

18 February 2021

ASX Release**REVENUE GROWTH DELIVERED, POSITIVE EARNINGS TREND WITHIN KEY OPERATING BUSINESSES, AND POSITIONED TO CAPTURE OPPORTUNITIES FOR GROWTH AND INVESTMENT**

- Trading revenue of \$2.4 billion, up 4% on prior comparative period (pcp)
- Underlying earnings before interest and tax (UEBIT) of \$396 million, up 23% on 2H FY20 and down 5% on pcp
- WesTrac UEBIT growth of 14% on both 2H FY20 and pcp
- Coates UEBIT growth of 6% on 2H FY20 and 1% on pcp
- Beach UEBIT contribution down 54% on pcp, impacted by lower A\$ realised oil prices
- Underlying operating cash flow of \$367 million, up 14% on pcp
- Underlying net profit after tax (NPAT) of \$247 million, down 3% on pcp
- Underlying earnings per share (EPS) of 73 cents, down 3% on pcp
- Fully franked final dividend increased 10% to 23 cents per share
- Statutory EBIT of \$512 million inclusive of SWM impairment reversal
- Commitment to net zero emissions by 2040 for SGH and current operating businesses
- Continued focus on safety culture with LTIFR reduced to 0.7 and TRIFR reduced to 5.6

Seven Group Holdings Limited (SGH) today reported its results for the half-year ended 31 December 2020 (1H FY21). During the period, SGH's key operating businesses demonstrated their resilience in responding to economic and social disruption, delivering growth in both revenue and underlying earnings and enhanced free cash flow generation. Supporting this financial result was significant improvement in overall Group safety and culture, with reductions in safety incidents and substantial improvements in LTIFR, TRIFR and employee engagement. Creating an open and inclusive culture continues to be an important strategic objective for the Group.

Commenting on the results, Ryan Stokes, Managing Director & Chief Executive Officer said:

"Today's result reflects the strong performance of our key operating businesses. We are pleased to deliver Group revenue growth and underlying EBIT growth for WesTrac and Coates."

"Our Industrial Services portfolio is benefitting from accelerating mining production and economic stimulus measures to generate building and infrastructure activity. During the half, we further increased our exposure to Industrials and the growing pipeline of infrastructure projects through our investment in Boral."

"While our Energy portfolio was impacted by lower realised oil prices during the half, Beach has remained active with drilling success at Enterprise-1, FID taken on Waitsia Stage 2 and new asset acquisitions to consolidate its East Coast gas position."

"Operating cash flow improved to \$367 million during the half, demonstrating the strength and diversity of the Group through the cycle. Confidence in the outlook within our key sectors, has allowed us to increase the interim dividend by 10% to 23 cents per share."

"We announce our commitment that SGH and our current operating businesses, Coates and WesTrac, will achieve net zero greenhouse gas emissions by 2040. This continues the proud history of SGH in corporate social responsibility as seen through our actions in the community, dedication to staff well-being and safety, and innovations within our businesses to re-use equipment and minimise waste."

WesTrac**coateshire****SGH** | Energy

Seven Group Holdings Limited | ABN 46 142 003 469

Level 30, 175 Liverpool Street, Sydney NSW 2000 | Postal Address: PO Box 745, Darlinghurst NSW 1300|

Telephone +61 2 8777 7574

Key Financials

Group result (\$m)	1H FY21	1H FY20	% change
Trading revenue	2,357.4	2,262.8	4%
Underlying earnings before interest and tax ¹	396.1	417.6	(5)%
Underlying net profit after tax ¹	246.7	254.7	(3)%
Statutory net profit after tax	362.1	37.9	855%
Underlying EPS	73 cents	75 cents	(3)%
Statutory EPS	107 cents	11 cents	873%
Final fully franked dividend per ordinary share	23 cents	21 cents	10%

1. Excluding Significant Items of \$115 million, including a \$104 million mark-to-market impairment reversal of the Group's investment in SWM, and the Group's share of SWM and Boral significant items.

Segment Earnings

Underlying EBIT (\$m)	1H FY21	1H FY20	Change %
WesTrac	211.4	186.0	14%
Coates	105.3	104.2	1%
Boral	15.4	-	n/a
Energy	35.5	77.4	(54)%
Media Investments	38.1	46.2	(18)%
Other	(9.6)	3.8	n/a
Group EBIT	396.1	417.6	(5)%

Industrial Services

Industrial segment EBIT of \$331 million was up 14% with improved contribution and margin achieved in both WesTrac and Coates and the initial contribution of Boral.

