

19 February 2024

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

SEVEN GROUP HOLDINGS LIMITED OFFER FOR BORAL - INVESTOR PRESENTATION

Please see investor presentation attached in relation to Seven Group Holdings Limited (ASX: SVW) offer for Boral Limited.

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

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Seven Group Holdings Limited is an Australian diversified operating group, with market leading businesses across industrial services, energy and media. In industrial services, SGH owns WesTrac and Coates, and holds a 71.6% interest in Boral. WesTrac is the sole authorised Caterpillar dealer in Western Australia, New South Wales and the Australian Capital Territory. Coates is Australia's largest industrial and general equipment hire business. Boral is Australia's largest and leading integrated construction materials business. In Energy, SGH has a 30.0% shareholding in Beach Energy, as well as interests in other energy assets 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, 7plus and The West Australian.



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Seven Group Holdings Boral Offer Presentation

19th February 2024



SGH

Industrial Services, Media,
Energy and Investments

Group Overview - Who We Are

Seven Group Holdings (ASX:SVW)

- Leading ASX Industrial business
- ASX100, \$14.8 billion market cap
- 15,000 employees over 5 core businesses
- Spanning Industrial Services, Energy and Media

Strategic growth sector exposure

- Mining production: growing bulk commodity outlook
- Infrastructure and construction: \$1.7t¹ 7-year pipeline
- Transitional energy: growing demand for LNG/gas

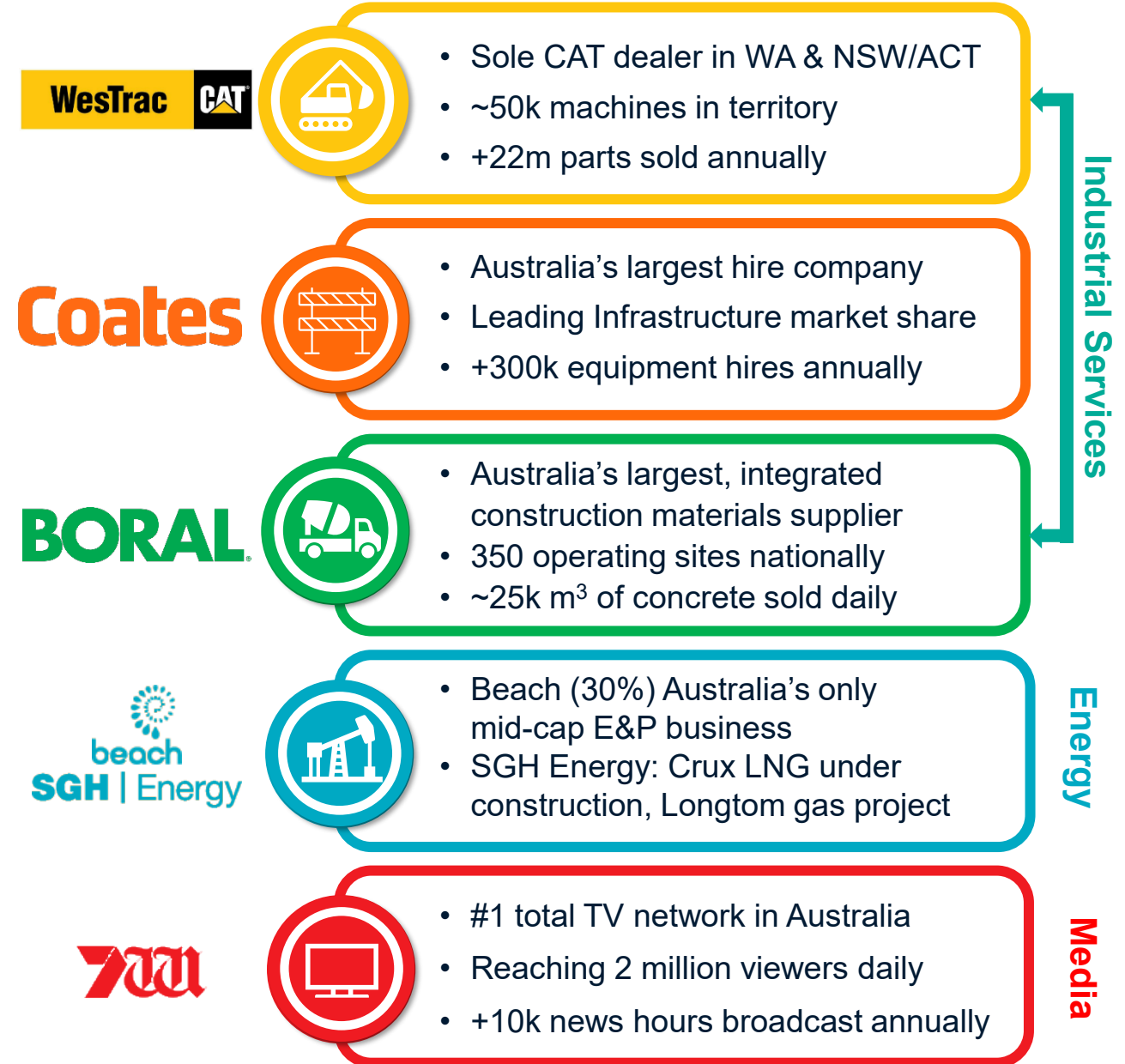
Market leading businesses

- Scale and leadership positions in respective markets
- Privileged assets with defensible moats (core plus)

