

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

18 February 2021

**2021 HALF YEAR RESULTS – APPENDIX 4D & HALF YEAR FINANCIAL REPORT**

Seven Group Holdings Limited (ASX: SVW) attaches the Appendix 4D and Half Year Financial Report for the half year ended 31 December 2020.

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

Ends.

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# STRENGTH, COMMUNITY, RESILIENCE

RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

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## CORPORATE DIRECTORY

### DIRECTORS

Kerry Stokes AC (Executive Chairman)  
Ryan Stokes AO (Managing Director & Chief  
Executive Officer)  
Annabelle Chaplain AM  
Terry Davis  
Kate Farrar  
Christopher Mackay  
David McEvoy  
Warwick Smith AO  
Richard Uechtritz

### COMPANY SECRETARY

Warren Coatsworth

### REGISTERED OFFICE

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### SHARE REGISTRY

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Sydney NSW 2000

### AUDITOR

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Grosvenor Place  
225 George Street  
Sydney NSW 2000

### KEY OPERATING BUSINESSES

WesTrac WA  
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1 WesTrac Drive  
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AllightSykes NSW  
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# Appendix 4D - Half-Year Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

ABN 46 142 003 469

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

<b>REPORTED</b>				<b>\$m</b>
Revenue from ordinary activities	up	4.18%	to	2,357.4
Net profit from ordinary activities after income tax attributable to members	up	855.41%	to	362.1
Net profit for period attributable to members	up	855.41%	to	362.1

<b>UNDERLYING</b>				<b>\$m</b>
Revenue from ordinary activities	up	4.18%	to	2,357.4
Net profit before net finance expense and income tax	down	5.15%	to	396.1
Net profit from ordinary activities after income tax attributable to members	down	3.14%	to	246.7

## DIVIDENDS

<b>Ordinary shares</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Interim	23 cents	23 cents
Record date for determining entitlements to the dividend		5.00pm on 26 March 2021
Date the interim dividend is payable		20 April 2021

## NET TANGIBLE ASSET BACKING

Net tangible asset backing per ordinary share: \$4.91 (June 2020: \$3.62).

This has been calculated by dividing the net assets attributable to equity holders of the Company less intangible assets by the number of ordinary shares at 31 December 2020.

## COMMENTARY ON RESULTS

Detailed commentary on the results for the period is contained in the press release dated 18 February 2021 accompanying this Report. This Report should be read in conjunction with the 2020 Annual Report and any public announcements made by the Company in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

## ENTITIES OVER WHICH CONTROL, JOINT CONTROL OR SIGNIFICANT INFLUENCE WAS GAINED OR LOST DURING THE PERIOD

Boral Limited (Boral) - the Group has the ability to significantly influence Boral from 28 September 2020 following the appointment of Mr Ryan Stokes AO to Boral's board and the Group's 19.2 per cent investment. Subsequently on 7 October 2020, the Group's ownership interest increased to 20.0 per cent. Boral contributed \$14.9 million in net profit from ordinary activities after income tax attributable to members for the half-year ended 31 December 2020 (December 2019: nil).

# Appendix 4D - Half-Year Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES

ABN 46 142 003 469

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## RESULTS FOR ANNOUNCEMENT TO THE MARKET UNDERLYING TRADING PERFORMANCE

	Underlying trading performance <sup>(a)</sup>		Add: Significant items <sup>(b)</sup>		Statutory results (as reported)	
	Dec 20	Dec 19	Restated <sup>^</sup>		Dec 20	Dec 19
			Dec 20	Dec 19		
	\$m	\$m	\$m	\$m	\$m	\$m
Revenue	2,357.4	2,262.8	-	-	2,357.4	2,262.8
Other income	11.5	35.9	-	-	11.5	35.9
Share of results from equity accounted investees	87.2	112.4	11.4	(48.3)	98.6	64.1
Impairment reversal/(impairment) of equity accounted investee	-	-	104.0	(64.4)	104.0	(64.4)
Impairment of producing and development asset	-	-	-	(104.1)	-	(104.1)
Expenses excluding depreciation and amortisation	(1,929.6)	(1,863.5)	-	-	(1,929.6)	(1,863.5)
<b>Profit before depreciation, amortisation, net finance expense and income tax</b>	<b>526.5</b>	<b>547.6</b>	<b>115.4</b>	<b>(216.8)</b>	<b>641.9</b>	<b>330.8</b>
Depreciation and amortisation	(130.4)	(130.0)	-	-	(130.4)	(130.0)
<b>Profit before net finance expense and income tax</b>	<b>396.1</b>	<b>417.6</b>	<b>115.4</b>	<b>(216.8)</b>	<b>511.5</b>	<b>200.8</b>
Net finance expense	(79.9)	(76.1)	-	-	(79.9)	(76.1)
<b>Profit before income tax</b>	<b>316.2</b>	<b>341.5</b>	<b>115.4</b>	<b>(216.8)</b>	<b>431.6</b>	<b>124.7</b>
Income tax expense	(67.7)	(85.8)	-	-	(67.7)	(85.8)
<b>Profit for the period</b>	<b>248.5</b>	<b>255.7</b>	<b>115.4</b>	<b>(216.8)</b>	<b>363.9</b>	<b>38.9</b>
<b>Profit for the period attributable to:</b>						
Equity holders of the Company	246.7	254.7	115.4	(216.8)	362.1	37.9
Non-controlling interest	1.8	1.0	-	-	1.8	1.0
<b>Profit for the period</b>	<b>248.5</b>	<b>255.7</b>	<b>115.4</b>	<b>(216.8)</b>	<b>363.9</b>	<b>38.9</b>
<b>EARNINGS PER SHARE (EPS)</b>	<b>\$</b>	<b>\$</b>			<b>\$</b>	<b>\$</b>
<b>Ordinary shares</b>						
Basic earnings per share	0.73	0.75			1.07	0.11
Diluted earnings per share	0.72	0.75			1.06	0.11

<sup>^</sup> Amounts have been restated. Refer to Note 1 for further detail.

(a) Underlying trading performance is comprised of Statutory results adjusted for significant items. Underlying trading performance is separately disclosed and reconciled to statutory performance to assist users in understanding the financial performance of the Group. Underlying trading performance measures are non-International Financial Reporting Standards (IFRS) measures and have not been subject to audit or review.

(b) Significant items are disclosed in Note 3.

Refer to the Consolidated Interim Financial Report for detailed information on individual reported components above.

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

		Restated <sup>^</sup>	
	Note	Dec 20 \$m	Dec 19 \$m
Revenue	4	2,357.4	2,262.8
<b>OTHER INCOME</b>			
Dividend income		2.6	4.6
Other		8.9	31.3
<b>Total other income</b>		<b>11.5</b>	<b>35.9</b>
Share of results from equity accounted investees	8	98.6	64.1
Impairment reversal/(impairment) of equity accounted investee	3	104.0	(64.4)
Impairment of producing and development asset	3	-	(104.1)
Expenses excluding depreciation and amortisation	4	(1,929.6)	(1,863.5)
<b>Profit before depreciation and amortisation, net finance expense and income tax</b>		<b>641.9</b>	<b>330.8</b>
Depreciation and amortisation		(130.4)	(130.0)
<b>Profit before net finance expense and income tax</b>		<b>511.5</b>	<b>200.8</b>
Finance income	5	0.5	0.6
Finance expense	5	(80.4)	(76.7)
<b>Net finance expense</b>		<b>(79.9)</b>	<b>(76.1)</b>
<b>Profit before income tax</b>		<b>431.6</b>	<b>124.7</b>
Income tax expense	6	(67.7)	(85.8)
<b>Profit for the period</b>		<b>363.9</b>	<b>38.9</b>
<b>Profit for the period attributable to:</b>			
Equity holders of the Company		362.1	37.9
Non-controlling interest		1.8	1.0
<b>Profit for the period</b>		<b>363.9</b>	<b>38.9</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Net change in fair value of financial assets at fair value through other comprehensive income		146.0	(46.3)
Income tax relating to items that will not be reclassified subsequently to profit or loss	6	33.9	11.9
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>179.9</b>	<b>(34.4)</b>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Cash flow hedges: effective portion of changes in fair value		(8.6)	9.5
Foreign currency differences for foreign operations		(27.3)	2.1
Income tax relating to items that may be reclassified subsequently to profit or loss	6	2.0	(3.0)
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>(33.9)</b>	<b>8.6</b>
<b>Total comprehensive income for the period</b>		<b>509.9</b>	<b>13.1</b>
<b>Total comprehensive income for the period attributable to:</b>			
Equity holders of the Company		508.1	12.1
Non-controlling interest		1.8	1.0
<b>Total comprehensive income for the period</b>		<b>509.9</b>	<b>13.1</b>
<b>EARNINGS PER SHARE (EPS)</b>		<b>\$</b>	<b>\$</b>
Basic earnings per share	7	1.07	0.11
Diluted earnings per share	7	1.06	0.11

<sup>^</sup> Amounts have been restated. Refer to Note 1 for further detail.

