

15 February 2023

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

### 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 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**

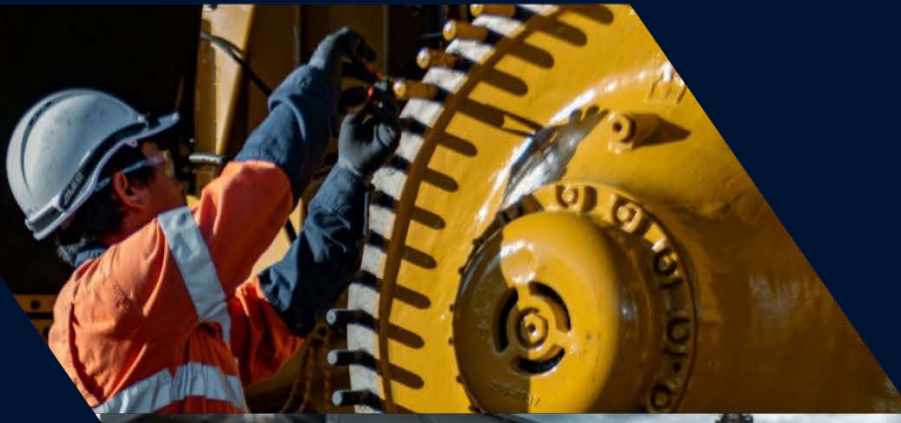
**Coates**



**SGH** | Energy

# Appendix 4D

Results for the  
half-year ended  
31 December 2022



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## CONTENTS

Appendix 4D Half-Year Report	3
Underlying Trading Performance	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7
Consolidated Cash Flow Statement	8
Notes to the Consolidated Financial Statements	9
Directors' Report	28
Auditor's Independence Declaration	29
Directors' Declaration	30
Independent Auditor's Review Report	31

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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 2022

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

<b>REPORTED</b>				<b>\$m</b>
Revenue from ordinary activities (continuing operations)	up	16.5%	to	4,607.0
Net profit from ordinary activities after income tax attributable to members	down	71.8%	to	305.2
Net profit for the period attributable to members	down	72.8%	to	319.6

<b>UNDERLYING</b>				<b>\$m</b>
Revenue from ordinary activities (continuing operations)	up	16.5%	to	4,607.0
Net profit before net finance expense and income tax from ordinary activities (continuing operations)	up	16.4%	to	594.6
From discontinued operations	down	100.0%	to	-
Net profit for the period attributable to members	down	6.9%	to	340.8

<b>DIVIDENDS</b>			
	Amount per security	Franked amount per security	
Interim dividend - ordinary shares	23 cents	23 cents	
Record date for determining entitlements to the dividend		5.00pm on 12 April 2023	
Date the interim dividend is payable		5 May 2023	

## NET TANGIBLE ASSET BACKING

Net tangible asset backing per ordinary share: \$4.19 (June 2022 restated: \$3.64).

This has been calculated by dividing the net assets (including ROU assets) attributable to equity holders of the Company less intangible assets by the number of ordinary shares at 31 December 2022.

## COMMENTARY ON RESULTS

Detailed commentary on the results for the period is contained in the press release dated 15 February 2023 accompanying this Report. This Report should be read in conjunction with the 2022 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

There were no entities over which control, joint control or significant influence was gained or lost during the period.

# 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 2022

## RESULTS FOR ANNOUNCEMENT TO THE MARKET UNDERLYING TRADING PERFORMANCE

	Underlying trading performance <sup>(a)</sup>			Significant items <sup>(b)</sup>			Reported statutory results		
	Cont	Discont	Total	Cont	Discont	Total	Cont	Discont	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>HALF-YEAR ENDED 31 DECEMBER 2022</b>									
Revenue	4,607.0	-	4,607.0	-	-	-	4,607.0	-	4,607.0
Other income	20.2	-	20.2	-	-	-	20.2	-	20.2
Share of results from equity accounted investees	114.0	-	114.0	1.3	-	1.3	115.3	-	115.3
Impairment of equity accounted investee	-	-	-	(50.7)	-	(50.7)	(50.7)	-	(50.7)
Net gain on sale of discontinued operations	-	-	-	-	18.9	18.9	-	18.9	18.9
Expenses excluding depreciation and amortisation	(3,899.4)	-	(3,899.4)	25.6	-	25.6	(3,873.8)	-	(3,873.8)
<b>Profit before depreciation, amortisation, net finance expense and income tax</b>	<b>841.8</b>	<b>-</b>	<b>841.8</b>	<b>(23.8)</b>	<b>18.9</b>	<b>(4.9)</b>	<b>818.0</b>	<b>18.9</b>	<b>836.9</b>
Depreciation and amortisation	(247.2)	-	(247.2)	(11.9)	-	(11.9)	(259.1)	-	(259.1)
<b>Profit before net finance expense and income tax</b>	<b>594.6</b>	<b>-</b>	<b>594.6</b>	<b>(35.7)</b>	<b>18.9</b>	<b>(16.8)</b>	<b>558.9</b>	<b>18.9</b>	<b>577.8</b>
Net finance expense	(128.2)	-	(128.2)	11.4	-	11.4	(116.8)	-	(116.8)
<b>Profit before income tax</b>	<b>466.4</b>	<b>-</b>	<b>466.4</b>	<b>(24.3)</b>	<b>18.9</b>	<b>(5.4)</b>	<b>442.1</b>	<b>18.9</b>	<b>461.0</b>
Income tax (expense)/benefit	(105.0)	-	(105.0)	(7.5)	1.0	(6.5)	(112.5)	1.0	(111.5)
<b>Profit for the period</b>	<b>361.4</b>	<b>-</b>	<b>361.4</b>	<b>(31.8)</b>	<b>19.9</b>	<b>(11.9)</b>	<b>329.6</b>	<b>19.9</b>	<b>349.5</b>
<b>Profit for the period attributable to:</b>									
Equity holders of the Company	340.8	-	340.8	(35.6)	14.4	(21.2)	305.2	14.4	319.6
Non-controlling interest	20.6	-	20.6	3.8	5.5	9.3	24.4	5.5	29.9
<b>Profit for the period</b>	<b>361.4</b>	<b>-</b>	<b>361.4</b>	<b>(31.8)</b>	<b>19.9</b>	<b>(11.9)</b>	<b>329.6</b>	<b>19.9</b>	<b>349.5</b>
<b>EARNINGS PER SHARE</b>									
	\$	\$	\$				\$	\$	\$
Basic earnings per share	0.94	-	0.94				0.84	0.04	0.88
Diluted earnings per share	0.93	-	0.93				0.84	0.04	0.88
<b>HALF-YEAR ENDED 31 DECEMBER 2021</b>									
Revenue	3,956.0	883.3	4,839.3	-	-	-	3,956.0	883.3	4,839.3
Other income	24.5	-	24.5	5.4	-	5.4	29.9	-	29.9
Share of results from equity accounted investees	127.4	7.4	134.8	(3.2)	-	(3.2)	124.2	7.4	131.6
Revaluation of equity accounted interest on acquisition of Boral Limited	-	-	-	756.8	-	756.8	756.8	-	756.8
Impairment reversal of equity accounted	-	-	-	76.2	-	76.2	76.2	-	76.2
Net gain on sale of discontinued operations	-	-	-	-	30.8	30.8	-	30.8	30.8
Expenses excluding depreciation and amortisation	(3,358.6)	(736.0)	(4,094.6)	(53.3)	(9.3)	(62.6)	(3,411.9)	(745.3)	(4,157.2)
<b>Profit before depreciation, amortisation, net finance expense and income tax</b>	<b>749.3</b>	<b>154.7</b>	<b>904.0</b>	<b>781.9</b>	<b>21.5</b>	<b>803.4</b>	<b>1,531.2</b>	<b>176.2</b>	<b>1,707.4</b>
Depreciation and amortisation	(238.4)	-	(238.4)	1.7	-	1.7	(236.7)	-	(236.7)
<b>Profit before net finance expense and income tax</b>	<b>510.9</b>	<b>154.7</b>	<b>665.6</b>	<b>783.6</b>	<b>21.5</b>	<b>805.1</b>	<b>1,294.5</b>	<b>176.2</b>	<b>1,470.7</b>
Net finance expense	(127.8)	(3.2)	(131.0)	(8.1)	-	(8.1)	(135.9)	(3.2)	(139.1)
<b>Profit before income tax</b>	<b>383.1</b>	<b>151.5</b>	<b>534.6</b>	<b>775.5</b>	<b>21.5</b>	<b>797.0</b>	<b>1,158.6</b>	<b>173.0</b>	<b>1,331.6</b>
Income tax (expense)/benefit	(80.7)	(44.2)	(124.9)	12.6	2.2	14.8	(68.1)	(42.0)	(110.1)
<b>Profit for the period</b>	<b>302.4</b>	<b>107.3</b>	<b>409.7</b>	<b>788.1</b>	<b>23.7</b>	<b>811.8</b>	<b>1,090.5</b>	<b>131.0</b>	<b>1,221.5</b>
<b>Profit for the period attributable to:</b>									
Equity holders of the Company	291.4	74.7	366.1	792.4	16.5	808.9	1,083.8	91.2	1,175.0
Non-controlling interest	11.0	32.6	43.6	(4.3)	7.2	2.9	6.7	39.8	46.5
<b>Profit for the period</b>	<b>302.4</b>	<b>107.3</b>	<b>409.7</b>	<b>788.1</b>	<b>23.7</b>	<b>811.8</b>	<b>1,090.5</b>	<b>131.0</b>	<b>1,221.5</b>
<b>EARNINGS PER SHARE</b>									
	\$	\$	\$				\$	\$	\$
Basic earnings per share	0.80	0.21	1.01				2.99	0.25	3.24
Diluted earnings per share	0.80	0.20	1.00				2.97	0.25	3.22

(a) Underlying trading performance is comprised of reported statutory results less significant items. This is separately disclosed and reconciled to statutory performance to assist users in understanding the financial performance of the Group.