Enhanced by a disciplined operating model

- Focused on capital allocation, execution and accountability

1. Source: Oxford Economics, Haver Analytics



The Offer - Overview

Overview

- SGH holds a 71.6% share in Boral¹ and proposes to acquire the remaining shares it does not currently own

Offer Consideration – Best and Final

- Minimum consideration of 0.1116 SGH shares and \$1.50 cash per Boral Share (aggregate value \$6.05) at Announcement²
- Offer increased by \$0.10 / share in cash if SGH reaches $\geq 80\%$ and/or the Boral Board unanimously recommends the Offer
- Offer increased by a further \$0.10 /share in cash if SGH reaches 90.6% compulsory acquisition threshold
- Maximum Consideration of \$6.25 as at Announcement³
- SGH will not acquire Boral Shares for $> \$6.25$ for at least 12 months following the close of the Offer

Funding

- Under the Maximum Consideration, SGH would have pro forma leverage of 2.2x (LTM Dec-23), with a clear path to deleveraging



¹ Comprised of a 62.4% holding of Boral Shares and a further interest in 9.2% of Boral under a physically settled equity swap.

² 19 February 2024

³ Based on the closing price of SGH Shares of \$40.77 at close of trading on 16 February 2024. The implied aggregate value of the Offer will vary depending on the market price of SGH Shares.



Next step in SGH's acquisition of Boral

- Began in 2020 and has resulted in SGH currently holding an aggregate interest of 71.6% in Boral¹
- SGH has created significant value within Boral since acquiring control
- We believe we can add greater value at higher levels of ownership
- Ensure Boral is prepared, as global competitor CRH enters the Aus market



Improves efficiency of SGH's holding of Boral via a de-listed structure

- Provides SGH greater influence and ability to optimise cashflows
- Allows removal of ~\$3m per annum in listing and corporate costs

SGH has a demonstrated track record of creating value within our portfolio

- e.g. Coates' EBIT has more than doubled under our 100% control

¹ Comprised of a 62.4% holding of Boral Shares and a further interest in 9.2% of Boral under a physically settled equity swap.

Transaction Rationale Continued



Consistent with Disciplined Approach

Highly disciplined approach to capital allocation

- Offer is “Best and Final” and ratchets in line with increased acceptances
- Strong balance sheet post transaction - pro forma LTM leverage 2.2x
- SGH will not pay more than \$6.25 for ≥ 12 months post Offer



Increases Appeal of SGH Shares

SGH becomes the most compelling listed option for investors to gain exposure to Australian construction materials

- Further investment in Boral increases SGH’s weighting to Industrial Services and exposure to Infrastructure investment
- A larger SGH benefits from increased free float, liquidity and index weighting



Confidence in Outlook

Transaction reflects our confidence in the outlook for SGH’s businesses

- Industrial Services guidance upgraded at HY24 results to 20 – 25% EBIT growth in FY24

//// Boral – A Natural Fit for SGH

Aligned with SGH's Core Demand Thematics

- Boral is primarily exposed to infrastructure and construction (I&C)
- \$1.7t¹ 7-year I&C project pipeline

Natural fit for Group expertise

- Australian focused Industrial Services business
- SGH has a proven ability to drive performance

Market leading businesses with privileged assets

- Boral is a leading integrated construction materials business
- Market leadership allows strategic freedom and pricing power, highlighted by Boral's HY24 result
- Boral's rail-connected upstream network is hard to replicate, providing an economic moat