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

# Consolidated Statement of Financial Position

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
AS AT 31 DECEMBER 2020

	Note	Dec 20 \$m	Jun 20 \$m
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		104.2	119.8
Trade and other receivables		701.2	775.4
Inventories		869.3	836.8
Other current assets		88.1	60.2
Derivative financial instruments	14	3.9	2.9
Assets held for sale		2.9	4.7
<b>Total current assets</b>		<b>1,769.6</b>	<b>1,799.8</b>
<b>NON-CURRENT ASSETS</b>			
Investments accounted for using the equity method	8	2,278.4	1,000.0
Other financial assets		275.8	853.6
Right of use assets		620.2	636.6
Property, plant and equipment		965.7	981.9
Producing and development assets	9	112.2	112.2
Exploration and evaluation assets	10	237.1	235.7
Intangible assets		1,625.9	1,624.9
Derivative financial instruments	14	155.3	206.9
<b>Total non-current assets</b>		<b>6,270.6</b>	<b>5,651.8</b>
<b>Total assets</b>		<b>8,040.2</b>	<b>7,451.6</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		382.3	448.7
Lease liabilities		49.7	52.8
Interest bearing loans and borrowings	12	542.8	57.5
Deferred income		167.6	216.0
Current tax liability		22.2	23.2
Provisions		29.5	30.8
Employee benefits		86.1	86.7
Derivative financial instruments	14	15.7	1.2
<b>Total current liabilities</b>		<b>1,295.9</b>	<b>916.9</b>
<b>NON-CURRENT LIABILITIES</b>			
Other payables		1.4	0.5
Lease liabilities		805.2	810.8
Interest bearing loans and borrowings	12	2,206.7	2,426.6
Deferred tax liabilities		238.6	273.7
Provisions		67.9	66.2
Employee benefits		7.0	7.2
Derivative financial instruments	14	110.8	82.7
<b>Total non-current liabilities</b>		<b>3,437.6</b>	<b>3,667.7</b>
<b>Total liabilities</b>		<b>4,733.5</b>	<b>4,584.6</b>
<b>Net assets</b>		<b>3,306.7</b>	<b>2,867.0</b>
<b>EQUITY</b>			
Contributed equity	15	2,890.4	2,878.4
Reserves		(652.8)	(788.6)
Retained earnings		1,053.8	763.0
<b>Total equity attributable to equity holders of the Company</b>		<b>3,291.4</b>	<b>2,852.8</b>
Non-controlling interest		15.3	14.2
<b>Total equity</b>		<b>3,306.7</b>	<b>2,867.0</b>

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

# Consolidated Statement of Changes in Equity

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

HALF-YEAR ENDED 31 DECEMBER 2020	Note	Contributed equity \$m	Reserves \$m	Retained earnings \$m	Total \$m	Non-controlling interest \$m	Total equity \$m
<b>Balance as at 1 July 2020</b>		<b>2,878.4</b>	<b>(788.6)</b>	<b>763.0</b>	<b>2,852.8</b>	<b>14.2</b>	<b>2,867.0</b>
Profit for the period		-	-	362.1	362.1	1.8	363.9
Net change in fair value of financial assets measured at fair value through OCI		-	146.0	-	146.0	-	146.0
Cash flow hedges: effective portion of changes in fair value		-	(8.6)	-	(8.6)	-	(8.6)
Foreign currency differences for foreign operations		-	(27.3)	-	(27.3)	-	(27.3)
Income tax on items of OCI		-	35.9	-	35.9	-	35.9
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>146.0</b>	<b>362.1</b>	<b>508.1</b>	<b>1.8</b>	<b>509.9</b>
<b>Transactions with owners recognised directly in equity</b>							
Ordinary dividends paid	16	-	-	(71.3)	(71.3)	(0.7)	(72.0)
Shares vested and transferred to employees		12.0	(12.0)	-	-	-	-
Share based payments		-	1.8	-	1.8	-	1.8
<b>Total distributions to owners</b>		<b>12.0</b>	<b>(10.2)</b>	<b>(71.3)</b>	<b>(69.5)</b>	<b>(0.7)</b>	<b>(70.2)</b>
<b>Total movement in equity for the period</b>		<b>12.0</b>	<b>135.8</b>	<b>290.8</b>	<b>438.6</b>	<b>1.1</b>	<b>439.7</b>
<b>Balance as at 31 December 2020</b>		<b>2,890.4</b>	<b>(652.8)</b>	<b>1,053.8</b>	<b>3,291.4</b>	<b>15.3</b>	<b>3,306.7</b>

HALF-YEAR ENDED 31 DECEMBER 2019

<b>Balance as at 1 July 2019</b>		<b>2,883.4</b>	<b>(816.1)</b>	<b>789.7</b>	<b>2,857.0</b>	<b>12.3</b>	<b>2,869.3</b>
Profit for the period		-	-	37.9	37.9	1.0	38.9
Net change in fair value of financial assets measured at fair value through OCI		-	(46.3)	-	(46.3)	-	(46.3)
Cash flow hedges: effective portion of changes in fair value		-	9.5	-	9.5	-	9.5
Foreign currency differences for foreign operations		-	2.1	-	2.1	-	2.1
Income tax on items of OCI		-	8.9	-	8.9	-	8.9
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>(25.8)</b>	<b>37.9</b>	<b>12.1</b>	<b>1.0</b>	<b>13.1</b>
<b>Transactions with owners recognised directly in equity</b>							
Ordinary dividends paid	16	-	-	(71.3)	(71.3)	-	(71.3)
Shares vested and transferred to employees		4.5	(4.5)	-	-	-	-
Share based payments		-	1.9	-	1.9	-	1.9
<b>Total distributions to owners</b>		<b>4.5</b>	<b>(2.6)</b>	<b>(71.3)</b>	<b>(69.4)</b>	<b>-</b>	<b>(69.4)</b>
<b>Total movement in equity for the period</b>		<b>4.5</b>	<b>(28.4)</b>	<b>(33.4)</b>	<b>(57.3)</b>	<b>1.0</b>	<b>(56.3)</b>
<b>Balance as at 31 December 2019</b>		<b>2,887.9</b>	<b>(844.5)</b>	<b>756.3</b>	<b>2,799.7</b>	<b>13.3</b>	<b>2,813.0</b>

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.