(b) Detailed information regarding the composition of significant items is provided in Note 3: Significant Items.

# 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 2022

	Note	Dec 22 \$m	Dec 21 \$m
<b>CONTINUING OPERATIONS</b>			
Revenue	4	4,607.0	3,956.0
Other income		20.2	29.9
Share of results from equity accounted investees	8	115.3	124.2
Revaluation of equity accounted interest on acquisition of Boral Limited	3	-	756.8
(Impairment)/impairment reversal of equity accounted investee	3	(50.7)	76.2
Expenses excluding depreciation and amortisation	4	(3,873.8)	(3,411.9)
<b>Profit before depreciation and amortisation, net finance expense and income tax</b>		<b>818.0</b>	<b>1,531.2</b>
Depreciation and amortisation		(259.1)	(236.7)
<b>Profit before net finance expense and income tax</b>		<b>558.9</b>	<b>1,294.5</b>
Finance income	5	21.1	1.4
Finance expense	5	(137.9)	(137.3)
<b>Net finance expense</b>		<b>(116.8)</b>	<b>(135.9)</b>
<b>Profit before income tax</b>		<b>442.1</b>	<b>1,158.6</b>
Income tax expense	6	(112.5)	(68.1)
<b>Profit for the period from continuing operations</b>		<b>329.6</b>	<b>1,090.5</b>
Profit for the period from discontinued operations	16	19.9	131.0
<b>Profit for the period</b>		<b>349.5</b>	<b>1,221.5</b>
<b>Profit for the period attributable to:</b>			
Equity holders of the Company		319.6	1,175.0
Non-controlling interest		29.9	46.5
<b>Profit for the period</b>		<b>349.5</b>	<b>1,221.5</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		(5.9)	(122.4)
Income tax relating to items that will not be reclassified subsequently to profit or loss	6	(2.9)	27.0
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>(8.8)</b>	<b>(95.4)</b>
<b>Items that may be reclassified subsequently to profit or loss</b>			
Cash flow hedges: effective portion of changes in fair value		(35.4)	(3.8)
Foreign currency differences for foreign operations		2.1	67.7
Foreign currency translation reserve transferred to profit or loss		-	(29.8)
Income tax relating to items that may be reclassified subsequently to profit or loss	6	7.9	7.2
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>(25.4)</b>	<b>41.3</b>
<b>Total comprehensive income for the period</b>		<b>315.3</b>	<b>1,167.4</b>
<b>Total comprehensive income for the period attributable to:</b>			
Equity holders of the Company		289.9	1,110.0
Non-controlling interest		25.4	57.4
<b>Total comprehensive income for the period</b>		<b>315.3</b>	<b>1,167.4</b>
<b>EARNINGS PER SHARE (EPS)</b>			
		<b>\$</b>	<b>\$</b>
<b>From continuing operations</b>			
Basic earnings per share	7	0.84	2.99
Diluted earnings per share	7	0.84	2.97
<b>From continuing and discontinued operations</b>			
Basic earnings per share	7	0.88	3.24
Diluted earnings per share	7	0.88	3.22

The Consolidated Statement of Profit or Loss & 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 2022

	Note	Dec 22 \$m	Jun 22 \$m
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		706.1	1,254.6
Trade and other receivables		1,518.2	1,499.0
Inventories		1,423.6	1,347.6
Current tax assets		41.2	40.4
Other current assets		208.3	139.0
Derivative financial instruments	13	55.3	32.5
Assets classified as held for sale		2.9	3.7
<b>Total current assets</b>		<b>3,955.6</b>	<b>4,316.8</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables		36.3	35.7
Inventories		345.3	345.2
Investments accounted for using the equity method	8	1,662.9	1,628.6
Other financial assets		148.8	162.7
Right of use assets		712.4	706.9
Property, plant and equipment		3,452.7	3,424.7
Producing and development assets	9	422.9	365.7
Intangible assets		2,225.3	2,229.0
Deferred tax assets		150.8	167.4
Other non-current assets		24.8	24.8
Derivative financial instruments	13	124.8	185.9
<b>Total non-current assets</b>		<b>9,307.0</b>	<b>9,276.6</b>
<b>Total assets</b>		<b>13,262.6</b>	<b>13,593.4</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,029.9	1,007.4
Lease liabilities		72.0	75.5
Interest bearing loans and borrowings	11	741.8	1,365.0
Deferred income		229.7	259.7
Current tax liability		12.1	28.6
Provisions		113.2	134.0
Employee benefits		185.8	186.7
Derivative financial instruments	13	7.5	3.2
<b>Total current liabilities</b>		<b>2,392.0</b>	<b>3,060.1</b>
<b>NON-CURRENT LIABILITIES</b>			
Other payables		1.2	0.5
Lease liabilities		905.3	888.8
Interest bearing loans and borrowings	11	4,448.2	4,297.6
Deferred tax liabilities		568.3	520.3
Provisions		431.6	457.2
Employee benefits		15.9	22.5
Derivative financial instruments	13	65.3	62.7
<b>Total non-current liabilities</b>		<b>6,435.8</b>	<b>6,249.6</b>
<b>Total liabilities</b>		<b>8,827.8</b>	<b>9,309.7</b>
<b>Net assets</b>		<b>4,434.8</b>	<b>4,283.7</b>
<b>EQUITY</b>			
Contributed equity	14	3,403.5	3,410.5
Reserves		(1,527.5)	(1,495.8)
Retained earnings		1,870.9	1,634.8
<b>Total equity attributable to equity holders of the Company</b>		<b>3,746.9</b>	<b>3,549.5</b>
Non-controlling interest		687.9	734.2
<b>Total equity</b>		<b>4,434.8</b>	<b>4,283.7</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 2022

HALF-YEAR ENDED 31 DECEMBER 2022	Note	Contributed equity \$m	Reserves \$m	Retained earnings \$m	Total \$m	Non-controlling interest \$m	Total equity \$m
<b>Balance as at 1 July 2022</b>		<b>3,410.5</b>	<b>(1,495.8)</b>	<b>1,634.8</b>	<b>3,549.5</b>	<b>734.2</b>	<b>4,283.7</b>
Profit for the period		-	-	319.6	319.6	29.9	349.5
Net change in fair value of financial assets measured at fair value through OCI		-	(5.6)	-	(5.6)	(0.3)	(5.9)
Cash flow hedges: effective portion of changes in fair value		-	(29.4)	-	(29.4)	(6.0)	(35.4)
Foreign currency differences for foreign operations		-	2.1	-	2.1	-	2.1
Income tax on items of OCI		-	3.2	-	3.2	1.8	5.0
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>(29.7)</b>	<b>319.6</b>	<b>289.9</b>	<b>25.4</b>	<b>315.3</b>
<b>Transactions with owners recognised directly in equity</b>							
Ordinary dividends paid	15	-	-	(83.5)	(83.5)	(0.6)	(84.1)
Acquisition of non-controlling interest		-	(24.9)	-	(24.9)	(71.1)	(96.0)
Recognition of exchangeable bond		-	22.1	-	22.1	-	22.1
Repurchase of convertible notes		(10.4)	(1.3)	-	(11.7)	-	(11.7)
Shares vested and transferred to employees		3.4	(3.4)	-	-	-	-
Share based payments		-	5.5	-	5.5	-	5.5
<b>Total distributions to owners</b>		<b>(7.0)</b>	<b>(2.0)</b>	<b>(83.5)</b>	<b>(92.5)</b>	<b>(71.7)</b>	<b>(164.2)</b>
<b>Total movement in equity for the period</b>		<b>(7.0)</b>	<b>(31.7)</b>	<b>236.1</b>	<b>197.4</b>	<b>(46.3)</b>	<b>151.1</b>
<b>Balance as at 31 December 2022</b>		<b>3,403.5</b>	<b>(1,527.5)</b>	<b>1,870.9</b>	<b>3,746.9</b>	<b>687.9</b>	<b>4,434.8</b>