Ability to drive performance

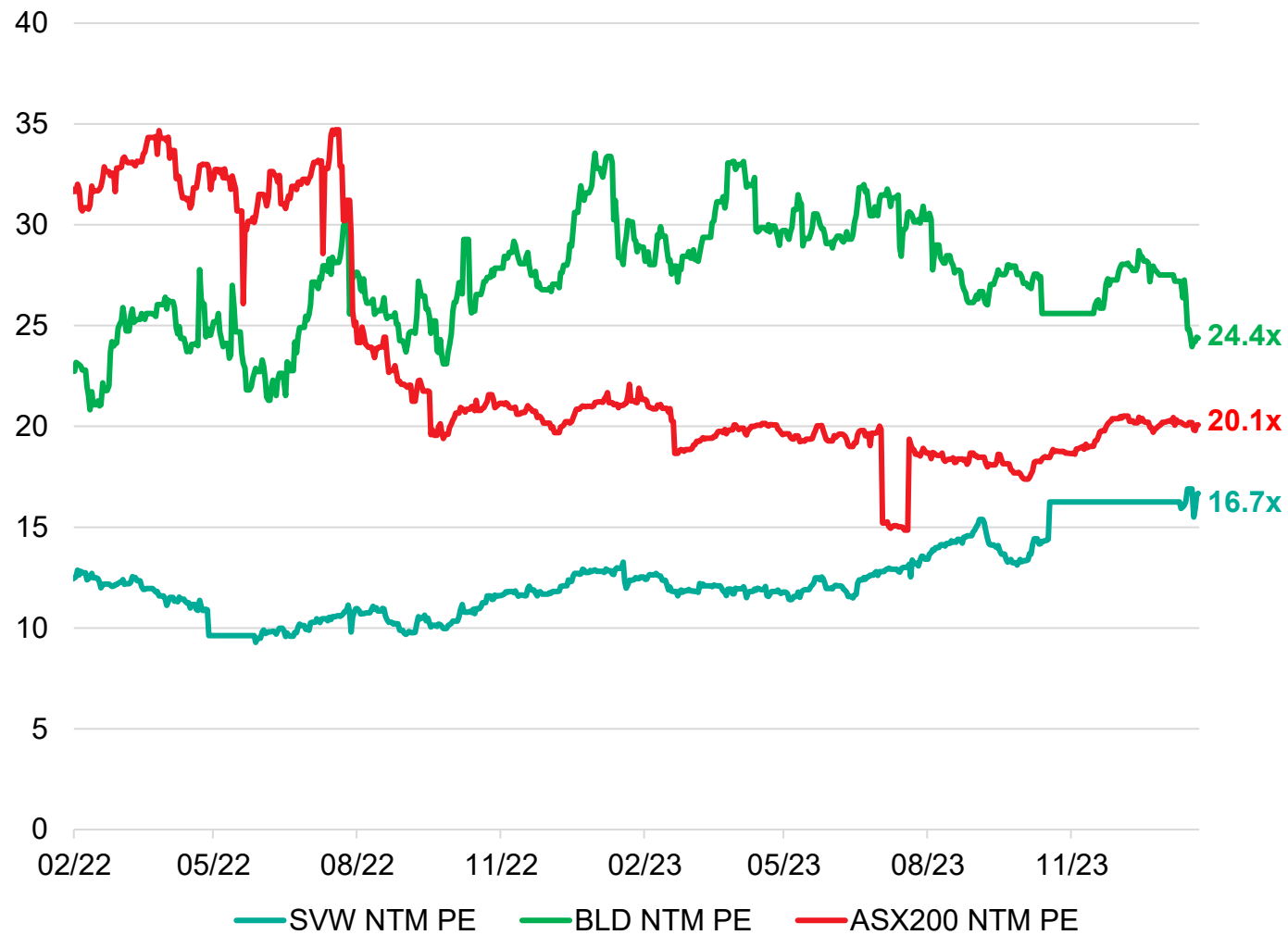
- For SGH to own a business, we must be able to drive superior performance beyond what it can achieve itself
- Boral's turnaround since SGH control highlights this ability



1. Source: Oxford Economics, Haver Analytics

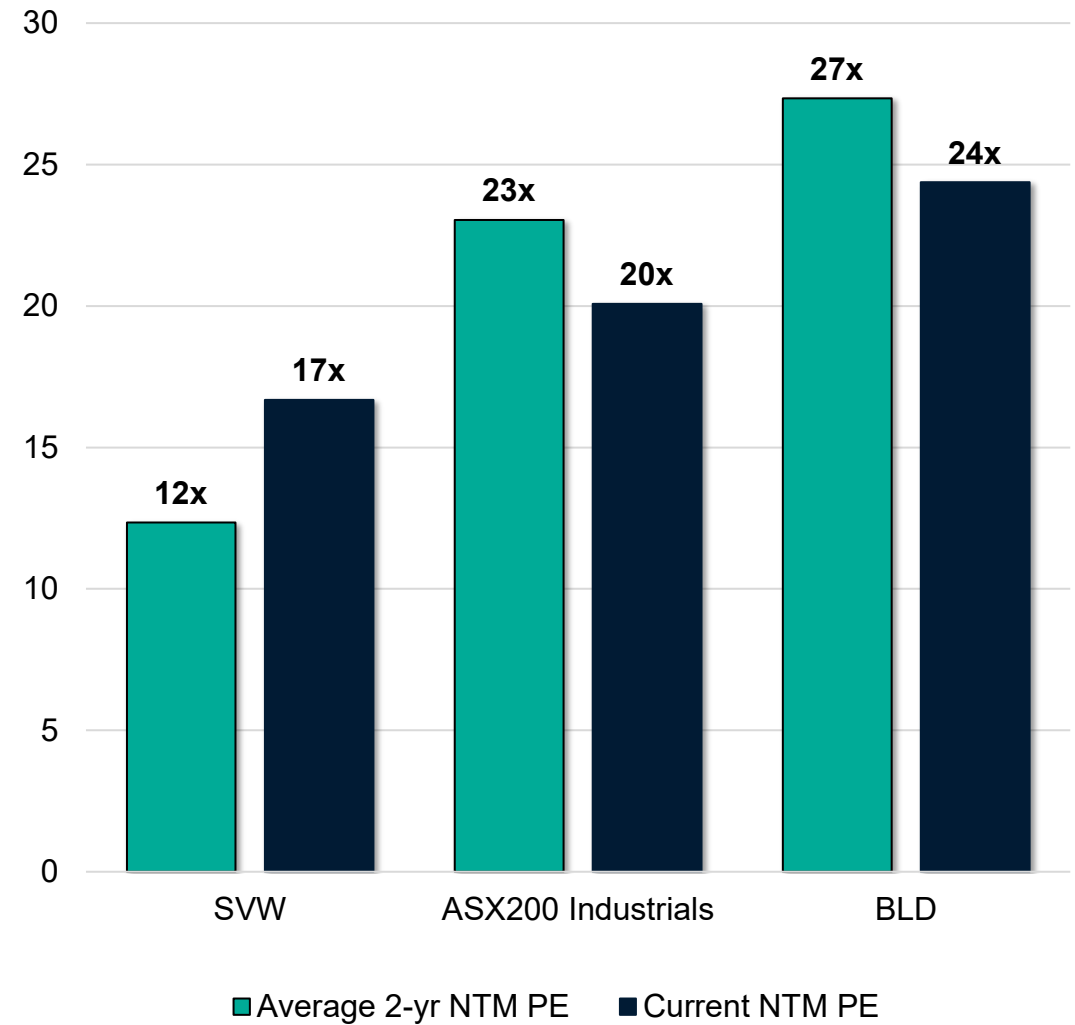
SGH Relative Value Opportunity

NTM¹ Price to Earnings (PE) Ratio History (x)