WesTrac's performance was driven by 17% growth in capital sales, reflecting the high level of activity on major customer projects which are entering the commissioning phase. The long-term trend remains strong given the growing customer demand for parts, components and service needed to deliver incremental mining production volumes and support the growing installed base. Improved sales volumes and margin expansion of 0.6% combined to deliver overall EBIT growth of 14% for the half. Investment in capacity expansion is continuing at South Guildford. WesTrac is focused on capturing opportunities, an example of which is its recent selection by Northern Star for the KCGM fleet replacement program.

Coates experienced some impact on customer activity in East Coast metro markets, however regional areas performed well and WA activity levels continue to strengthen in both Mining and Industrial Services. While overall revenue was down 7%, management responded to reduce costs and operating expenses, resulting in EBIT margin expansion and growth in EBIT by 1% against 1H FY20 and 6% against 2H FY20.

The Group invested \$390 million in Boral during the half, bringing the total investment to \$854 million and providing the Group with a shareholding of 20% and board representation. The focus of the Group is to support Boral management to reset the business, improve returns and deliver better operating leverage. The sale of Boral's interests in USG Boral and Meridian Brick are both expected to complete in FY21.

Energy

Beach achieved a solid production result of 13 Mmboe, slightly up on 1H FY20. Revenue was down 22%, impacted by a lower average realised A\$ oil price. Beach has taken FID with Mitsui on the Waitsia Stage 2 development, with the first LNG sales expected in H2 CY23. The company also experienced drilling success at Enterprise-1 in the Otway Basin and acquired Cooper Basin assets from Senex Energy. These milestones further support Beach's long-term production growth ambition of 37 Mmboe in FY25.

SGH Energy is continuing to work towards FID for Crux with the joint venture ramping up activities. Progress is being made on infrastructure arrangements for Longtom production.

Media

Seven West Media (SWM) delivered strong performance improvement and significant progress on its transformation strategy during the half. SWM delivered underlying EBIT growth of 29% to \$152 million and reduced net debt by 42% to \$329 million. Advertising markets rebounded strongly in the December quarter, up 16.6% and 7plus delivered outstanding performance. SWM net debt has reduced by \$241 million since 1H FY20 to \$329 million, with \$150 million in debt retired post half year end. SWM has announced a long-term partnership with Google to provide news content, recognising the value of quality and original news content and the strength of SWM's audiences.

SGH's statutory result includes the positive benefit of a \$104 million mark-to-market impairment reversal in the value of the investment in SWM. Other media income of \$3 million relating to offshore media funds was significantly reduced given that earnings are dependent on the realisation of fund investments.

Balance Sheet

The Group has extended the \$400 million tranche of its corporate syndicated facility by three years from 2021 to 2024. Additional commitments from current lenders and the introduction of a new lender have increased the commitment within this tranche to \$558 million. This demonstrates the strong credit support for the Group and follows the establishment of a US\$200 million private placement shelf facility and listed stock lending facilities with an aggregate limit of \$200 million during the half. The Group currently has access to committed undrawn facilities and cash of \$590 million and uncommitted facilities of \$726 million to support continued investment in growth opportunities.

SGH has increased the interim dividend by 10% in declaring a 23 cents per share dividend.

Outlook

The Group's operating businesses and investments are well-placed to capture the available opportunities in their respective markets. Industrial demand and activity are robust and growth is expected in this segment in FY21. WesTrac is outperforming with strong results in WA and is on-track to deliver FY21 high single digit EBIT growth on FY20. Coates is expected to deliver low single digit underlying EBIT growth on FY20, through its continued focus on costs and supporting shovel-ready projects coming on stream.

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

Media contacts and details: Lauren Thompson +61 438 954 729 / Courtney Howe +61 404 310 364

Seven Group Holdings Limited is a leading Australian diversified operating and investment group with market leading businesses and investments in industrial services, media and energy. In industrial services, WesTrac Group is the sole authorised Caterpillar dealer in Western Australia, New South Wales and the Australian Capital Territory. WesTrac is one of Caterpillar's top dealers globally (by sales value). SGH owns Coates Hire, Australia's largest nationwide industrial and general equipment hire business. SGH also has a 20.0% shareholding in Boral, an international building products and construction materials group. In energy, SGH has a 28.5% shareholding in Beach Energy and has interests in oil and gas projects in Australia and the United States. In media, SGH has a 40.2% shareholding in Seven West Media, one of Australia's largest multiple platform media companies, including the Seven Network and The West.