## HALF-YEAR ENDED 31 DECEMBER 2021

<b>Balance as at 1 July 2021</b>		<b>3,405.2</b>	<b>(599.8)</b>	<b>1,243.5</b>	<b>4,048.9</b>	<b>16.7</b>	<b>4,065.6</b>
Profit for the period		-	-	1,175.0	1,175.0	46.5	1,221.5
Net change in fair value of financial assets measured at fair value through OCI		-	(121.9)	-	(121.9)	(0.5)	(122.4)
Cash flow hedges: effective portion of changes in fair value		-	(4.1)	-	(4.1)	0.3	(3.8)
Foreign currency differences for foreign operations		-	49.3	-	49.3	18.4	67.7
Recycling of foreign currency translation		-	(20.7)	-	(20.7)	(9.1)	(29.8)
Income tax on items of OCI		-	32.4	-	32.4	1.8	34.2
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>(65.0)</b>	<b>1,175.0</b>	<b>1,110.0</b>	<b>57.4</b>	<b>1,167.4</b>
<b>Transactions with owners recognised directly in equity</b>							
Ordinary dividends paid	15	-	-	(83.5)	(83.5)	(1.0)	(84.5)
Non-controlling interest on acquisition of controlled entities		-	-	-	-	3,224.6	3,224.6
Acquisition of non-controlling interest		-	(808.8)	-	(808.8)	(1,582.1)	(2,390.9)
Shares vested and transferred to employees		6.7	(6.7)	-	-	-	-
Share based payments		-	3.9	-	3.9	-	3.9
<b>Total distributions to owners</b>		<b>6.7</b>	<b>(811.6)</b>	<b>(83.5)</b>	<b>(888.4)</b>	<b>1,641.5</b>	<b>753.1</b>
<b>Total movement in equity for the period</b>		<b>6.7</b>	<b>(876.6)</b>	<b>1,091.5</b>	<b>221.6</b>	<b>1,698.9</b>	<b>1,920.5</b>
<b>Balance as at 31 December 2021</b>		<b>3,411.9</b>	<b>(1,476.4)</b>	<b>2,335.0</b>	<b>4,270.5</b>	<b>1,715.6</b>	<b>5,986.1</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 2022

	Note	Dec 22 \$m	Dec 21 \$m
<b>CASH FLOWS RELATED TO OPERATING ACTIVITIES</b>			
Receipts from customers		5,000.8	5,209.0
Payments to suppliers and employees		(4,455.5)	(4,756.0)
Dividends and distributions received from equity accounted investees	8	25.1	14.0
Other dividends received		3.1	0.6
Interest and other items of a similar nature received		10.0	1.5
Interest and other costs of finance paid		(119.1)	(125.1)
Income taxes paid		(63.5)	(80.9)
Restructure and transaction costs paid		(18.1)	(41.6)
<b>Net operating cash flows</b>	10	<b>382.8</b>	<b>221.5</b>
<b>CASH FLOWS RELATED TO INVESTING ACTIVITIES</b>			
Payments for purchases of property, plant and equipment		(242.1)	(200.9)
Proceeds from sale of property, plant and equipment		20.7	21.7
Payments for purchase of intangible assets		(1.3)	(4.0)
Payments for production, development and exploration assets		(57.2)	(2.6)
Payments for other investments		(0.5)	(0.8)
Proceeds from sale of other financial assets		-	120.0
Return of capital from investment in equity accounted investee		14.2	-
Proceeds from sale of controlled entities, net of cash disposed		14.9	3,053.5
Acquisition of controlled entities, net of cash acquired		-	552.7
Acquisition of equity accounted investee		-	(1,218.3)
<b>Net investing cash flows</b>		<b>(251.3)</b>	<b>2,321.3</b>
<b>CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>			
Ordinary dividends paid	15	(83.5)	(83.5)
Acquisition of non-controlling interests		-	(2,159.9)
Dividends paid to non-controlling interests		(0.6)	(1.0)
Proceeds from borrowings		645.9	4,623.2
Repayment of borrowings		(1,370.2)	(1,239.0)
Proceeds from exchangeable bond		135.7	-
Repayment of lease liabilities		(43.0)	(64.5)
<b>Net financing cash flows</b>		<b>(715.7)</b>	<b>1,075.3</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(584.2)</b>	<b>3,618.1</b>
Cash and cash equivalents at beginning of the period		1,254.6	160.9
Effect of exchange rate changes on cash and cash equivalents		35.7	(12.2)
<b>Cash and cash equivalents at end of the period</b>		<b>706.1</b>	<b>3,766.8</b>

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 2022

## 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 are in respect of the half-year ended 31 December 2022 (Consolidated Interim Financial Report) and comprise the Company and its controlled entities (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 15 February 2023.

The Consolidated Interim Financial Report is a general purpose financial report which 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 2022 Annual Report and considered with any public announcements made by the Company during the half-year ended 31 December 2022 in accordance with the continuous disclosure obligations of the ASX Listing rules. A copy of the 2022 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 millions 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.

### (A) NEW OR AMENDED ACCOUNTING POLICIES

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 2022 Annual Report.

### (B) NEW OR AMENDED ACCOUNTING STANDARDS

The Group has adopted all of the new and revised standards and interpretations issued by the AASB that are relevant to their operations and effective for the current period. These have not had a significant or immediate impact on the Consolidated Interim Financial Report.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## 1. BASIS OF PREPARATION (CONTINUED)

### (C) 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 the 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 substantially the same as those applied to the consolidated financial statements as at, and for the year ended, 30 June 2022.

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

- Revenue recognition - maintenance and repair contracts (MARC)
- Income tax
- Inventory valuation and obsolescence
- 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
- Property, plant and equipment - useful life
- Producing and development assets - recoverable amount, reserves, pricing and processing availability, commodity prices, climate change
- Provisions - restoration and rehabilitation
- Property, plant and equipment - useful life
- Valuation of Right of Use assets and Lease liabilities
- Environmental risk and regulation
- Litigation outcomes

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## 2. OPERATING SEGMENTS

### RECOGNITION AND MEASUREMENT

#### *Identification of reportable segments*

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.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's executive management team and Board to make decisions about resources to be allocated to the segment and to assess its performance.

Segment results that are reported to the executive management team and Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and head office expenses. Cash and cash equivalents, derivative financial instruments, interest bearing loans and borrowings and income tax assets and liabilities are also unallocated, except for Boral's which are included within the Boral segment.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, producing and development assets, exploration and evaluation assets and intangible assets other than goodwill.

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.

<i>WesTrac</i>	WesTrac is the authorised Caterpillar dealer in Western Australia, New South Wales and the Australian Capital Territory, providing heavy equipment sales and support to customers.
<i>Coates</i>	Coates 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.
<i>Boral</i>	Boral is a construction materials group, with operations in all Australian States and Territories.
<i>Energy</i>	Energy relates to the Group's joint operation in the Bivins Ranch basin 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).
<i>Media investments</i>	Media investments relate to investments in listed and unlisted media organisations, including Seven West Media Limited and private equity investments in China.
<i>Other investments</i>	Other investments incorporates listed investments, property, Allight and Sykes. Allight is a market leader in designing, manufacturing, assembly, distribution and support of mobile lighting towers, distribution of FG Wilson generators and Perkins engines. Sykes is a market leader in designing, manufacturing, assembly, distribution and support of pumps and dewatering equipment.