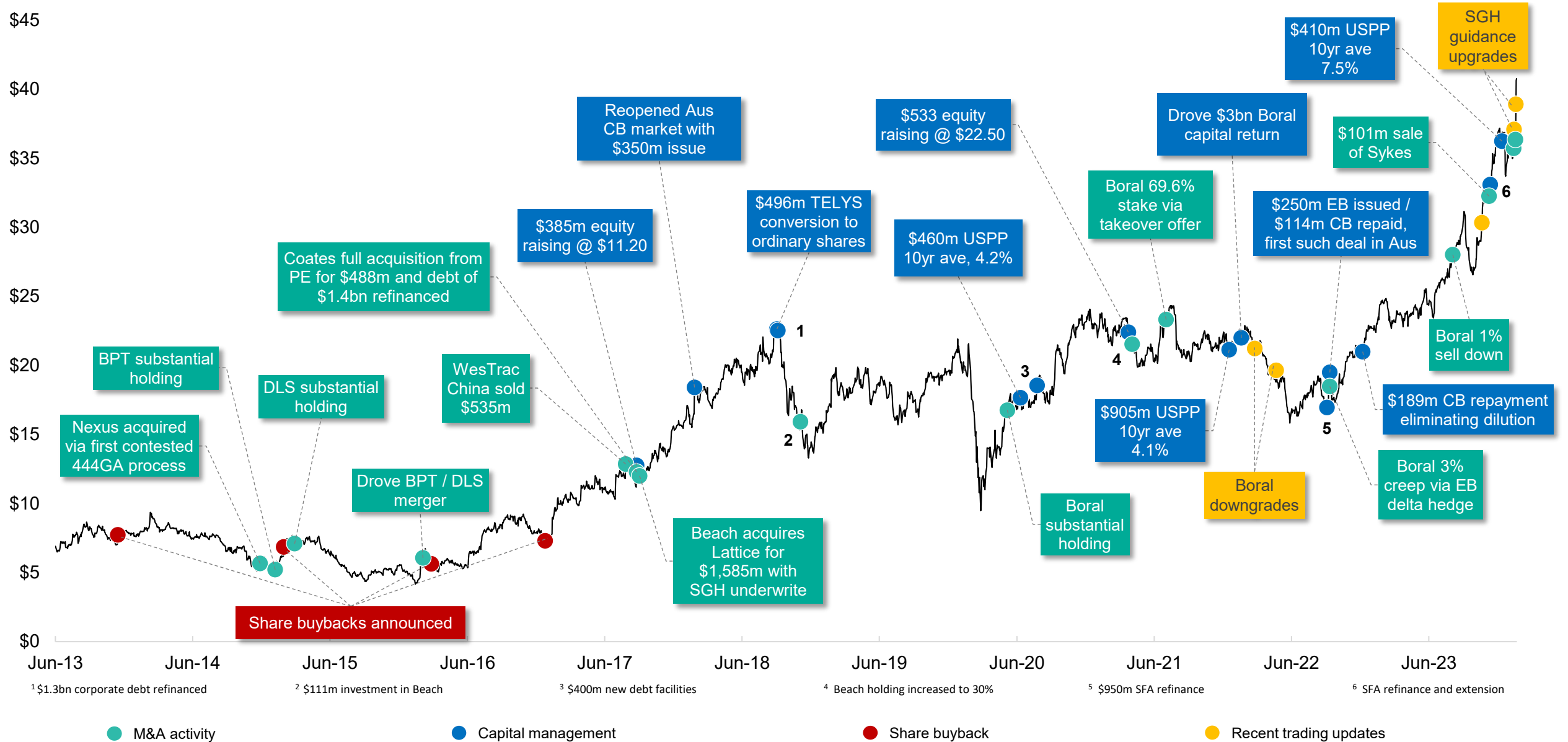
1. Next Twelve Months (NTM) basis
Source: Capital IQ

2-Yr Avg NTM¹ PE Ratio (x)