# Consolidated Cash Flow Statement

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	Dec 20 \$m	Restated^ Dec 19 \$m
<b>CASH FLOWS RELATED TO OPERATING ACTIVITIES</b>			
Receipts from customers		2,542.5	2,351.4
Payments to suppliers and employees		(2,187.4)	(2,057.8)
Dividends and distributions received from equity accounted investees	8	6.5	7.3
Other dividends received		5.4	21.6
Interest and other items of a similar nature received		0.3	0.7
Interest and other costs of finance paid		(64.3)	(68.8)
Income taxes paid		(74.1)	(106.6)
<b>Net operating cash flows</b>	11	<b>228.9</b>	<b>147.8</b>
<b>CASH FLOWS RELATED TO INVESTING ACTIVITIES</b>			
Payments for purchases of property, plant and equipment		(92.9)	(168.0)
Proceeds from sale of property, plant and equipment		15.0	21.1
Payments for purchase of intangible assets		(4.2)	(3.7)
Payments for production, development and exploration assets		(1.4)	(5.6)
Payments for other investments		(5.3)	(2.1)
Proceeds from sale of other financial assets		6.6	3.7
Consideration for business combination, net of cash acquired		-	(0.2)
Acquisition of equity accounted investee		(422.1)	-
Loans and deposits received		-	7.2
<b>Net investing cash flows</b>		<b>(504.3)</b>	<b>(147.6)</b>
<b>CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>			
Ordinary dividends paid	16	(71.3)	(71.3)
Dividends paid to non-controlling interests		(0.7)	-
Proceeds from borrowings		1,280.6	426.0
Repayment of borrowings		(921.9)	(325.5)
Repayment of lease liabilities		(28.6)	(27.4)
<b>Net financing cash flows</b>		<b>258.1</b>	<b>1.8</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(17.3)</b>	<b>2.0</b>
Cash and cash equivalents at beginning of the period		119.8	78.1
Effect of exchange rate changes on cash and cash equivalents		1.7	(0.5)
<b>Cash and cash equivalents at end of the period</b>		<b>104.2</b>	<b>79.6</b>

^ Amounts have been restated. Refer to Note 1 for further detail.

The consolidated cash flow statement is to be read in conjunction with the notes to the financial statements.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 1. BASIS OF PREPARATION

Seven Group Holdings Limited (the Company) is a for-profit company limited by shares and the shares are publicly traded on the Australian Securities Exchange (ASX). The Company is domiciled in Australia. These consolidated financial statements cover the half-year ended 31 December 2020 (Consolidated Interim Financial Report) and comprise the Company and its subsidiaries (together referred to as the Group), and the Group's interest in equity accounted investees.

The Consolidated Interim Financial Report was authorised for issue in accordance with a resolution of the Directors on 18 February 2021.

The Consolidated Interim Financial Report is a general purpose financial report. It has been prepared in accordance with the *Corporations Act 2001* and with International Accounting Standard IAS 34: *Interim Financial Reporting*. International Financial Reporting Standards (IFRSs) form the basis of Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB).

The Consolidated Interim Financial Report should be read in conjunction with the 2020 Annual Report and considered with any public announcements made by the Company during the half-year ended 31 December 2020 in accordance with the continuous disclosure obligations of the ASX Listing rules. A copy of the 2020 Annual Report is available from the Company on request or at [www.sevengroup.com.au](http://www.sevengroup.com.au).

The Consolidated Interim Financial Report does not include all of the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as a full annual financial report.

The Consolidated Interim Financial Report is presented in Australian Dollars, which is the functional currency of the Group and is prepared on the historical cost basis except for the following items:

- financial instruments that are measured at amortised cost or fair value through other comprehensive income;
- derivative financial instruments are measured at fair value through profit or loss; and
- liabilities for cash-settled share based payments are measured at fair value through profit or loss.

The Company is of a kind referred to in ASIC Instrument 2016/191 and in accordance with that Instrument, amounts in the Directors' Report and the Consolidated Interim Financial Report are rounded off to the nearest whole number of million of dollars and one place of decimals representing hundreds of thousands of dollars unless otherwise stated.

Certain comparative amounts in this financial report have been reclassified to conform to the current period's presentation. In particular:

- Seven West Media (SWM) have recognised a deferred tax liability on their indefinite life intangibles in accordance with AASB 112: *Income Taxes*. The change has been applied retrospectively by SWM and comparatives restated. The Group has recognised its share of this restatement, resulting in a reduction in retained earnings of \$117.6 million as at 30 June 2018, and a corresponding restatement of profit and loss to reflect the change to the Group's share of losses and impairment in the prior year. Seven West Media's accounting policies are now aligned with the Group for the recognition of deferred tax liabilities. This restatement is consistent with that presented in the 2020 Annual Report and the table below outlines the impact on this financial report.

	Previously reported	Adjustment	Restated
	Dec 19	AASB 112	Dec 19
	\$m	\$m	\$m
Share of results from equity accounted investees	56.5	7.6	64.1
Impairment of equity accounted investee	(56.8)	(7.6)	(64.4)

The impact of the restatement of SWM's prior period result on the Group's statutory and underlying net profit after tax was nil.

- Management have reassessed the methodology associated with the classification of rebates received from suppliers in operating cash flows. This has resulted in a reclassification of \$180.9 million from receipts from customers to payments to suppliers to align with current period presentation. The net impact of this adjustment is nil.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Except as outlined below, the Consolidated Interim Financial Report has been prepared using accounting policies that are consistent with those that were applied by the Group and disclosed in the 2020 Annual Report.

## (A) NEW OR AMENDED ACCOUNTING STANDARDS

A number of new standards, amendment to standards and interpretations are effective for future reporting periods. These standards have not been applied in preparing this Consolidated Interim Financial Report.

- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures;
  - AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle; and,
- While these Amendments introduce new disclosure requirements, they do not materially affect the Group's accounting policies or any of the amounts recognised in the financial statements.

## (B) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires that management make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Revisions to estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In preparing this Consolidated Interim Financial Report, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation and uncertainty were the same as those applied to the consolidated financial statements as at, and for the year ended, 30 June 2020.

Specifically, the following critical estimates and judgements reconsidered in this reporting period were:

- Revenue recognition - maintenance and repair contracts (MARC)
- Income tax
- Inventory valuation
- Control, joint control or significant influence over equity accounted investees
- Impairment of investments accounted for using the equity method
- Dependency on key suppliers
- Impairment of intangible assets
- Producing and development assets
- Exploration and evaluation assets
- Provisions - restoration
- Valuation of Right of use assets and Lease liabilities
- Environmental risk and regulation

## (C) COVID-19

The COVID-19 global pandemic has impacted the Group's operating businesses both directly and indirectly. Updates to the key risks and impacts disclosed in the 2020 Annual Report are provided below.

- Revenue - Coates Hire continued to experience challenges in the Events business due to event restrictions and cancellations as well as temporary branch restrictions in Melbourne throughout the Melbourne lockdown. Recovery is expected in the latter half of the financial year as restrictions are eased.
- Receivables - to date, COVID-19 has not had a material impact on the Group's assessment of expected credit losses, with days sales outstanding at 31 December 2020 being consistent with experience in prior periods.
- Inventory - to date, COVID-19 has not had a material impact on the Group's assessment of the net realisable value of inventory with inventory turn increasing since the commencement of the pandemic.
- Exploration & evaluation assets - As at 30 June 2020, the impact of COVID-19, the low oil price environment and current global LNG oversupply resulted in the deferral of the Crux project Final Investment Decision (FID). The Group continues to work with Shell as Operator and fellow Crux AC/RL9 joint venture partners in progressing the project through to FID. There has been no further deterioration in oil prices since year end.
- Equity accounted investments - As reported at 30 June 2020, Seven West Media had experienced a significant decline in advertising revenue, this has improved since year end. Beach Energy had been impacted by the fall in the price of crude oil due in part to reduced demand from global aviation. Oil prices have remained stable since year end with domestic demand for aviation increasing as state borders reopen.
- Equity accounted investments - Since 30 June 2020, the Group has invested \$422.1 million in Boral. This represents a significant increase in the Group's exposure to equity market risk coupled with increased industry exposure.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 2. OPERATING SEGMENTS

### RECOGNITION AND MEASUREMENT

#### *Identification of reportable segments*

The accounting policies used by the Group in reporting segments internally are the same as those described in the 2020 Annual Report. Since the 2020 Annual Report, the Group has identified a new operating segment for Boral.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The operating segments are identified by management based on the manner in which products are sold, the nature of services provided and country of origin.

- WesTrac* WesTrac is the authorised Caterpillar dealer (including Bucyrus/Expanded Mining Products) in Western Australia, New South Wales and the Australian Capital Territory, providing heavy equipment sales and support to customers.
- Coates Hire* Coates Hire is Australia's largest general equipment hire company and provides a full range of general and specialist equipment to a wide variety of markets including engineering, building construction and maintenance, mining and resources, manufacturing, government and events.
- AllightSykes* AllightSykes represents the Group's operations in the manufacture, assembly, sales and support of lighting towers, FG Wilson power generation and dewatering equipment as well as distribution of Perkins engines.
- Boral* Boral relates to the Group's equity accounted investment in Boral Limited (Boral), a multinational building products and construction materials group.
- Energy* Energy relates to the Group's 11.2 per cent working interest in the Bivins Ranch area in Texas USA, the Group's wholly-owned interest in SGH Energy Pty Limited and the Group's equity accounted investment in Beach Energy Limited (Beach Energy).
- Media investments* Media investments relates to investments in listed and unlisted media organisations, including but not limited to Seven West Media Limited.
- Other investments* Other investments incorporates other listed investments and property.