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 2022

## 2. OPERATING SEGMENTS (CONTINUED)

CONTINUING OPERATIONS	WesTrac <sup>(a)</sup>		Coates <sup>(a)</sup>		Boral <sup>(a)</sup>		Energy		Media investments <sup>(b)</sup>		Other investments <sup>(a)</sup>		Total	
	Dec 22	Dec 21	Dec 22	Dec 21	Dec 22	Dec 21	Dec 22	Dec 21	Dec 22	Dec 21	Dec 22	Dec 21	Dec 22	Dec 21
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Segment revenue<sup>^</sup></b>														
Building material sales	-	-	-	-	1,524.6	1,353.7	-	-	-	-	-	-	1,524.6	1,353.7
Product sales	845.7	635.8	9.5	0.3	-	-	-	-	-	-	35.7	27.0	890.9	663.1
Product support	1,434.3	1,276.4	3.3	5.3	-	-	-	-	-	-	16.6	10.2	1,454.2	1,291.9
Hire of equipment	16.3	8.6	562.1	490.0	-	-	-	-	-	-	-	-	578.4	498.6
Rendering of services	-	-	-	-	43.7	37.2	-	-	-	-	-	-	43.7	37.2
Contracting business	-	-	-	-	112.8	109.5	-	-	-	-	-	-	112.8	109.5
Oil, gas and condensate sales	-	-	-	-	-	-	2.4	2.0	-	-	-	-	2.4	2.0
<b>Sales to external customers</b>	<b>2,296.3</b>	<b>1,920.8</b>	<b>574.9</b>	<b>495.6</b>	<b>1,681.1</b>	<b>1,500.4</b>	<b>2.4</b>	<b>2.0</b>	<b>-</b>	<b>-</b>	<b>52.3</b>	<b>37.2</b>	<b>4,607.0</b>	<b>3,956.0</b>
<b>By geographic segment</b>														
Australia	2,296.3	1,920.8	560.3	485.4	1,681.1	1,500.4	-	-	-	-	33.6	24.6	4,571.3	3,931.2
International	-	-	14.6	10.2	-	-	2.4	2.0	-	-	18.7	12.6	35.7	24.8
<b>Segment result</b>														
Segment EBITDA <sup>(c)</sup>	293.7	243.7	245.4	213.4	206.5	187.3	56.9	66.1	50.3	51.1	3.7	0.4	856.5	762.0
Depreciation and amortisation	(39.6)	(33.8)	(96.4)	(94.0)	(111.2)	(109.7)	-	-	-	-	(0.2)	(0.8)	(247.4)	(238.3)
<b>Segment EBIT<sup>(c)</sup></b>	<b>254.1</b>	<b>209.9</b>	<b>149.0</b>	<b>119.4</b>	<b>95.3</b>	<b>77.6</b>	<b>56.9</b>	<b>66.1</b>	<b>50.3</b>	<b>51.1</b>	<b>3.5</b>	<b>(0.4)</b>	<b>609.1</b>	<b>523.7</b>
<b>Other segment information</b>														
Share of results of equity accounted investees included in segment EBIT <sup>(d)</sup>	0.6	-	-	-	8.8	9.7	58.0	66.7	47.1	50.8	(0.5)	0.2	114.0	127.4
<b>Significant items<sup>*</sup></b>														
Revaluation of equity accounted investment (Impairment)/impairment reversal of assets	-	-	-	-	-	756.8	-	-	-	-	-	-	-	756.8
Acquisition and transformation	-	-	-	-	13.7	(41.4)	-	-	(50.7)	76.2	-	-	(50.7)	76.2
Share of equity accounted significant items	-	-	-	-	-	-	4.8	-	(3.5)	(3.2)	-	-	1.3	(3.2)
Dilution loss on equity accounted investment	-	-	-	-	-	-	-	-	-	(10.2)	-	-	-	(10.2)
Property segment EBIT	-	-	-	-	-	5.4	-	-	-	-	-	-	-	5.4
Capital expenditure <sup>^</sup>	(20.5)	(17.9)	(125.3)	(67.2)	(97.4)	(91.9)	(57.2)	(2.6)	-	-	(0.1)	(1.2)	(300.5)	(180.8)
	<b>Dec 22</b>	<b>Jun 22</b>	<b>Dec 22</b>	<b>Jun 22</b>	<b>Dec 22</b>	<b>Jun 22</b>	<b>Dec 22</b>	<b>Jun 22</b>	<b>Dec 22</b>	<b>Jun 22</b>	<b>Dec 22</b>	<b>Jun 22</b>	<b>Dec 22</b>	<b>Jun 22</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	36.1	35.5	-	-	180.9	180.9	1,195.5	1,137.9	244.4	244.4	6.0	29.9	1,662.9	1,628.6
Other segment assets <sup>(e)</sup>	3,045.4	2,949.0	2,474.0	2,402.5	4,936.6	5,555.4	423.8	366.1	93.6	110.7	139.8	126.7	11,113.2	11,510.4
<b>Segment assets<sup>(f)</sup></b>	<b>3,081.5</b>	<b>2,984.5</b>	<b>2,474.0</b>	<b>2,402.5</b>	<b>5,117.5</b>	<b>5,736.3</b>	<b>1,619.3</b>	<b>1,504.0</b>	<b>338.0</b>	<b>355.1</b>	<b>145.8</b>	<b>156.6</b>	<b>12,776.1</b>	<b>13,139.0</b>
<b>Segment liabilities<sup>(f)</sup></b>	<b>(1,234.6)</b>	<b>(1,238.1)</b>	<b>(480.2)</b>	<b>(442.7)</b>	<b>(2,584.2)</b>	<b>(3,181.2)</b>	<b>(76.1)</b>	<b>(74.7)</b>	<b>-</b>	<b>-</b>	<b>(28.5)</b>	<b>(19.1)</b>	<b>(4,403.6)</b>	<b>(4,955.8)</b>

<sup>^</sup> Comparative amounts have been reclassified. Refer to Note 1 for further detail.

<sup>\*</sup> Refer to Note 3: Significant Items for further details on significant items.

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

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

(e) Coates segment assets includes assets held for sale of \$2.9 million (June 2022: \$3.7 million) which relate to hire fleet assets available for immediate sale and are expected to be disposed of within 12 months.

(f) Boral segment assets/(liabilities) include Boral's cash holdings, derivative financial instruments, interest bearing liabilities and tax balances.

The Group did not derive revenue greater than 10 per cent of the Group's total revenue from a single major customer in the current or prior period.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## 2. OPERATING SEGMENTS (CONTINUED)

### ANALYSIS BY GEOGRAPHICAL AREA

	Segment revenue		Non-current assets <sup>(a)</sup>	
	Dec 22	Dec 21	Dec 22	Jun 22 <sup>^</sup>
	\$m	\$m	\$m	\$m
<b>CONTINUING OPERATIONS</b>				
Australia	4,571.3	3,931.2	7,169.1	7,091.7
United Arab Emirates	15.2	9.6	3.6	2.3
Indonesia	14.6	10.2	15.9	14.3
United States of America	5.9	4.4	31.0	23.3
New Zealand	-	0.6	0.1	0.4
<b>Total by geographical segment</b>	<b>4,607.0</b>	<b>3,956.0</b>	<b>7,219.7</b>	<b>7,132.0</b>

<sup>^</sup> Comparative amounts have been reclassified. Refer to Note 1 for further detail.

(a) Non-current assets excluding other financial assets, derivative financial instruments, investments accounted for using the equity method and deferred tax assets.

### SEGMENT RECONCILIATIONS

#### Reconciliation of segment EBIT to profit before income tax per consolidated statement of profit or loss

	Dec 22	Dec 21 <sup>^</sup>
	\$m	\$m
Segment earnings before interest and tax (EBIT)	609.1	523.7
Corporate operating costs	(14.5)	(12.8)
Share of results from equity accounted investees attributable to significant items	1.3	(3.2)
(Impairment)/ impairment reversal of equity accounted investee	(50.7)	76.2
Revaluation of equity accounted interest on acquisition of Boral	-	756.8
Fair value adjustments on acquisition of Boral	6.9	(13.3)
Boral property segment EBIT	-	5.4
Loss arising from dilution of investment in equity accounted investee	-	(10.2)
Transaction costs incurred in relation to Boral	-	(7.3)
Boral transformation and restructure benefits/(costs)	6.8	(20.8)
Net finance expense	(116.8)	(135.9)
<b>Profit before income tax per consolidated statement of profit or loss</b>	<b>442.1</b>	<b>1,158.6</b>

<sup>^</sup> Comparative amounts have been reclassified. Refer to Note 1 for further detail.

#### Reconciliation of segment operating assets to total assets per consolidated statement of financial position

	Dec 22	Jun 22
	\$m	\$m
Segment operating assets	12,776.1	13,139.0
Corporate cash holdings	180.4	147.5
Deferred tax assets	0.5	0.8
Derivative financial instruments	171.5	191.3
Assets held at corporate level	134.1	114.8
<b>Total assets per consolidated statement of financial position</b>	<b>13,262.6</b>	<b>13,593.4</b>

#### Reconciliation of segment operating liabilities to total liabilities per consolidated statement of financial position

	Dec 22	Jun 22
	\$m	\$m
Segment operating liabilities	(4,403.6)	(4,955.8)
Interest bearing loans and borrowings - current	(375.8)	(480.9)
Interest bearing loans and borrowings - non-current	(3,592.9)	(3,447.8)
Current tax liability	(11.4)	(28.0)
Deferred tax liabilities	(348.3)	(303.0)
Derivative financial instruments	(51.2)	(54.6)
Liabilities held at corporate level	(44.6)	(39.6)
<b>Total liabilities per consolidated statement of financial position</b>	<b>(8,827.8)</b>	<b>(9,309.7)</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## 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.