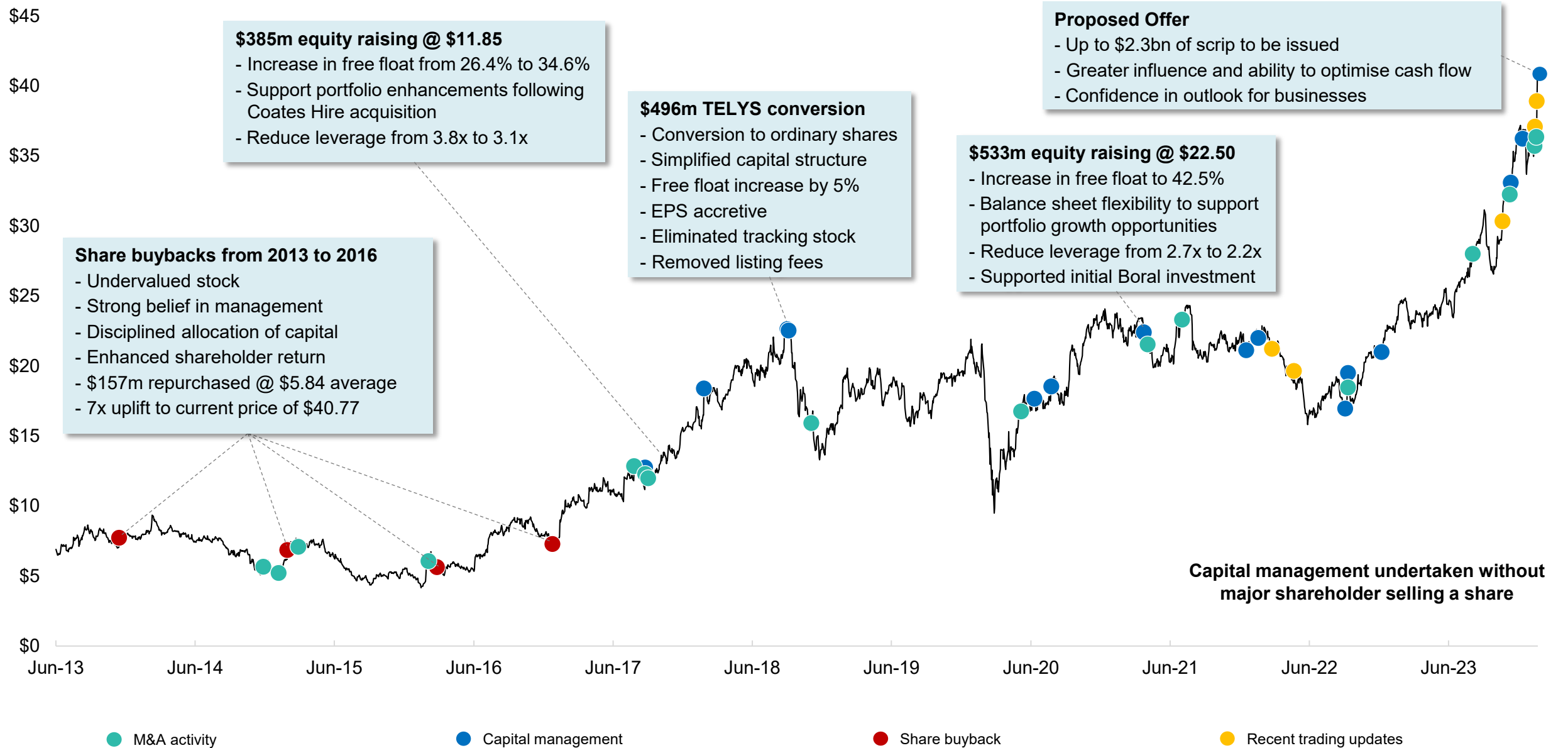


Source: Capital IQ

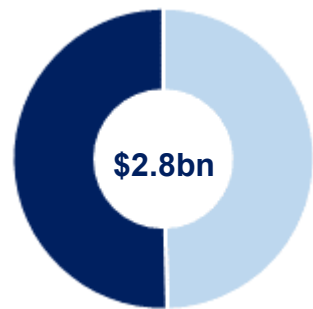
10+ Years of Active Portfolio and Capital Management



Value Accretive Use of Equity to Drive Growth and Outperformance

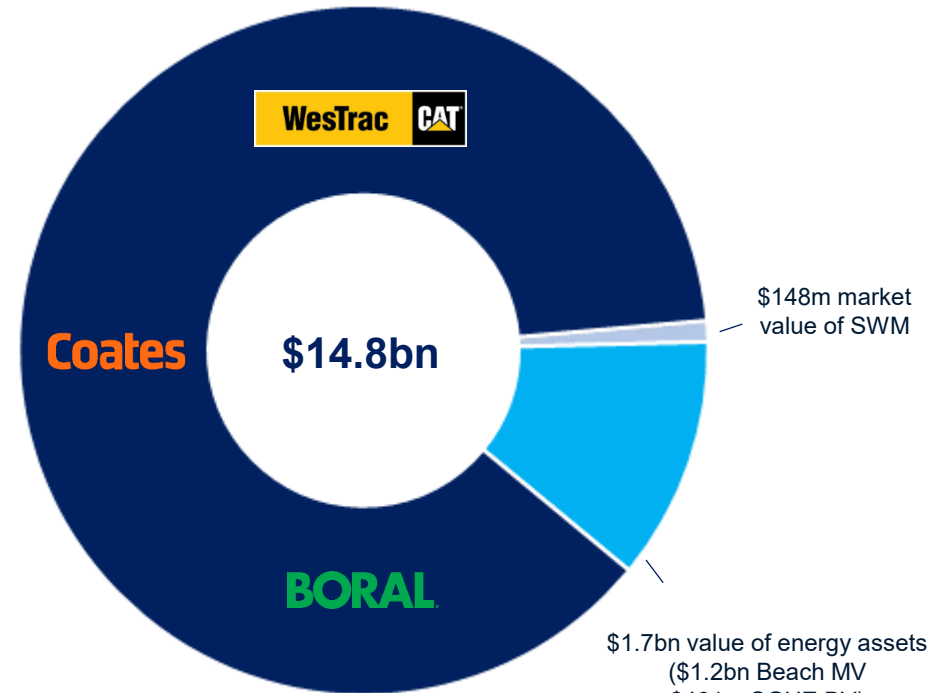


Continuing SGH Evolution



10+ years ago
(30 June 2012)