The Group is domiciled in Australia and operates predominantly in Australia. Further details of other countries in which the Group operates is provided in this note.

Segment revenues are allocated based on the country in which the customer is located.

Segment non-current assets are allocated to countries based on where the assets are located.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	WesTrac <sup>(a)</sup>		Coates Hire <sup>(a)(f)</sup>		Boral		AllightSykes <sup>(a)</sup>		Energy		Media investments <sup>(b)</sup>		Other investments		Total			
	Dec 20	Dec 19	Dec 20	Dec 19	Dec 20	Dec 19	Dec 20	Dec 19	Dec 20	Dec 19	Dec 20	Dec 19	Dec 20	Dec 19	Dec 20	Dec 19	Restated <sup>^</sup>	
																	Dec 20	Dec 19
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
<b>Segment revenue</b>																		
Product sales	615.5	527.0	0.2	0.1	-	-	27.6	29.8	-	-	-	-	-	-	-	-	643.3	556.9
Product support	1,225.5	1,177.3	5.1	5.5	-	-	10.1	11.1	-	-	-	-	-	-	-	-	1,240.7	1,193.9
Hire of equipment	6.4	8.5	463.4	498.7	-	-	-	0.3	-	-	-	-	-	-	-	-	469.8	507.5
Oil, gas and condensate sales	-	-	-	-	-	-	-	-	1.2	2.1	-	-	-	-	-	-	1.2	2.1
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	2.4	2.4	-	2.4	2.4
<b>Sales to external customers</b>	<b>1,847.4</b>	<b>1,712.8</b>	<b>468.7</b>	<b>504.3</b>	<b>-</b>	<b>-</b>	<b>37.7</b>	<b>41.2</b>	<b>1.2</b>	<b>2.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.4</b>	<b>2.4</b>	<b>-</b>	<b>2,357.4</b>	<b>2,262.8</b>
<b>by geographic segment</b>																		
Australia	1,847.4	1,712.8	460.2	495.4	-	-	28.8	29.7	-	-	-	-	2.4	2.4	-	-	2,338.8	2,240.3
International	-	-	8.5	8.9	-	-	8.9	11.5	1.2	2.1	-	-	-	-	-	-	18.6	22.5
<b>Segment result</b>																		
Segment earnings before interest, income tax, depreciation and amortisation (EBITDA) <sup>(c)</sup>	243.8	218.3	202.0	199.3	15.4	-	-	1.1	35.5	78.3	38.1	46.2	2.7	14.6	-	-	537.5	557.8
Depreciation and amortisation	(32.4)	(32.3)	(96.7)	(95.1)	-	-	(1.1)	(1.2)	-	(0.9)	-	-	-	-	-	-	(130.2)	(129.5)
<b>Segment earnings before interest and tax (EBIT)<sup>(d)</sup></b>	<b>211.4</b>	<b>186.0</b>	<b>105.3</b>	<b>104.2</b>	<b>15.4</b>	<b>-</b>	<b>(1.1)</b>	<b>(0.1)</b>	<b>35.5</b>	<b>77.4</b>	<b>38.1</b>	<b>46.2</b>	<b>2.7</b>	<b>14.6</b>	<b>-</b>	<b>-</b>	<b>407.3</b>	<b>428.3</b>
<b>Other segment information</b>																		
Share of results of equity accounted investees included in segment EBIT (excluding significant items) <sup>(e)</sup>	0.5	(0.6)	-	-	15.4	-	-	-	36.7	79.5	34.9	29.0	(0.3)	4.5	-	-	87.2	112.4
Impairment of assets recognised in profit or loss	-	-	-	-	-	-	-	-	-	(104.1)	104.0	(64.4)	-	-	-	-	104.0	(168.5)
Share of results of equity accounted investees attributable to significant items	-	-	-	-	(0.5)	-	-	-	-	-	11.9	(48.3)	-	-	-	-	11.4	(48.3)
Capital expenditure	(13.3)	(16.3)	(68.5)	(154.2)	-	-	(0.1)	(0.7)	(1.4)	(5.6)	-	-	-	-	-	-	(83.3)	(176.8)
	<b>Dec 20</b>	<b>Jun 20</b>	<b>Dec 20</b>	<b>Jun 20</b>	<b>Dec 20</b>	<b>Jun 20</b>	<b>Dec 20</b>	<b>Jun 20</b>	<b>Dec 20</b>	<b>Jun 20</b>	<b>Dec 20</b>	<b>Jun 20</b>	<b>Dec 20</b>	<b>Jun 20</b>	<b>Dec 20</b>	<b>Jun 20</b>	<b>Dec 20</b>	<b>Jun 20</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>Balance sheet</b>																		
Investments accounted for using the equity method	33.2	32.7	-	-	1,099.9	-	-	-	911.1	880.6	204.2	56.3	30.0	30.4	-	-	2,278.4	1,000.0
Other segment assets	2,433.1	2,419.5	2,365.6	2,410.6	-	-	47.0	58.5	349.9	348.2	133.6	148.0	163.2	733.0	-	-	5,492.4	6,117.8
<b>Segment assets</b>	<b>2,466.3</b>	<b>2,452.2</b>	<b>2,365.6</b>	<b>2,410.6</b>	<b>1,099.9</b>	<b>-</b>	<b>47.0</b>	<b>58.5</b>	<b>1,261.0</b>	<b>1,228.8</b>	<b>337.8</b>	<b>204.3</b>	<b>193.2</b>	<b>763.4</b>	<b>-</b>	<b>-</b>	<b>7,770.8</b>	<b>7,117.8</b>
<b>Segment liabilities</b>	<b>(1,070.8)</b>	<b>(1,108.1)</b>	<b>(398.5)</b>	<b>(439.0)</b>	<b>-</b>	<b>-</b>	<b>(16.7)</b>	<b>(18.2)</b>	<b>(68.9)</b>	<b>(67.6)</b>	<b>-</b>	<b>-</b>	<b>(0.7)</b>	<b>(35.3)</b>	<b>-</b>	<b>-</b>	<b>(1,555.6)</b>	<b>(1,668.2)</b>

<sup>^</sup> Amounts have been restated. Refer to Note 1 for further detail.

(a) Segment results have been reduced in relation to the elimination of sales between Group entities.

(b) Media investments comprise investments accounted for using the equity method and financial assets fair valued through other comprehensive income.

(c) Segment EBITDA comprises profit before depreciation and amortisation, net finance expense, income tax and significant items.

(d) Segment EBIT comprises profit before net finance expense, income tax and significant items.

(e) Segment EBITDA, EBIT and share of results of equity accounted investees excludes the share of results from equity accounted investees attributable to significant items.

(f) Coates Hire segment assets includes assets held for sale of \$2.9 million (June 2020: \$4.7 million) These assets relate to hire fleet available for immediate sale and are expected to be disposed of within 12 months.

Refer to Note 3: Significant Items for further details on significant items.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 2. OPERATING SEGMENTS (CONTINUED)

### ANALYSIS BY GEOGRAPHICAL AREA

	Segment revenue		Non-current assets <sup>(a)</sup>	
	Dec 20	Dec 19	Dec 20	Jun 20
	\$m	\$m	\$m	\$m
Australia	2,338.8	2,240.3	3,546.6	3,572.7
United Arab Emirates	5.6	5.3	3.3	3.9
Indonesia	8.5	8.9	10.8	13.8
United States of America	3.7	6.5	0.1	0.2
New Zealand	0.8	1.8	0.3	0.7
<b>Total by geographical segment</b>	<b>2,357.4</b>	<b>2,262.8</b>	<b>3,561.1</b>	<b>3,591.3</b>

(a) Non-current assets other than financial instruments and deferred tax assets. There are no employment benefit assets and rights arising under insurance contracts.