	Note	Dec 22 \$m	Dec 21 <sup>^</sup> \$m
<b>CONTINUING OPERATIONS</b>			
Share of results from equity accounted investees attributable to significant items		1.3	(3.2)
(Impairment)/impairment reversal of equity accounted investee	8	(50.7)	76.2
Revaluation of equity accounted interest on acquisition of Boral		-	756.8
Boral property segment EBIT		-	5.4
Fair value adjustments on acquisition of Boral		6.9	(13.3)
Loss arising from dilution of investment in equity accounted investee		-	(10.2)
Boral transformation and restructure benefits/(costs)		6.8	(20.8)
Transaction costs incurred in relation to Boral		-	(7.3)
<b>Total significant items before net finance expense and income tax - continuing operations</b>		<b>(35.7)</b>	<b>783.6</b>
Significant items in net finance expense		11.4	(8.1)
<b>Total significant items before income tax - continuing operations</b>		<b>(24.3)</b>	<b>775.5</b>
Income tax (expense)/benefit on significant items		(7.5)	12.6
<b>Total significant items - continuing operations</b>		<b>(31.8)</b>	<b>788.1</b>
<b>DISCONTINUED OPERATIONS</b>			
North America operations exit costs		-	(9.3)
Previously disposed businesses		18.9	0.9
Net gain on sale of discontinued operations		-	29.9
<b>Total significant items before income tax - discontinued operations</b>		<b>18.9</b>	<b>21.5</b>
Income tax benefit on significant items		1.0	2.2
<b>Total significant items - discontinued operations</b>		<b>19.9</b>	<b>23.7</b>

<sup>^</sup> Comparative amounts have been reclassified. 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. In the current period, it includes the Group's share of Beach's significant items relating to the reversal of accrued acquisition costs and Seven West Media's fair value gains and transaction costs.

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

Fair value adjustments on acquisition of Boral relates to the unwind of fair value adjustments arising from the acquisition of the Group's investment in Boral.

Boral transformation and restructure benefits/(costs) relate to the restructuring and transformation program undertaken by Boral.

Significant items in net finance expense relates to the gain on Boral's early repayment of US Senior Notes. Refer to Note 11: Interest Bearing Loans and Borrowings for further detail.

In the prior period, Transaction costs incurred and finance expense related to costs incurred from the Group's takeover of Boral. These transaction costs are allocated to the Boral segment. Revaluation of equity accounted interest on acquisition of Boral related to the difference between the fair value and carrying value of the Group's investment in Boral on acquisition date. Boral property segment EBIT related to the sales of sites previously operated by Boral. The Group does not consider this income stream to form part of the underlying operations of the Group.

Significant items for discontinued operations relate to income and costs associated with the exit of Boral's North American operations. In the prior period it also included the net gain on sale of Boral's discontinued operations related to the recycling of the foreign currency translation reserve to the profit or loss following the disposal. Refer to Note 16: Discontinued Operations.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## 4. REVENUE AND EXPENDITURE

	Dec 22 \$m	Dec 21 <sup>^</sup> \$m
<b>CONTINUING OPERATIONS</b>		
<b>REVENUE</b>		
Building material sales	1,524.6	1,353.7
Product sales	890.9	663.1
Product support	1,454.2	1,291.9
Hire of equipment	578.4	498.6
Rendering of services	43.7	37.2
Contracting business	112.8	109.5
Oil, gas and condensate sales	2.4	2.0
<b>Total revenue</b>	<b>4,607.0</b>	<b>3,956.0</b>
<b>EXPENDITURE EXCLUDING DEPRECIATION AND AMORTISATION</b>		
Materials cost of inventory sold and used in product sales and product support	(1,619.3)	(1,336.8)
Materials cost of inventory sold and used in building materials, rendering of services and contracting	(1,263.0)	(1,123.8)
Repairs, maintenance and consumables used on equipment hire	(73.7)	(61.2)
Employee benefits	(574.7)	(533.8)
Other expenses	(343.1)	(356.3)
<b>Total expenses excluding depreciation and amortisation</b>	<b>(3,873.8)</b>	<b>(3,411.9)</b>

<sup>^</sup> Comparative amounts have been reclassified. Refer to Note 1 for further detail.

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 2022, the Group has remaining performance obligations to be recognised on Maintenance and Repair Contracts (MARC) with a duration of more than 12 months. The Group will recognise this revenue when the performance obligations are satisfied. The aggregate amount of the transaction price allocated to the remaining performance obligations is \$112.8 million (June 2022: \$130.0 million). Approximately 64 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 three years (June 2022: 50 per cent over a period of up to four years).

## 5. NET FINANCE EXPENSE

	Dec 22 \$m	Dec 21 \$m
<b>CONTINUING OPERATIONS</b>		
<b>FINANCE INCOME</b>		
Interest income on bank deposits	9.2	1.1
Other	11.9	0.3
<b>Total finance income</b>	<b>21.1</b>	<b>1.4</b>
<b>FINANCE EXPENSE</b>		
Interest expense	(103.1)	(98.6)
Interest expense on lease liabilities	(27.7)	(28.4)
Amortisation of borrowing costs	(3.5)	(8.8)
Unwind of discount on provisions	(3.6)	(1.5)
<b>Total finance expense</b>	<b>(137.9)</b>	<b>(137.3)</b>
<b>Net finance expense</b>	<b>(116.8)</b>	<b>(135.9)</b>

Other finance income includes a gain of \$11.4 million recognised on the early repayment of Boral US Senior Notes. In the prior period, interest expense and amortisation of borrowing costs includes \$8.1 million of expenses incurred in relation to fees on the Bridge facility.



# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## 6. INCOME TAX

Note	Dec 22 \$m	Dec 21 \$m
<b>CONTINUING OPERATIONS</b>		
<b>INCOME TAX EXPENSE</b>		
Current tax expense	(46.0)	(52.1)
Deferred tax expense	(66.5)	(16.0)
<b>Income tax expense - continuing operations</b>	<b>(112.5)</b>	<b>(68.1)</b>
<b>RECONCILIATION BETWEEN INCOME TAX EXPENSE AND PRE-TAX STATUTORY PROFIT:</b>		
Income tax using the domestic corporation tax rate 30%	(132.6)	(347.6)
Franked dividends	-	0.2
Share of equity accounted investees' net profit	33.7	36.1
Non-assessable income	3.3	1.8
Non-deductible expenses	(1.7)	(2.8)
Equity accounted (impairment)/reversal of impairment	(15.2)	19.8
Revaluation of equity accounted interest on acquisition of Boral Limited	-	227.1
Capital loss and exempt income on disposal of business	-	(5.9)
Recognition of deferred tax asset on capital and revenue losses, not previously recognised	-	2.7
Difference in overseas tax rates	-	0.5
<b>Income tax expense - continuing operations</b>	<b>(112.5)</b>	<b>(68.1)</b>
<b>DEFERRED INCOME TAX RECOGNISED DIRECTLY IN OCI</b>		
Relating to financial assets at fair value through other comprehensive income	(2.9)	27.0
Relating to cash flow hedge reserve	7.9	0.9
Relating to foreign currency translation	-	6.3
<b>Total deferred income tax recognised directly in OCI</b>	<b>5.0</b>	<b>34.2</b>
<b>DISCONTINUED OPERATIONS</b>		
<b>INCOME TAX EXPENSE</b>		
Current tax benefit/(expense)	0.2	(21.0)
Deferred tax benefit/(expense)	0.8	(21.0)
<b>Income tax benefit/(expense) - discontinued operations</b>	<b>1.0</b>	<b>(42.0)</b>
<b>RECONCILIATION BETWEEN INCOME TAX EXPENSE AND PRE-TAX STATUTORY PROFIT:</b>		
Income tax using the domestic corporation tax rate 30%	(5.7)	(51.9)
Recognition of deferred tax asset on capital and revenue losses, not previously recognised	2.5	7.4
Share of equity accounted investees' net profit	-	0.4
Tax benefit arising from share acquisition rights vested	-	0.4
Non-deductible expenses	-	0.7
Capital loss and exempt income on disposal of business	3.7	(4.3)
Difference in overseas tax rates	0.5	5.3
<b>Income tax benefit/(expense) - discontinued operations</b>	<b>16</b>	<b>(42.0)</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## 7. EARNINGS PER SHARE

	Basic		Diluted	
	Dec 22	Dec 21	Dec 22	Dec 21
	\$	\$	\$	\$
<b>STATUTORY EARNINGS PER SHARE</b>				
From continuing operations	0.84	2.99	0.84	2.97
From discontinued operations	0.04	0.25	0.04	0.25
<b>Statutory earnings per share - total</b>	<b>0.88</b>	<b>3.24</b>	<b>0.88</b>	<b>3.22</b>

	Dec 22	Dec 21
	\$m	\$m
<b>EARNINGS RECONCILIATION BY CATEGORY OF SHARE - ORDINARY SHARES</b>		
Net profit attributable to equity holders of the Company - continuing & discontinued operations	319.6	1,175.0
<b>Net profit attributable to equity holders of the Company - continuing &amp; discontinued operations</b>	<b>319.6</b>	<b>1,175.0</b>

	Dec 22	Dec 21
	Million	Million
<b>WEIGHTED AVERAGE NUMBER OF SHARES</b>		
<b>Ordinary shares for basic earnings per share</b>		
Issued shares as at 1 July	363.3	363.3
<b>Issued shares as at 31 December</b>	<b>363.3</b>	<b>363.3</b>
<b>Weighted average number of shares (basic) at 31 December<sup>(a)</sup></b>	<b>363.3</b>	<b>363.1</b>
Effect of share options on issue - ordinary shares	1.7	1.4
<b>Weighted average number of shares (diluted) at 31 December</b>	<b>365.0</b>	<b>364.5</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 1.7 million options that were exercisable or dilutive at December 2022 (December 2021: 1.4 million).