\$4.5bn EV



Current
(16 Feb 2024)

\$18.5bn EV



Mining Production

- Customer activity linked to mining production, not commodity price
- ~960/200Mtpa of Iron Ore and Thermal Coal exported annually to FY28



Infrastructure and Construction

- \$1.7t seven-year project pipeline
- Renewables build-out to eclipse current infrastructure pipeline

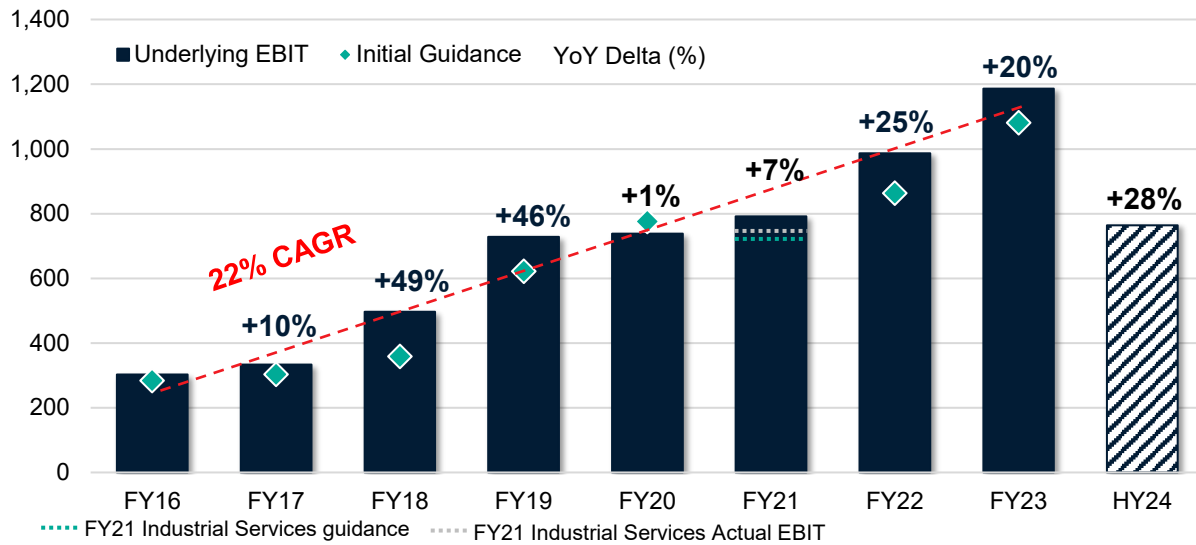


Transitional Energy

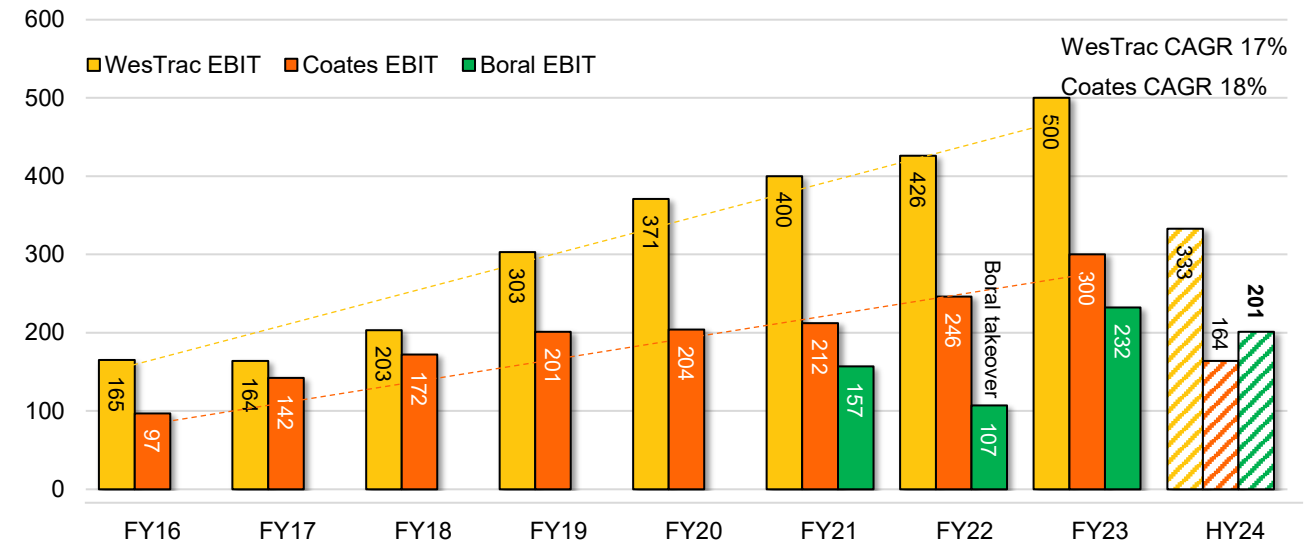
- Gas/LNG critical transitional energy
- Gas market shortfalls widely expected on the East Coast, West Coast and in global LNG this decade

