production guidance to 19 – 20.5mboe

Media - SWM expects to grow total TV share in 2H FY23, against mid to high single-digit ad market decline, targeting \$15-20m cost-out

Group Guidance

Strong 1H result lifts guidance confidence, SGH expects “low to mid-teen per cent EBIT growth in FY23”



Disclaimer

Basis of preparation of slides

Included in this presentation is data prepared by the management of Seven Group Holdings Limited (“SGH”) and other associated entities and investments. This data is included for information purposes only and has not been subject to the same level of review by the company as the financial statements, so is merely provided for indicative purposes. The company and its employees do not warrant the data and disclaim any liability flowing from the use of this data by any party.

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Unless otherwise indicated, all references to estimates, targets and forecasts and derivations of the same in this material are references to estimates, targets and forecasts by SGH. Management guidance, estimates, targets and forecasts are based on views held only at the date of this material, and actual events and results may be materially different from them. SGH does not undertake to revise the material to reflect any future events or circumstances. Where guidance has been provided by an entity not fully owned by SGH, it has been determined by the respective management and Boards of those businesses and adopted by SGH in framing Group Guidance.

Period-on-period changes that are greater than 100%, less than (100)% or change between positive and negative are omitted for presentation purposes.






It should be noted that no universally accepted framework (legal, regulatory, or otherwise) currently exists in relation to ‘ESG’ reporting. The inclusion or absence of information in SGH’s ESG Statements should not be construed to represent any belief regarding the materiality or financial impact of that information. ESG Statements may be based on expectations and assumptions that are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. Furthermore, no assurance can be given that such a universally accepted measurement framework or consensus will develop over time. Although there is regulatory efforts to define such concepts, the legal and regulatory framework governing sustainability is still under development. Calculations and statistics included in ESG Statements may be based on historical estimates, assumptions and projections as well as assumed technology changes and therefore subject to change. SGH’s ESG Statements have not been externally assured or verified by independent third parties.

Non-IFRS Financial Information

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 23 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.

Appendix Businesses and Markets

Industrials	Industrials	Industrials	Energy	Media
				
100%	100%	73%	Beach 30% SGHE 100%	39%
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
28 sites	150 sites	361 sites	Onshore and offshore assets in multiple basins	Market leading in TV, publishing and digital
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
~4,500 Employees	~2,200 Employees	~4,700 Employees	~800 (Beach) Employees	~2,400 Employees
Installed base delivering annuity income linked to production not commodity price with lowest quartile C1 costs customers	Largest fleet and network servicing asset light contractors 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 rerate as a value opportunity