### SEGMENT RECONCILIATIONS

Reconciliation of segment EBIT to profit before income tax per consolidated statement of profit or loss	Restated <sup>^</sup>	
	Dec 20	Dec 19
	\$m	\$m
Segment earnings before interest and tax (EBIT)	407.3	428.3
Corporate operating costs	(11.2)	(10.7)
Share of results from equity accounted investees attributable to significant items	11.4	(48.3)
Impairment of equity accounted investee	104.0	(64.4)
Impairment of producing and development asset	-	(104.1)
Net finance expense	(79.9)	(76.1)
<b>Profit before income tax per consolidated statement of profit or loss</b>	<b>431.6</b>	<b>124.7</b>

<sup>^</sup> Amounts have been restated. Refer to Note 1 for further detail.

Reconciliation of segment operating assets to total assets per consolidated statement of financial position		
	Dec 20	Jun 20
	\$m	\$m
Segment operating assets	7,770.8	7,117.8
Corporate cash holdings	104.2	119.8
Derivative financial instruments (assets)	159.2	209.8
Assets held at corporate level	6.0	4.2
<b>Total assets per consolidated statement of financial position</b>	<b>8,040.2</b>	<b>7,451.6</b>

Reconciliation of segment operating liabilities to total liabilities per consolidated statement of financial position		
	Dec 20	Jun 20
	\$m	\$m
Segment operating liabilities	(1,555.6)	(1,668.2)
Interest bearing loans and borrowings - current	(542.8)	(57.5)
Interest bearing loans and borrowings - non-current	(2,206.7)	(2,426.6)
Current tax liability	(22.2)	(23.2)
Deferred tax liabilities	(238.6)	(273.7)
Derivative financial instruments (liabilities)	(126.5)	(83.9)
Liabilities held at corporate level	(41.1)	(51.5)
<b>Total liabilities per consolidated statement of financial position</b>	<b>(4,733.5)</b>	<b>(4,584.6)</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 3. SIGNIFICANT ITEMS

Profit before income tax includes the following income and expenses for which disclosure is relevant in explaining the underlying financial performance of the Group.

	Dec 20	Restated <sup>^</sup> Dec 19
	\$m	\$m
Share of results from equity accounted investees attributable to significant items	11.4	(48.3)
Impairment reversal/(impairment) of equity accounted investee	104.0	(64.4)
Impairment of producing and development asset	-	(104.1)
<b>Total significant items before income tax</b>	<b>115.4</b>	<b>(216.8)</b>
Income tax benefit on significant items	-	-
<b>Total significant items</b>	<b>115.4</b>	<b>(216.8)</b>

<sup>^</sup> Amounts have been restated. Refer to Note 1 for further detail.

Share of results from equity accounted investees attributable to significant items relates to the Group's share of significant items included in the results of equity accounted investees, such as gain/loss on disposal of investments and impairment or impairment reversal of assets.

Impairment reversal/(impairment) of equity accounted investee relates to the impairment reversal of the Group's investment in the ordinary equity of Seven West Media Limited.

Impairment of producing and development asset relates to the impairment of the Group's investment in Bivins Ranch in the prior period.

## 4. REVENUE AND EXPENDITURE

	Dec 20	Dec 19
	\$m	\$m
<b>REVENUE</b>		
Product sales	643.3	556.9
Product support	1,240.7	1,193.9
Hire of equipment	469.8	507.5
Oil, gas and condensate sales	1.2	2.1
Other revenue	2.4	2.4
<b>Total revenue</b>	<b>2,357.4</b>	<b>2,262.8</b>
<b>EXPENDITURE EXCLUDING DEPRECIATION AND AMORTISATION</b>		
Materials cost of inventory sold and used in product sales and product support	(1,279.8)	(1,211.6)
Repairs, maintenance and consumables used on equipment hire	(55.6)	(76.8)
Employee benefits	(420.3)	(394.4)
Other expenses	(173.9)	(180.7)
<b>Total expenses excluding depreciation and amortisation</b>	<b>(1,929.6)</b>	<b>(1,863.5)</b>

The Group disaggregates revenue by operating segment and service type. Refer to Note 2: Operating Segments for revenue by operating segment and geographical split. As at 31 December 2020, the Group has remaining performance obligations to be recognised on MARCs with a duration of more than 12 months. The aggregate amount of the transaction price allocated to the remaining performance obligations is \$152.5 million (June 2020: \$240.9 million). The Group will recognise this revenue when the performance obligations are satisfied. Approximately 26 per cent of remaining performance obligations are expected to occur within the next 12 months, with the remaining expected to occur over a period of up to five years.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 5. NET FINANCE EXPENSE

	Dec 20	Dec 19
	\$m	\$m
<b>FINANCE INCOME</b>		
Interest income on bank deposits	0.5	0.5
Other	-	0.1
<b>Total finance income</b>	<b>0.5</b>	<b>0.6</b>
<b>FINANCE EXPENSE</b>		
Interest expense	(49.1)	(43.6)
Interest expense on lease liabilities	(27.1)	(28.5)
Borrowing costs	(2.7)	(3.2)
Unwind of discount on provisions	(1.5)	(1.4)
<b>Total finance expense</b>	<b>(80.4)</b>	<b>(76.7)</b>
<b>Net finance expense</b>	<b>(79.9)</b>	<b>(76.1)</b>

## 6. INCOME TAX

	Dec 20	Restated ^ Dec 19
	\$m	\$m
<b>INCOME TAX EXPENSE</b>		
Current tax expense	(69.7)	(60.9)
Deferred tax expense	2.0	(25.5)
Adjustment for prior periods	-	0.6
<b>Income tax expense</b>	<b>(67.7)</b>	<b>(85.8)</b>
<b>RECONCILIATION BETWEEN INCOME TAX EXPENSE AND PRE-TAX STATUTORY PROFIT:</b>		
Income tax using the domestic corporation tax rate 30%	(129.5)	(37.4)
Franked dividends	0.8	1.4
Share of equity accounted investees' net profit/(loss)	29.6	(9.2)
Non-assessable income	31.5	5.1
Non-deductible expenses	(0.1)	(46.3)
Over provided in prior periods	-	0.6
<b>Income tax expense</b>	<b>(67.7)</b>	<b>(85.8)</b>
<b>DEFERRED INCOME TAX RECOGNISED DIRECTLY IN OCI</b>		
Relating to financial assets at fair value through other comprehensive income	33.9	11.9
Relating to cash flow hedge reserve	2.0	(3.0)
<b>Total deferred income tax recognised directly in OCI</b>	<b>35.9</b>	<b>8.9</b>

^ Amounts have been restated. Refer to Note 1 for further detail.



# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 7. EARNINGS PER SHARE

	Dec 20	Dec 19
	\$	\$
<b>STATUTORY EARNINGS PER SHARE</b>		
Basic	1.07	0.11
Diluted	1.06	0.11

	Dec 20	Dec 19
	\$m	\$m
<b>EARNINGS RECONCILIATION BY CATEGORY OF SHARE</b>		
Ordinary shares	362.1	37.9
<b>Net profit attributable to equity holders of the Company</b>	<b>362.1</b>	<b>37.9</b>

	Dec 20	Dec 19
	Million	Million
<b>WEIGHTED AVERAGE NUMBER OF SHARES</b>		
<b>Ordinary shares for basic earnings per share</b>		
Issued shares as at 1 July	339.4	339.4
<b>Issued shares as at 31 December</b>	<b>339.4</b>	<b>339.4</b>
<b>Weighted average number of shares (basic) at 31 December<sup>(a)</sup></b>	<b>339.0</b>	<b>339.4</b>
Effect of share options on issue - ordinary shares	1.3	1.0
<b>Weighted average number of shares (diluted) at 31 December</b>	<b>340.3</b>	<b>340.4</b>

(a) The weighted average number of shares used to calculate underlying earnings per share is the same as the weighted average number of shares used to calculate statutory earnings per share.

There were 1.3 million options that were exercisable or dilutive at December 2020 (December 2019: 1.0 million).