Proven Track Record of Delivery

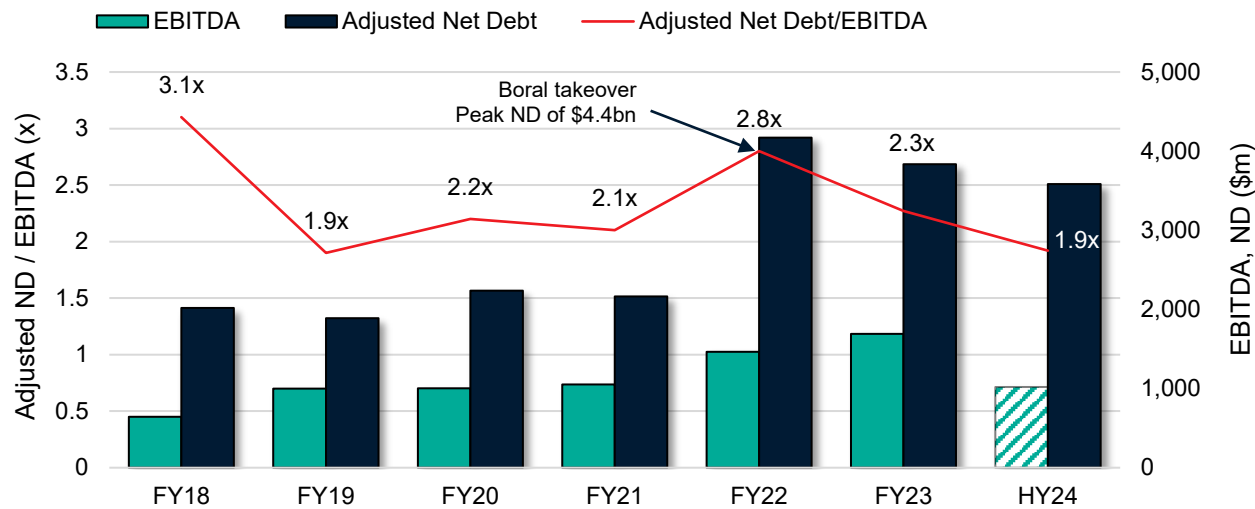
Group EBIT History and Initial Guidance



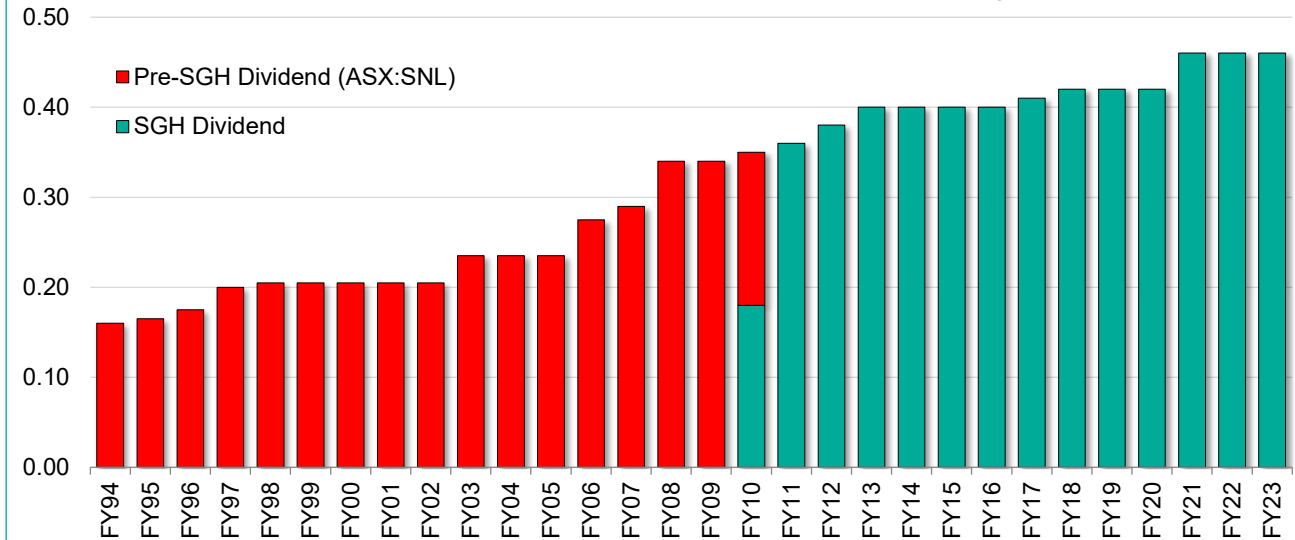
EBIT Margin History by Business Unit



EBITDA, Adj. ND and Leverage History

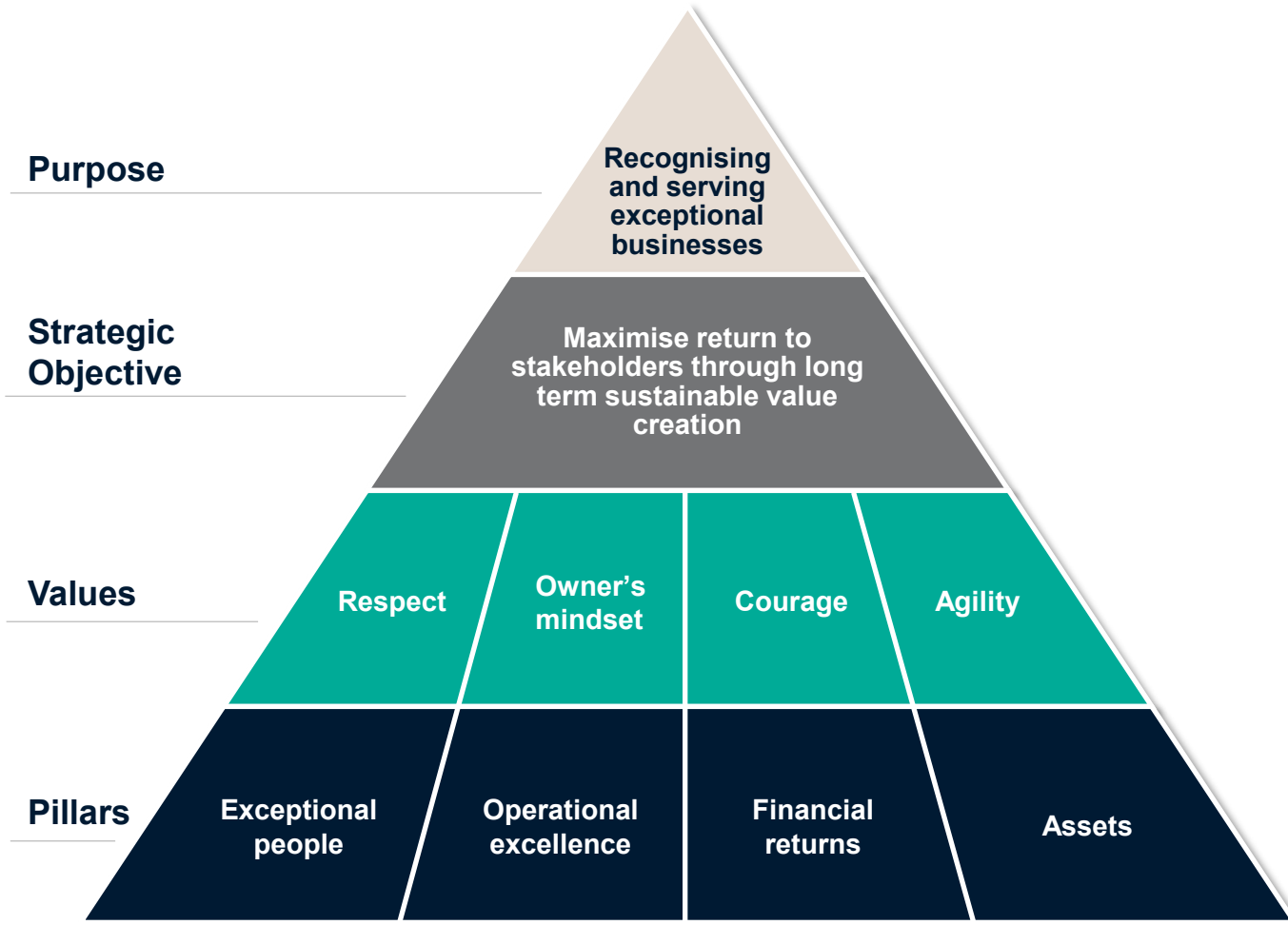


SGH and Predecessor Dividend History



Unlocking Value - POV, Operating Model

Group Purpose, Objective and Values



Accountable, Scalable Operating Model



SGH Intentions

On completion of the Offer SGH:






- Will continue to support Boral's key management and Board approved "Good to Great" strategy
- Is not intending to implement any major changes to the business or redeploy any of its fixed assets
- Preferencing reinvestment of Boral's free cash flow to support its long-term growth and adjacencies
- Will seek to delist Boral when legally permissible, consistent with ASX guidance
- Will appoint additional nominees on the Boral Board proportionate to shareholding

If SGH acquires 90.6% or more of Boral shares on issue:

- Move to compulsorily acquire any outstanding Boral Shares
- Offer two SGH Board seats to the Independent Directors of Boral, to protect minority interests
- Transition the remuneration incentives of Boral's management, from Boral to SGH equity



Appendix – Businesses & Markets

Industrials	Industrials	Industrials	Energy	Media
				
100%	100%	72%	Beach 30% SGHE 100%	40%
WesTrac is one of the largest CAT® dealers globally (by sales) operating the WA and NSW/ACT territories	Coates is Australia's largest industrial and general equipment hire company providing end-to-end solutions	Boral is Australia's largest construction materials and building products supplier with operations in all states & territories	Beach Energy is a leading mid-cap E&P business and a key supplier to a growing East Coast gas market	Seven West Media is a leading diversified media company in Australia
28 sites	150 sites	360 sites	five end-markets	Market leading in TV, publishing and digital
Focus on customers in direct mining, mining contractors, construction and infrastructure	Focus on large tier-one customers, mid-tier and trade, engineering and industrial solutions	Focus on infrastructure, non-residential and residential construction	Operated and non-operated interests including Crux LNG Project (15.5%)	Australia's #1 TV network and #1 BVOD service in 2023
~4,600 Employees	~2,100 Employees	~4,600 Employees	~750 (Beach) Employees	~2,400 Employees
Operating in Australia since 1923	Operating in Australia since 1885	Operating in Australia since 1946	Operating in Australia since 1960	Operating in Australia since 1956

Basis of preparation of slides

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

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

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

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

Non-IFRS Financial Information

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

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