	Basic		Diluted	
	Dec 22	Dec 21	Dec 22	Dec 21
	\$	\$	\$	\$
<b>UNDERLYING EARNINGS PER SHARE (NON-IFRS MEASURE)</b>				
From continuing operations	0.94	0.80	0.93	0.80
From discontinued operations	-	0.21	-	0.20
<b>Underlying earnings per share - total</b>	<b>0.94</b>	<b>1.01</b>	<b>0.93</b>	<b>1.00</b>

Underlying earnings per share is a non-IFRS measure and reconciled to statutory profit or loss as follows:

	Dec 22	Dec 21
	\$m	\$m
<b>UNDERLYING EARNINGS RECONCILIATION BY CATEGORY OF SHARE - ORDINARY SHARES</b>		
Net profit attributable to equity holders of the Company	319.6	1,175.0
Significant items attributable to equity holders of the Company	21.2	(808.9)
<b>Underlying net profit attributable to equity holders of the Company - continuing &amp; discontinued operations</b>	<b>340.8</b>	<b>366.1</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## 8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Dec 22 \$m	Jun 22 \$m
<b>INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>		
Investments in associates		
Beach Energy Limited	1,195.5	1,137.9
Seven West Media Limited	244.4	244.4
Individually immaterial associates	217.0	216.4
Investments in joint ventures		
Individually immaterial joint ventures	6.0	29.9
<b>Total investments accounted for using the equity method</b>	<b>1,662.9</b>	<b>1,628.6</b>

### BEACH ENERGY LIMITED

The Group has the ability to significantly influence, but not control or jointly control, the financial and operating decisions of Beach 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. Following a share buy-back by Seven West Media during the period, the Group now holds a 39.3 per cent (June 2022: 38.9 per cent) ownership interest in Seven West Media and equivalent voting rights. The Group has one representative director on the Seven West Media board. Management have concluded that the Group has the ability to significantly influence, but not control or jointly control, the financial and operating decisions of Seven West Media.

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

Investee	Principal activities	Country of incorporation	Balance date	Ownership interest (%)	
				Dec 22	Jun 22
<b>ASSOCIATES</b>					
Beach Energy Limited	Oil and gas exploration, development, production	Australia	30 Jun	30.0	30.0
Bitumen Importers Australia Pty Limited <sup>(a)</sup>	Bitumen importer	Australia	30 Jun	50.0	50.0
ConnectSydney Pty Ltd <sup>(a)</sup>	Road maintenance	Australia	30 Jun	38.5	38.5
Energy Power Systems Australia Pty Ltd	Distribution and rental of CAT engine products	Australia	30 Jun	40.0	40.0
Flyash Australia Pty Ltd <sup>(a)</sup>	Fly ash collection	Australia	31 Dec	50.0	50.0
Mo's Mobiles Pty Limited	Mobile phone retailer	Australia	30 Jun	25.0	25.0
Penrith Lakes Development Corporation Limited <sup>(a)</sup>	Property development	Australia	30 Jun	40.0	40.0
Seven West Media Limited <sup>(b)</sup>	Media	Australia	24 Jun	39.3	38.9
South Australian Road Services Pty Limited <sup>(a)</sup>	Road maintenance	Australia	30 Jun	50.0	50.0
South East Asphalt Pty Limited <sup>(a)</sup>	Asphalt	Australia	30 Jun	50.0	50.0
Sunstate Cement Limited <sup>(a)</sup>	Cement manufacturer	Australia	30 Jun	50.0	50.0
<b>JOINT VENTURES</b>					
Flagship Property Holdings Pty Limited <sup>(c)</sup>	Property management	Australia	31 Dec	46.6	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) Ownership interest reflects Boral's ownership, of which the Group has a 72.6 per cent interest.

(b) During the period, Seven West Media bought 17.3 million shares on-market and subsequently cancelled the shares. This increased the Group's ownership interest in Seven West Media to 39.3 per cent.

(c) During the period, the Group's interest in Flagship Property Holdings Pty Limited increased to 46.6 per cent as a result of a reduction in the number of shares on issue.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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

	Dec 22 \$m	Dec 21 <sup>^</sup> \$m
<b>SHARE OF INVESTEEES' NET PROFIT</b>		
Investments in associates:		
Beach Energy Limited	62.8	66.7
Seven West Media Limited	43.6	47.6
Individually immaterial associates	9.4	9.7
Investments in joint ventures:		
Individually immaterial joint ventures	(0.5)	0.2
<b>Share of net profit from equity accounted investees</b>	<b>115.3</b>	<b>124.2</b>

<sup>^</sup> Comparative amounts have been reclassified. Refer to Note 1 for further detail.

The Group received cash dividends and distributions of \$25.1 million from its investments in equity accounted investees during the half-year ended 31 December 2022 (December 2021: \$14.0 million).

	Dec 22 \$m	Jun 22 \$m
<b>MARKET VALUES OF LISTED INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>		
Beach Energy Limited		
Book value	1,195.5	1,137.9
Market value	1,092.2	1,171.0
Seven West Media Limited		
Book value	244.4	244.4
Market value	244.4	244.4

An impairment expense of \$50.7 million (December 2021: \$76.2 million impairment reversal) 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 2022

## 9. PRODUCING AND DEVELOPMENT ASSETS

	Dec 22 \$m	Jun 22 \$m
<b>PRODUCING AND DEVELOPMENT ASSETS</b>		
At cost	564.3	505.0
Accumulated depreciation	(22.9)	(22.7)
Accumulated impairment	(118.5)	(116.6)
<b>Total producing and development assets</b>	<b>422.9</b>	<b>365.7</b>

Producing and development assets comprise the Group's operating interests, through its wholly-owned subsidiaries, in the following ventures:

- Longtom gas and condensate field located in the Bass Strait off the coast of Victoria through SGH Energy VICP54 Pty Limited;
- Crux AC/L10 oil and gas project located off the coast of Western Australia through SGH Energy WA Pty Limited; and
- Bivins Ranch oil and gas asset located in the Texas Panhandle region of the United States through Seven Network (United States) Inc.

## 10. NOTES TO THE CASH FLOW STATEMENT

	Dec 22 \$m	Dec 21 \$m
<b>Reconciliation of profit for the period to net cash flows related to operating activities</b>		
<b>Profit for the period</b>	<b>349.5</b>	<b>1,221.5</b>
Income tax expense	111.5	110.1
Income taxes paid	(63.5)	(80.9)
Depreciation and amortisation:		
Property, plant and equipment	209.0	174.7
Right of use assets	45.5	47.8
Intangible assets	4.6	14.2
Capitalised borrowing costs amortised	3.5	8.0
Share of results from equity accounted investees	(115.3)	(131.6)
Employee share movements in equity	5.5	3.9
Dividends received from equity accounted investees	25.1	14.0
Loss arising from dilution of investment in equity accounted investee	-	10.2
Gain on sale of property, plant and equipment	(8.7)	(11.6)
Revaluation of equity accounted interest on acquisition of Boral Limited	-	(756.8)
Gain on disposal of discontinued operations	(18.9)	(30.8)
Impairment/(impairment reversal) of equity accounted investee	50.7	(76.2)
Gain on settlement of interest bearing liabilities	(11.4)	-
Movement in accrued investing items	11.8	167.5
Unwind of interest on convertible note and exchangeable bond	5.3	4.6
Other	4.4	10.5
Movement in:		
Trade and other receivables	(19.8)	4.7
Inventories	(76.0)	(230.1)
Other assets	(69.3)	(34.5)
Trade and other payables/deferred income	(6.8)	(209.2)
Provisions and employee benefits	(53.9)	(8.5)
<b>Net operating cash flows</b>	<b>382.8</b>	<b>221.5</b>

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## 11. INTEREST BEARING LOANS AND BORROWINGS

	Dec 22 \$m	Jun 22 \$m
<b>CURRENT</b>		
Interest bearing liabilities	418.2	363.1
Convertible notes	177.2	322.5
Fixed term US dollar notes and bonds	147.6	682.0
Less: capitalised borrowing costs net of accumulated amortisation	(1.2)	(2.6)
	<b>741.8</b>	<b>1,365.0</b>
<b>NON-CURRENT</b>		
Interest bearing liabilities	1,613.8	1,644.3
Exchangeable bond	218.7	-
Convertible notes	43.4	-
Fixed term US dollar notes and bonds	2,646.1	2,697.7
Fair value adjustment - cross currency swaps	(54.5)	(28.7)
Less: capitalised borrowing costs net of accumulated amortisation	(19.3)	(15.7)
	<b>4,448.2</b>	<b>4,297.6</b>

At 31 December 2022, the Group had available undrawn borrowing facilities of \$1,166.0 million (June 2022: \$1,081.2 million).