	Dec 20	Dec 19
	\$	\$
<b>UNDERLYING EARNINGS PER SHARE</b>		
Basic	0.73	0.75
Diluted	0.72	0.75

Underlying earnings per share is a non-IFRS measure and is calculated as follows:

	Dec 20	Dec 19
	\$m	\$m
<b>UNDERLYING EARNINGS RECONCILIATION BY CATEGORY OF SHARE</b>		
Net profit attributable to equity holders of the Company	362.1	37.9
Add: significant items	3 (115.4)	216.8
<b>Underlying net profit attributable to equity holders of the Company</b>	<b>246.7</b>	<b>254.7</b>
<b>Underlying earnings allocated to category of share:</b>		
Ordinary shares	246.7	254.7
<b>Underlying net profit attributable to equity holders of the Company</b>	<b>246.7</b>	<b>254.7</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Dec 20	Jun 20
	\$m	\$m
<b>INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>		
Investments in associates		
Boral Limited	1,099.9	-
Beach Energy Limited	911.1	880.6
Seven West Media Limited	204.2	56.3
Individually immaterial associates	33.2	32.7
Investments in joint ventures		
Individually immaterial joint ventures	30.0	30.4
<b>Total investments accounted for using the equity method</b>	<b>2,278.4</b>	<b>1,000.0</b>

### BORAL LIMITED

On 28 September 2020, the Group's investment in Boral increased to 19.2 per cent and the Group achieved Board representation with the appointment of Mr Ryan Stokes AO (SGH Managing Director & CEO) to the board of Boral. From this point, the Group had the ability to significantly influence, but not control or jointly control, the financial and operating decisions of Boral and has classified the investment as an associate accounted for using the equity method. Subsequently, on 7 October 2020 the Group's ownership interest increased to 20.0 per cent.

### BEACH ENERGY LIMITED

The Group has the ability to significantly influence, but not control or jointly control, the financial and operating decisions of Beach Energy through its investment and board representation and accordingly has classified its investment as an associate.

### SEVEN WEST MEDIA LIMITED

The Group has classified its investment in Seven West Media as an associate as the Group, through its 40.2 per cent (June 2020: 40.2 per cent) ownership interest and equivalent voting rights has the ability to significantly influence, but not control or jointly control the financial and operating policy decisions of Seven West Media. Given the 40.2 per cent ownership interest management continue to assess that the Group has significant influence, but not control, over Seven West Media. This reflects the conclusion that significant uncertainty exists in determining whether the Group's Key Management Personnel exerts de facto control over the significant operational decisions of Seven West Media given the historical level non-SGH related vote participation at AGMs and its majority independent board (the Group only has 2 out of 9 directors). The Group does not control Seven West Media and is therefore not required to consolidate Seven West Media at 31 December 2020.

Detailed in the table below are the Group's associates and joint ventures as at 31 December 2020. The country of incorporation is also their principal place of business.

Investee	Principal activities	Country of incorporation	Balance date	Ownership interest	
				Dec 20	Jun 20
<b>ASSOCIATES</b>					
Boral Limited <sup>(a)</sup>	Supplier of building products and construction materials	Australia	30 Jun	20.0%	-
Beach Energy Limited	Oil and gas exploration, development, production	Australia	30 Jun	28.5%	28.5%
Energy Power Systems Australia Pty Ltd	Distribution and rental of CAT engine products	Australia	30 Jun	40.0%	40.0%
Mo's Mobiles Pty Limited	Mobile phone retailer	Australia	30 Jun	25.0%	25.0%
Seven West Media Limited	Media	Australia	26 Jun	40.2%	40.2%
<b>JOINT VENTURES</b>					
Flagship Property Holdings Pty Limited	Property management	Australia	31 Dec	45.8%	45.8%
Kings Square Pty Ltd	Property development	Australia	30 Jun	50.0%	50.0%
Kings Square No. 4 Unit Trust	Property development	Australia	30 Jun	50.0%	50.0%

(a) At June 2020, the Group had a 12.2 per cent interest in Boral Limited which was accounted for as an Other Financial Asset.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

	Dec 20	Restated <sup>^</sup> Dec 19
	\$m	\$m
<b>SHARE OF INVESTEEES' NET PROFIT</b>		
Investments in associates:		
Boral Limited	14.9	-
Beach Energy Limited	36.7	79.5
Seven West Media Limited	46.8	(19.3)
Individually immaterial associates	0.5	(0.6)
Investments in joint ventures:		
Individually immaterial joint ventures	(0.3)	4.5
<b>Share of net profit from equity accounted investees</b>	<b>98.6</b>	<b>64.1</b>

<sup>^</sup> Amounts have been restated. Refer to Note 1 for further detail.

The Group received cash dividends and distributions of \$6.5 million from its investments in equity accounted investees during the half-year ended 31 December 2020 (December 2019: \$7.3 million).

	Dec 20	Jun 20
	\$m	\$m
<b>MARKET VALUES OF LISTED INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>		
Boral Limited <sup>(a)</sup>		
Book value	1,099.9	-
Market value	1,200.2	-
Beach Energy Limited		
Book value	911.1	880.6
Market value	1,171.0	988.8
Seven West Media Limited		
Book value	204.2	56.3
Market value	204.2	56.3

(a) At June 2020, the Group had a 12.2 per cent interest in Boral Limited which was accounted for as an Other Financial Asset.

An impairment reversal of \$104.0 million (December 2019 restated impairment expense: \$64.4 million) relating to the Group's investment in Seven West Media was recognised in the profit or loss during the period.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 9. PRODUCING AND DEVELOPMENT ASSETS

	Dec 20	Jun 20
	\$m	\$m
<b>PRODUCING AND DEVELOPMENT ASSETS</b>		
At cost	237.6	251.9
Accumulated impairment	(104.2)	(117.0)
Accumulated depreciation	(21.2)	(22.7)
<b>Total producing and development assets</b>	<b>112.2</b>	<b>112.2</b>

Producing and development assets comprise the Group's operating interests in oil and gas assets located in the Longtom gas and condensate field located in the Bass Strait off the coast of Victoria in Australia and the Bivins Ranch oil and gas asset located in the Texas Panhandle region of the United States.

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

As at 31 December 2020, the Group performed an impairment review of its producing and development assets in accordance with *AASB 136: Impairment of Assets*. The review has not indicated any trigger events or indicator that the assets may be impaired, therefore no impairments have been recognised at 31 December 2020.

Producing and development asset valuations are based on expected production profile of reserves and resources and various estimates and assumptions. For the purpose of assessing impairment, the recoverable amount of the cash generating unit (CGU) are based on the fair value less costs of disposal using a discounted cash flow method (DCF).

## 10. EXPLORATION AND EVALUATION ASSETS

	Dec 20	Jun 20
	\$m	\$m
<b>EXPLORATION AND EVALUATION ASSETS</b>		
At cost	237.1	241.4
Accumulated impairment	-	(5.7)
<b>Total exploration and evaluation assets</b>	<b>237.1</b>	<b>235.7</b>

Exploration and evaluation assets are located in the Browse basin which is north-west of Australia and relate to the Crux AC/RL9 joint operation. The Echuca Shoals WA-377P exploration permit was cancelled on 22 December 2020. The carrying value of WA-377P had been fully impaired previously. The application to the Responsible Authority for Good Standing is still being reviewed.

The Crux AC/RL9 project has been identified as a primary source of back fill gas supply to the Shell Operated Prelude floating liquefied natural gas facility (Prelude FLNG). The current concept for the Crux project is a Not Normally Manned Platform which will be tied back to the Prelude FLNG facility via an export pipeline. Both the Prelude FLNG and Crux AC/RL9 projects are operated by Shell Australia.

The Group continues to work with Shell as Operator and fellow Crux AC/RL9 joint venture partners in progressing the project through to Final Investment Decision (FID).

Spot oil and LNG prices have increased since 30 June 2020. There are no facts or circumstances indicating an impairment of the asset under *AASB 6: Exploration for and Evaluation of Mineral Resources* at 31 December 2020.

The ultimate recoupment of the carrying value of the Group's exploration and evaluation assets is dependent on successful commercial exploitation, or the sale of the respective area of interest.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 11. NOTES TO THE CASH FLOW STATEMENT

	Dec 20	Restated ^ Dec 19
	\$m	\$m
<b>Reconciliation of profit for the period to net cash flows related to operating activities</b>		
<b>Profit for the period</b>	<b>363.9</b>	<b>38.9</b>
Income tax expense	67.7	85.8
Income taxes paid	(74.1)	(106.6)
Depreciation and amortisation:		
Property, plant and equipment	88.9	87.9
Producing and development assets	-	0.9
Right of use assets	37.7	38.2
Intangible assets	3.8	3.0
Capitalised borrowing costs amortised	1.4	1.5
Share of results from equity accounted investees	(98.6)	(64.1)
Employee share movements in equity	2.8	1.3
Dividends received from equity accounted investees	6.5	7.3
Gain on sale of property, plant and equipment	(3.6)	(5.9)
(Impairment reversal)/Impairment of equity accounted investee	(104.0)	64.4
Impairment of producing and development asset	-	104.1
Movement in accrued investing items	38.5	(11.5)
Unwind of interest on convertible note	4.4	3.8
Other	(7.7)	1.5
Movement in:		
Trade and other receivables	74.2	(53.2)
Inventories	(32.5)	(67.4)
Other assets	(26.1)	(7.7)
Trade and other payables/deferred income	(113.9)	27.0
Provisions and employee benefits	(0.4)	(1.4)
<b>Net operating cash flows</b>	<b>228.9</b>	<b>147.8</b>

^ Amounts have been restated. Refer to Note 1 for further detail.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 12. INTEREST BEARING LOANS AND BORROWINGS

	Dec 20 \$m	Jun 20 \$m
<b>CURRENT</b>		
Interest bearing liabilities	432.4	13.8
Fixed term US dollar notes	110.4	43.7
	<b>542.8</b>	<b>57.5</b>
<b>NON-CURRENT</b>		
Interest bearing liabilities	1,075.6	1,556.6
Convertible notes	308.7	304.3
Fixed term US dollar notes	830.7	573.4
Less: capitalised borrowing costs net of accumulated amortisation	(8.3)	(7.7)
	<b>2,206.7</b>	<b>2,426.6</b>

Current interest bearing liabilities includes the \$431 million facility with Caterpillar Financial Australia Limited. The facility matures in July 2021.

Non-current interest bearing liabilities includes the Group's syndicated loan facility, comprising two tranches A and B, is unsecured and is supported by guarantees by the Company and certain subsidiaries within the Group. On 29 December 2020, the Group successfully concluded the amendment to \$508 million from \$400 million and extension of Tranche A, maturing in September 2024. Tranche B of \$900 million matures in September 2023. The amended facility takes effect from 29 January 2021.

Non-current fixed term US dollar notes includes a US\$300 million private placement completed in July 2020 across 7, 10 and 12 year tranches, raising A\$461 million equivalent.

At 31 December 2020, the Group had available undrawn borrowing facilities of \$1,184.9 million (June 2020: \$452.0 million).

### Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Jun 20 \$m	Net financing cash flows \$m	Effect of exchange rates \$m	Other \$m	Dec 20 \$m
<b>Interest bearing loans and borrowings</b>					
Interest bearing liabilities	1,570.4	(62.4)	-	-	1,508.0
Fixed term US dollar notes	617.1	421.1	(97.1)	-	941.1
Convertible notes	304.3	-	-	4.4	308.7
Capitalised borrowing costs	(7.7)	-	-	(0.6)	(8.3)
<b>Total interest bearing loans and borrowings</b>	<b>2,484.1</b>	<b>358.7</b>	<b>(97.1)</b>	<b>3.8</b>	<b>2,749.5</b>
<b>Lease liabilities</b>					
Cash payments for lease liabilities	863.6	(28.6)	(0.5)	20.4	854.9
<b>Total lease liabilities</b>	<b>863.6</b>	<b>(28.6)</b>	<b>(0.5)</b>	<b>20.4</b>	<b>854.9</b>
<b>Total</b>	<b>3,347.7</b>	<b>330.1</b>	<b>(97.6)</b>	<b>24.2</b>	<b>3,604.4</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 13. FINANCIAL INSTRUMENTS

### OVERVIEW

#### *Measurement of fair values*

The Group has an established control framework with respect to the measurement of fair values. Significant valuation matters are reported to the Group Audit & Risk Committee.

The Group uses various methods in estimating the fair value of a financial instrument. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 Fair value is calculated using quoted prices in active markets.
- Level 2 Fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).
- Level 3 Fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of AASB, including the level in the fair value hierarchy in which such valuations should be classified.

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of listed equity securities are based on quoted market prices. For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs. Financial instruments that use valuation techniques with only observable market inputs or unobservable inputs that are not significant to the overall valuation include interest rate swaps and foreign exchange contracts not traded on a recognised exchange.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 13. FINANCIAL INSTRUMENTS (CONTINUED)

Financial instruments, carried at fair value, as well as the methods used to estimate the fair value are summarised below:

	Note	Level in fair value hierarchy	Dec 20 Carrying amount \$m	Dec 20 Fair value \$m	Jun 20 Carrying amount \$m	Jun 20 Fair value \$m
<b>Financial assets measured at fair value</b>						
Listed equity securities (excluding derivatives)		1	142.2	142.2	705.8	705.8
Unlisted equity securities		3	133.6	133.6	147.8	147.8
Forward foreign exchange contracts - used for hedging	14	2	3.9	3.9	3.1	3.1
Cross currency swap - used for hedging	14	2	149.0	149.0	205.0	205.0
Fair value adjustment	14	-	6.3	6.3	1.7	1.7
			<b>435.0</b>	<b>435.0</b>	<b>1,063.4</b>	<b>1,063.4</b>
<b>Financial assets not measured at fair value</b>						
Cash and cash equivalents		-	104.2	104.2	119.8	119.8
Trade and other receivables		-	701.2	701.2	775.4	775.4
			<b>805.4</b>	<b>805.4</b>	<b>895.2</b>	<b>895.2</b>
<b>Financial liabilities measured at fair value</b>						
Forward foreign exchange contracts - used for hedging	14	2	15.7	15.7	2.4	2.4
Cross currency swap - used for hedging	14	2	50.3	50.3	5.3	5.3
Interest rate collars - used for hedging	14	2	3.0	3.0	4.0	4.0
Fair value adjustment	14	-	57.5	57.5	72.3	72.3
			<b>126.5</b>	<b>126.5</b>	<b>84.0</b>	<b>84.0</b>
<b>Financial liabilities not measured at fair value</b>						
Trade and other payables (excluding accruals)		-	484.8	484.8	343.5	343.5
Fixed term US dollar notes	12	2	941.1	1,075.0	617.1	737.4
Convertible note	12	2	308.7	308.9	304.3	302.5
Other borrowings	12	2	1,508.0	1,518.1	1,570.4	1,590.9
			<b>3,242.6</b>	<b>3,386.8</b>	<b>2,835.3</b>	<b>2,974.3</b>

There have been no transfers between different levels in the fair value hierarchy during the period.



# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 14. DERIVATIVE FINANCIAL INSTRUMENTS

	Dec 20 \$m	Jun 20 \$m
<b>CURRENT ASSETS</b>		
Forward foreign exchange contracts - cash flow hedges	3.9	2.9
	3.9	2.9
<b>NON-CURRENT ASSETS</b>		
Forward foreign exchange contracts - cash flow hedges	-	-
Cross currency swaps - cash flow hedges	91.7	133.5
Cross currency swaps - fair value hedges	57.3	71.7
Fair value adjustment	6.3	1.7
	155.3	206.9
<b>CURRENT LIABILITIES</b>		
Forward foreign exchange contracts - cash flow hedges	(15.7)	(1.2)
	(15.7)	(1.2)
<b>NON-CURRENT LIABILITIES</b>		
Forward foreign exchange contracts - cash flow hedges	-	(1.1)
Cross currency swaps - cash flow hedges	(44.7)	(4.1)
Cross currency swaps - fair value hedges	(5.6)	(1.2)
Fair value adjustment	(57.5)	(72.3)
Interest rate swaps and collars - cash flow hedges	(3.0)	(4.0)
	(110.8)	(82.7)
<b>Net derivative financial instruments</b>	<b>32.7</b>	<b>125.9</b>

The Group is a party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates and/or foreign exchange rates in accordance with the Group's financial risk management policies. The Group also enters into equity derivatives.