### Interest bearing liabilities

Current interest bearing liabilities include the Group's equity swaps and short-term working capital facilities. Non-current interest bearing liabilities include amounts drawn from the Group's revolving syndicated loan facility, long-term Inventory Rental Assistance Program Facility and subsidiary bank debt.

### Equity settled swaps

In October 2022, the Group entered into further equity-settled swaps for Boral shares of \$96.0 million, totalling \$366.0 million at December 2022 (June 2022: \$270.0 million). The Group also holds an equity-settled swap over Beach shares of \$45.1 million at December 2022 (June 2022: \$45.1 million). The swaps mature in October 2023 and April 2023 respectively. AASB 9: Financial Instruments does not apply to interests in associates accounted for using the equity method for the Beach swap and interests in controlled entities for the Boral swaps.

### Syndicated loan facility

The syndicated loan facility comprises three tranches A, B and C. Tranche A provides a \$558.0 million limit until September 2024. Tranche B of the facility was amended in October 2022, extending the maturity to September 2027 and upsizing the limit by \$50.0 million to \$950.0 million. Tranche C of the facility provides a limit of \$280.0 million with a maturity to April 2027.

### Convertible notes and Exchangeable bond

In October 2022, the Company announced an Exchangeable bond transaction which resulted in the part repurchase of the existing Convertible notes (Notes) and the issuance of a new \$250.0 million Exchangeable Bond. Approximately 32.6 per cent (\$114.2 million) of the Notes were repurchased at par value of \$100,000 per Note, which was funded by an Exchangeable bond (Bond Notes). The early redemption option for the Notes was exercisable on 3 January 2023, with note holders exercising their option resulting in a further \$189.4 million of notes being repurchased and cancelled. Refer to Note 17: Events Subsequent to Balance Date.

The Bond Notes have a fixed coupon of 4.625 per cent per annum and are exchangeable into fully paid ordinary shares of Boral Limited. The Bond Notes mature in October 2027, with a note holder early redemption option in October 2025.

### Fixed term US dollar notes and bonds

In July 2022, Boral repaid US\$300.0 million of the May 2028 US Senior Notes and in October 2022, Boral repaid US Senior Notes - 144A that had a notional amount US\$126.9 million.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## 11. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

### 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 22	Net financing cash flows	Effect of FX rates	Other <sup>(a)</sup>	Dec 22
	\$m	\$m	\$m	\$m	\$m
<b>Interest bearing loans and borrowings</b>					
Interest bearing liabilities	2,007.4	(88.6)	-	113.2	2,032.0
Fixed term US dollar notes and bonds	3,379.7	(628.7)	58.0	(15.3)	2,793.7
Convertible notes	322.5	-	-	(101.9)	220.6
Exchangeable bond	-	135.7	-	83.0	218.7
Capitalised borrowing costs	(18.3)	(7.0)	-	4.8	(20.5)
Fair value adjustment	(28.7)	-	-	(25.8)	(54.5)
<b>Total interest bearing loans and borrowings</b>	<b>5,662.6</b>	<b>(588.6)</b>	<b>58.0</b>	<b>58.0</b>	<b>5,190.0</b>
<b>Lease liabilities</b>					
Lease liabilities	964.3	(43.0)	-	56.0	977.3
<b>Total lease liabilities</b>	<b>964.3</b>	<b>(43.0)</b>	<b>-</b>	<b>56.0</b>	<b>977.3</b>
<b>Total</b>	<b>6,626.9</b>	<b>(631.6)</b>	<b>58.0</b>	<b>114.0</b>	<b>6,167.3</b>

(a) Other includes a non-cash increase in liabilities related to equity-settled swaps and liabilities, profit on settlement of US Notes and discount unwind of Convertible notes and Exchangeable bond.

## 12. 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.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## 12. FINANCIAL INSTRUMENTS (CONTINUED)

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

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 22 Carrying amount \$m	Dec 22 Fair value \$m	Jun 22 Carrying amount \$m	Jun 22 Fair value \$m
<b>Financial assets measured at fair value</b>						
Listed equity securities (excluding derivatives)		1	55.0	55.0	52.0	52.0
Unlisted equity securities		3	93.6	93.6	110.7	110.7
Forward foreign exchange contracts - used for hedging	13	2	5.2	5.2	13.6	13.6
Commodities swaps - cash flow hedges	13	2	-	-	18.9	18.9
Cross currency swap - used for hedging	13	2	174.9	174.9	185.9	185.9
			<b>328.7</b>	<b>328.7</b>	<b>381.1</b>	<b>381.1</b>
<b>Financial assets not measured at fair value</b>						
Cash and cash equivalents		-	706.1	706.1	1,254.6	1,254.6
Trade and other receivables		-	1,554.5	1,554.5	1,534.7	1,534.7
			<b>2,260.6</b>	<b>2,260.6</b>	<b>2,789.3</b>	<b>2,789.3</b>
<b>Financial liabilities measured at fair value</b>						
Forward foreign exchange contracts - used for hedging	13	2	1.6	1.6	3.2	3.2
Commodities swaps - cash flow hedges	13	2	5.2	5.2	-	-
Cross currency swap - used for hedging	13	2	54.5	54.5	57.4	57.4
Interest rate collars - used for hedging	13	2	11.5	11.5	5.3	5.3
			<b>72.8</b>	<b>72.8</b>	<b>65.9</b>	<b>65.9</b>
<b>Financial liabilities not measured at fair value</b>						
Trade and other payables (excluding accruals)		-	719.1	719.1	680.0	680.0
Fixed term US dollar notes	11	2	2,793.7	2,520.2	3,379.7	3,214.9
Fair value adjustment relating to US dollar notes	11	-	(54.5)	(54.5)	(28.7)	(28.7)
Convertible note	11	2	220.6	215.6	322.5	317.6
Exchangeable bond	11	2	218.7	220.2	-	-
Other borrowings	11	2	2,032.0	2,032.0	2,007.4	2,007.4
			<b>5,929.6</b>	<b>5,652.6</b>	<b>6,360.9</b>	<b>6,191.2</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 2022

## 13. DERIVATIVE FINANCIAL INSTRUMENTS

	Dec 22 \$m	Jun 22 \$m
<b>CURRENT ASSETS</b>		
Forward foreign exchange contracts - cash flow hedges	5.2	13.6
Cross currency swaps - cash flow hedges	50.1	-
Commodities swaps and options	-	18.9
	<b>55.3</b>	<b>32.5</b>
<b>NON-CURRENT ASSETS</b>		
Cross currency swaps - cash flow hedges	124.5	179.9
Cross currency swaps - fair value hedges	0.3	6.0
	<b>124.8</b>	<b>185.9</b>
<b>CURRENT LIABILITIES</b>		
Forward foreign exchange contracts - cash flow hedges	(1.6)	(3.2)
Commodities swaps - cash flow hedges	(5.2)	-
Cross currency swaps - fair value hedges	(0.7)	-
	<b>(7.5)</b>	<b>(3.2)</b>
<b>NON-CURRENT LIABILITIES</b>		
Cross currency swaps - cash flow hedges	(15.8)	(22.8)
Cross currency swaps - fair value hedges	(38.0)	(34.6)
Interest rate swaps and collars	(11.5)	(5.3)
	<b>(65.3)</b>	<b>(62.7)</b>
<b>Net derivative financial instruments</b>	<b>107.3</b>	<b>152.5</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, foreign exchange rates, commodity and energy prices in accordance with the Group's financial risk management policies. The Group also enters into equity derivatives from time to time to hedge the value of listed investments or to gain exposure to certain market sectors.

### *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 US Dollar denominated debt in conjunction with cross currency swaps. The Group from time to time also enters into forward foreign exchange contracts to hedge certain known trading commitments predominately denominated in US Dollars. The term of these commitments are generally shorter than one year.

### *Commodity swaps*

The Group uses commodity swaps and options to hedge a component of exposure to commodity and energy price risk. The maximum permitted term for a hedge transaction is two years.