### *Interest rate swaps*

The Group's policy is to hedge a portion of its interest bearing liabilities from exposure to changes in interest rates.

The gain or loss from remeasuring the hedging instruments to fair value is deferred in equity in the hedge reserve and reclassified into profit or loss when the hedged interest expense is recognised. To the extent that the hedge is ineffective or undesignated, the fair value movement is recognised as fair value through profit or loss.

### *Forward foreign exchange contracts*

The Group has entered into forward foreign currency exchange contracts to hedge the US Dollar (USD) denominated debt in conjunction with cross currency swaps. The Group has obligations to repay the principal amount of USD denominated debt and interest thereon. The Group's USD denominated debt and coupon obligations are hedged with foreign exchange derivatives.

The Group from time to time also enters into forward foreign exchange contracts to hedge certain known trading commitments predominantly denominated in USD. The terms of these commitments are generally shorter than one year.

### *Cross currency swaps*

The Group has obligations to repay the principal and interest relating to USD denominated debt. The Group enters into cross currency swap contracts to hedge these obligations.

### *Other derivatives*

Other derivatives comprise equity derivatives. The Group enters into equity derivatives from time to time to hedge the value of listed investments or to gain exposure to certain market sectors.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 15. CAPITAL

	Dec 20 \$m	Jun 20 \$m
<b>SHARE CAPITAL</b>		
339,357,656 ordinary shares, fully paid (June 2020: 339,357,656)	2,858.7	2,858.7
Convertible notes, fully paid	31.7	31.7
784 treasury shares, fully paid (June 2020: 810,884)	-	(12.0)
<b>Balance at end of the period</b>	<b>2,890.4</b>	<b>2,878.4</b>
<b>MOVEMENTS IN ORDINARY SHARES</b>		
Balance at beginning of the period	2,858.7	2,858.7
<b>Balance at end of the period</b>	<b>2,858.7</b>	<b>2,858.7</b>

The Company does not have authorised share capital or par value in respect of its shares. All issued shares are fully paid.

### *Treasury shares*

The Company did not acquire any shares on-market during the period. The movement in Treasury Shares of \$12.0 million represents the settlement of employee share scheme obligations.

### *Convertible notes*

On 5 March 2018, the Company issued 3,500 convertible notes (notes) at a nominal value of \$350.0 million and paying a cash coupon of 2.2 per cent per annum. The notes are listed on the Singapore Exchange and mature in March 2025 at their nominal value. Alternatively, they can be converted into ordinary shares at the holder's option at a conversion price of \$24 per ordinary share (subject to adjustments as stipulated in the terms of the convertible note). Shareholder approval was granted at the Company's 2018 Annual General Meeting in November 2018. The total number of ordinary shares which will be issued if the convertible notes are converted is 14,583,333. At 31 December 2020, no notes had been converted.

## 16. DIVIDENDS

	Date of payment	Franked / unfranked	Amount per share \$	<b>Total \$m</b>
<b>DIVIDENDS PAID</b>				
Ordinary shares - Final dividend in respect of 2020 year	13 Oct 20	Franked	0.21	71.3
<b>Total dividends paid</b>				<b>71.3</b>
Ordinary shares - Final dividend in respect of 2019 year	11 Oct 19	Franked	0.21	71.3
<b>Total dividends paid</b>				<b>71.3</b>
<b>SUBSEQUENT EVENT</b>				
<b>Current period interim dividend on ordinary shares proposed but not provided</b>				
Ordinary shares - Interim dividend in respect of 2021 year	20 Apr 21	Franked	0.23	78.1

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

## 17. EVENTS SUBSEQUENT TO BALANCE DATE

Other than as outlined below, there has not arisen in the interval between 31 December 2020 and the date of this Report any event that would have had a material effect on the Consolidated Interim Financial Report as at 31 December 2020.

### Extension of syndicated facility

On 5 February 2021, the Group successfully amended the Group's syndicated loan facility Tranche A from \$508 million to \$558 million, maturing in September 2024.

### Movement in share prices of listed investments

Subsequent to period end, there has been movement in the share prices of listed investments and as a result, the value of the Group's investments have varied from what is presented in this interim financial report. The market value of listed investments at 17 February 2021 compared to their market value at 31 December 2020 is outlined below.

	Market value	
	17 Feb 21	31 Dec 20
	\$m	\$m
Listed equity securities	160.4	142.2
Listed investments accounted for using the equity method	2,642.4	2,574.4
<b>Total listed investments</b>	<b>2,802.8</b>	<b>2,716.6</b>

## 18. RELATED PARTY TRANSACTIONS

Arrangements with related parties continue to be in place. For details of these arrangements refer to the Remuneration Report and Note 33 of the 2020 Annual Report.

There has not been any substantial related party transactions during the period.

## 19. CONTINGENT LIABILITIES AND COMMITMENTS

There has not been any material change to the Group's contingent liabilities and commitments as disclosed in the 2020 Annual Report.

# Directors' Report

## SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

The Directors of Seven Group Holdings Limited (the Company) are pleased to present their report together with the consolidated financial statements, comprising the Company and its subsidiaries (the Group), for the half-year ended 31 December 2020 and the review report thereon.

### DIRECTORS

The Directors of Seven Group Holdings Limited at any time during or since the end of the half-year are:

NAME	PERIOD OF DIRECTORSHIP
<b>EXECUTIVE</b>	
Kerry Matthew Stokes AC (Executive Chairman)	Director and Executive Chairman since April 2010
Ryan Kerry Stokes AO (Managing Director & Chief Executive Officer)	Director since February 2010 and Managing Director & Chief Executive Officer since July 2015
<b>NON-EXECUTIVE</b>	
Annabelle Chaplain AM	Director since November 2015
Terry James Davis	Director since June 2010
Katherine Leigh Farrar	Director since February 2019
Christopher John Mackay	Director since June 2010
David Ian McEvoy	Director since May 2015
Warwick Leslie Smith AO	Director since September 2014
Richard Anders Uechtritz	Director since June 2010

### REVIEW OF RESULTS AND OPERATIONS

A review of operations and of the results of those operations is attached and forms part of this Report.

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The Registered Office and Principal Place of Business is:

Street address	Postal address
Level 30, 175 Liverpool Street	PO Box 745
Sydney NSW 2000	Darlinghurst NSW 1300

### LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 28 and forms part of the Directors' Report for the half-year ended 31 December 2020.

### ROUNDING OFF

The Company is of a kind referred to in ASIC Instrument 2016/191 and in accordance with that Instrument, amounts in the Directors' Report and the half-year Financial Report are rounded off to the nearest whole number of million of dollars and one place of decimals representing hundreds of thousands of dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors

**KM Stokes AC**  
Executive Chairman

Sydney, 18 February 2021

18 February 2021

The Board of Directors  
Seven Group Holdings Limited  
Level 30  
175 Liverpool Street  
Sydney NSW 2000

Dear Board Members

### **Auditor's Independence Declaration to Seven Group Holdings Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Seven Group Holdings Limited.

As lead audit partner for the review of the half year financial report of Seven Group Holdings Limited for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*J L Gorton*

J L Gorton  
Partner  
Chartered Accountants

# Directors' Declaration

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

In the opinion of the Directors of Seven Group Holdings Limited (the Company):

1. the consolidated financial statements and notes set out on pages 5 to 26 are in accordance with the *Corporations Act 2001* including:
  - (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
  - (b) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



**KM Stokes AC**  
Executive Chairman

Sydney, 18 February 2021

## Independent Auditor's Review Report to the Members of Seven Group Holdings Limited

### *Conclusion*

We have reviewed the half-year financial report of Seven Group Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Directors' Responsibilities for the Half-year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*J L Gorton*

J L Gorton  
Partner  
Chartered Accountants  
Sydney, 18 February 2021