### *Cross currency swaps*

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

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## 14. CAPITAL

	Dec 22 \$m	Jun 22 \$m
<b>SHARE CAPITAL</b>		
363,260,588 ordinary shares, fully paid (June 2022: 363,260,588)	3,382.2	3,382.2
Convertible notes, fully paid	21.3	31.7
1,450 treasury shares, fully paid (June 2022: 386,913)	-	(3.4)
<b>Balance at end of the period</b>	<b>3,403.5</b>	<b>3,410.5</b>
<b>MOVEMENTS IN ORDINARY SHARES</b>		
Balance at beginning of the period	3,382.2	3,382.2
<b>Balance at end of the period</b>	<b>3,382.2</b>	<b>3,382.2</b>
<b>MOVEMENT IN TREASURY SHARES</b>		
Balance at beginning of the period	(3.4)	(8.7)
Shares vested and transferred to employee	3.4	6.7
On-market share acquisition	-	(1.4)
<b>Balance at end of the period</b>	<b>-</b>	<b>(3.4)</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 \$3.4 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.

During the period, 1,142 Notes had been repurchased and cancelled and a further 1,894 subsequent to period end under an early redemption option. Refer to Note 11: Interest Bearing Loans and Borrowings for further detail and Note 17: Events Subsequent to Balance Date.

## 15. DIVIDENDS

	Date of payment	Franked / unfranked	Amount per share \$	Total \$m
<b>DIVIDENDS PAID</b>				
Ordinary shares - Final dividend in respect of 2022 year	28 Oct 22	Franked	0.23	83.5
<b>Total dividends paid</b>				<b>83.5</b>
Ordinary shares - Final dividend in respect of 2021 year	29 Oct 21	Franked	0.23	83.5
<b>Total dividends paid</b>				<b>83.5</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 2023 year	5 May 23	Franked	0.23	83.5

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## 16. DISCONTINUED OPERATIONS

### Disposal of businesses

During the period, the Group received settlements and deferred consideration in relation to Boral's previously divested businesses. The prior period includes earnings from Boral's divested businesses, including North American Building Products, North American Fly Ash, Meridian Brick, and Australian Building Products businesses.

	Dec 22 \$m	Dec 21 \$m
<b>Profit for the period from discontinued operations</b>		
Revenue	-	883.3
Share of results from equity accounted investee	-	7.4
Net gain on sale of discontinued operations	18.9	30.8
Expenses excluding depreciation and amortisation	-	(745.3)
<b>Profit before depreciation, amortisation, net finance expense and income tax</b>	<b>18.9</b>	<b>176.2</b>
Depreciation and amortisation	-	-
<b>Profit before net finance expense and income tax</b>	<b>18.9</b>	<b>176.2</b>
Net finance expense	-	(3.2)
<b>Profit before income tax</b>	<b>18.9</b>	<b>173.0</b>
Income tax benefit/(expense)	1.0	(42.0)
<b>Profit for the period from discontinued operations</b>	<b>19.9</b>	<b>131.0</b>
<b>Profit for the period from discontinued operations attributable to:</b>		
Equity holders of the Company	14.4	91.2
Non-controlling interest	5.5	39.8
<b>Profit for the period from discontinued operations</b>	<b>19.9</b>	<b>131.0</b>
<b>Cash flows from discontinued operations</b>		
Net operating cash flows	(13.6)	99.3
Net investing cash flows	14.9	3,024.5
Net financing cash flows	-	(20.1)
<b>Net cash flows from discontinued operations</b>	<b>1.3</b>	<b>3,103.7</b>

During the period, cash outflows of \$13.6 million are related to costs incurred in conjunction with the exit of Boral North America.

# Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## 17. EVENTS SUBSEQUENT TO BALANCE DATE

Other than as outlined below, there has not arisen in the interval between 31 December 2022 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 2022.

### Partial repurchase of Convertible Notes

On 3 January 2023, the Group announced that some investors had exercised their put option for the early repayment and cancellation under the terms of the 2.2 per cent Notes which were due 2025. The aggregate principal amount was \$189.4 million, which was in addition to the \$114.2 million which were redeemed and cancelled on 6 October 2022. There is currently 464 Notes remaining on issue.

### 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 14 February 2023 compared to their market value at 31 December 2022 is outlined below.

	Market value	
	14 Feb 23	31 Dec 22
	\$m	\$m
Listed equity securities <sup>(a)</sup>	-	55.0
Listed investments accounted for using the equity method	1,320.6	1,336.6
<b>Total listed investments</b>	<b>1,320.6</b>	<b>1,391.6</b>

(a) On 13 January 2023, the Group disposed of its remaining investment in the listed equity securities portfolio.

## 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 35 of the 2022 Annual Report. There has not been any substantial related party transactions during the period other than the repayment of a related party interest bearing loan of \$40.0 million and return of capital of \$30.0 million from Flagship Property Holdings Pty Limited. The Group's share of the return of capital was \$14.0 million, which reduced the carrying value of the Group's investment in Flagship Property Holdings Pty Limited.

# Directors' Report

## SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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 2022 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>	
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>	
Rachel Helen Argaman (Herman) OAM	Director since February 2022
Sally Annabelle Chaplain AM	Director since November 2015
Terry James Davis (Chairman)	Director since June 2010 and Chairman since 17 November 2021
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 AND SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

A review of operations and 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 Sydney NSW 2000	PO Box 745 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 29 and forms part of the Directors' Report for the half-year ended 31 December 2022.

### 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 millions 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.



**TJ Davis**  
Chairman  
Sydney, 15 February 2023

15 February 2023

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 2022, 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



H Fortescue  
Partner  
Chartered Accountants

# Directors' Declaration

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES  
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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 27 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 2022 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.



**TJ Davis**  
Chairman

Sydney, 15 February 2023

## 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 2022, 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 2022 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 2022 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



H Fortescue  
Partner  
Chartered Accountants  
Sydney, 15 February 2023

# CORPORATE DIRECTORY

## DIRECTORS

Terry Davis (Chairman)  
Ryan Stokes AO (MD & CEO)  
Rachel Argaman (Herman) OAM  
Annabelle Chaplain AM  
Kate Farrar  
Christopher Mackay  
David McEvoy  
Warwick Smith AO  
Richard Uechtritz

## COMPANY SECRETARY

Warren Coatsworth

## HEAD OFFICE AND REGISTERED OFFICE

Seven Group Holdings Limited  
ABN: 46 142 003 469  
Level 30, 175 Liverpool Street  
Sydney NSW 2000  
02 8777 7574

## SHARE REGISTRY

Boardroom Pty Limited  
Level 8, 210 George Street  
Sydney NSW 2000

## AUDITOR

Deloitte Touche Tohmatsu  
Level 9, Grosvenor Place  
225 George Street  
Sydney NSW 2000

## KEY OPERATING BUSINESSES

WesTrac WA  
128 – 136 Great Eastern Highway  
South Guildford WA 6055  
08 9377 9444

WesTrac NSW  
1 WesTrac Drive  
Tomago NSW 2322  
02 4964 5000

WesTrac ACT  
78 Sheppard Street  
Hume ACT 2620  
02 6290 4500

Coates - Head Office  
Level 1, 201 Coward Street  
Mascot NSW 2020  
13 15 52

Coates - East Business Unit  
6 Greenhills Avenue  
Moorebank NSW 2170  
13 15 52

Coates - South Business Unit  
120 South Gippsland Highway  
Dandenong VIC 3175  
13 15 52

Coates - North Business Unit  
56-61 Meakin Road  
Meadowbrook QLD 4131  
13 15 52

Coates - West Business Unit  
18 Wheeler Street  
Belmont WA 6104  
13 15 52

Allight  
12 Hoskins Road  
Landsdale WA 6065  
08 9302 7000

Sykes Group  
42 Munibung Road  
Cardiff NSW 2285  
02 4954 1400

SGH Energy  
Level 4, 160 Harbour Esplanade  
Docklands VIC 3008  
03 8628 7277

Boral  
Level 3, Trinita 2  
39 Delhi Road  
North Ryde NSW 2113  
02 9220 6300

Concrete  
NSW 1300 552 555  
QLD 1300 305 980  
SA 1300 653 862  
VIC 13 30 06  
TAS 03 6337 5333  
WA 13 26 75

Quarries  
NSW 1300 723 999  
NT 1300 305 978  
QLD 1300 305 978  
SA 1300 136 332  
TAS 03 6337 5333  
VIC 1300 650 564  
WA 13 26 75

Cement & Lime  
NSW 02 9033 4000  
QLD 07 3272 9898  
TAS 03 6427 0133  
VIC 1800 673 570

Asphalt  
NSW 02 8801 2000  
NT 08 8947 0844  
QLD 07 3867 7600  
SA 08 8425 0400  
VIC 1300 132 964  
WA 08 9458 0400

Logistics  
NSW 02 9033 5388  
QLD 07 3271 4044  
SA 08 8425 0400  
TAS 03 6337 5333  
VIC 03 9981 2800  
WA 08 9333 3654

NSW De Martin & Gasparini  
02 9748 5100

NSW Concrete  
02 9542 4242

QLD Q-Crete  
1300 727 383

QLD Allens Asphalt  
07 3203 1566

VIC Alsafe Premix Concrete  
03 9308 6300

QLD Pro Concrete Group  
07 5593 7860

