

14 February 2024

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

PRESENTATION OF HALF YEAR RESULTS

Seven Group Holdings Limited (ASX: SVW) attaches the Results Presentation for the six months ended 31 December 2023.

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.



Seven Group Holdings Limited | ABN 46 142 003 469

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Seven Group Holdings HY24 Results Presentation

14th February 2024



SGH | Industrial Services, Media,
Energy and Investments

Group Overview - Who We Are

Seven Group Holdings (ASX:SVW)

- Leading ASX Industrial business
- ASX100, ~\$13 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

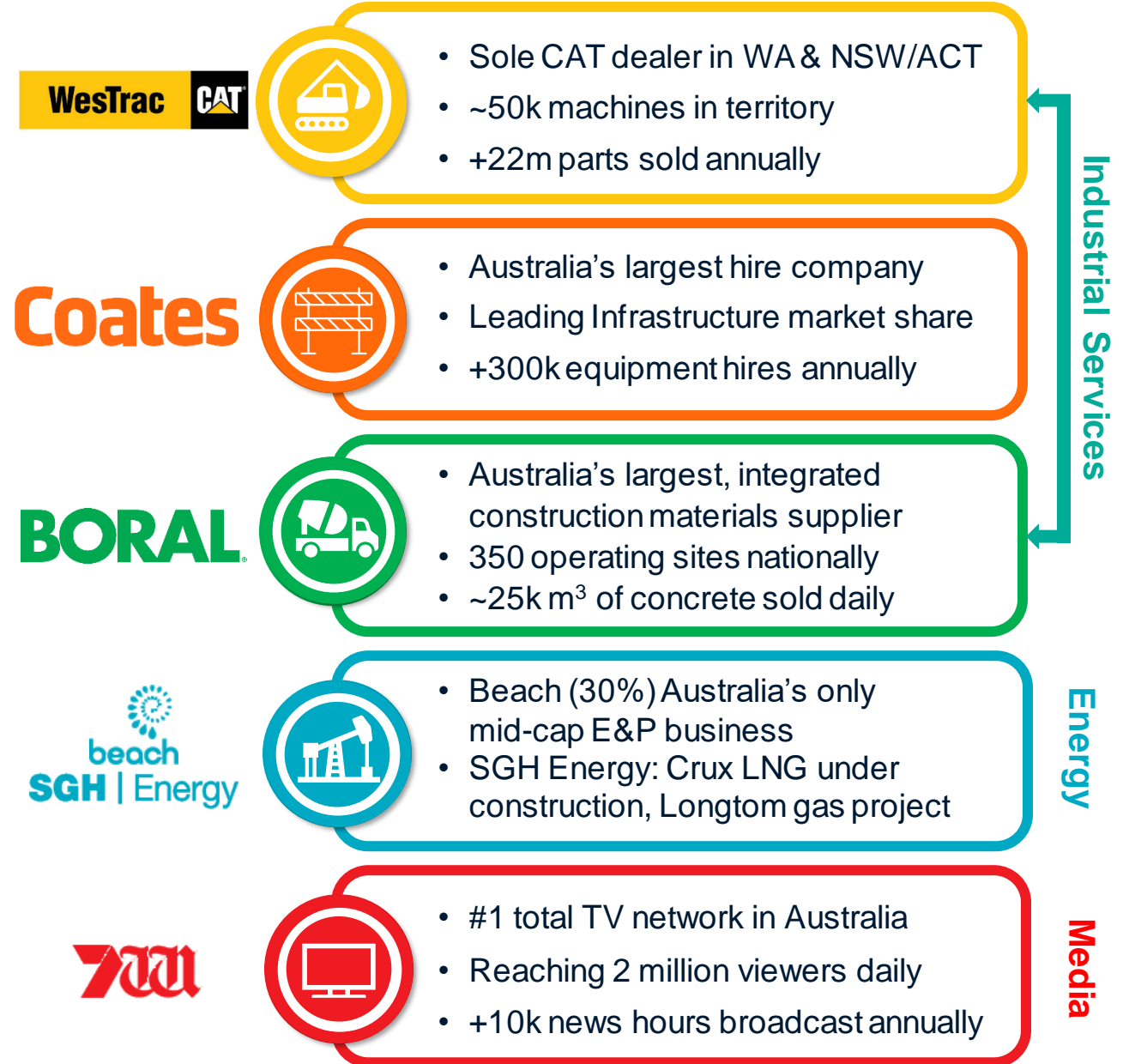
Market leading businesses

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

Enhanced by a disciplined operating model

- Focused on capital allocation, execution and accountability

1. Source: Oxford Economics, Haver Analytics



Group Overview – HY24 Key Results

\$5,386m ↑ 17%

Revenue

\$1,017m ↑ 21%

EBITDA

\$764m ↑ 28%

EBIT

\$474m ↑ 31%

NPAT

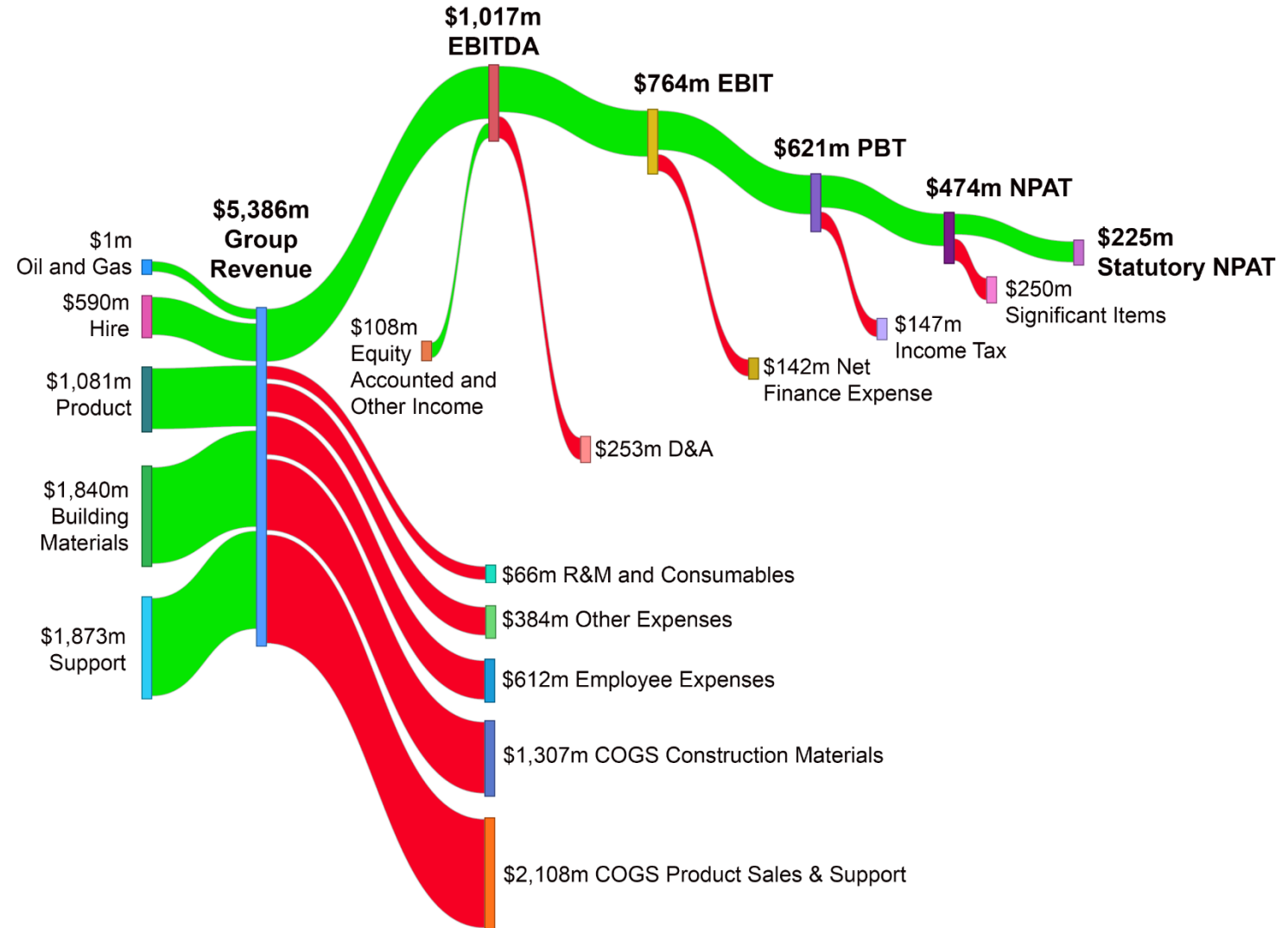
119cps ↑ 27%

EPS

\$715m ↑ 25%

Op Cashflow

SGH HY24 Sankey Diagram (\$m)



• This presentation refers to underlying results unless otherwise specified

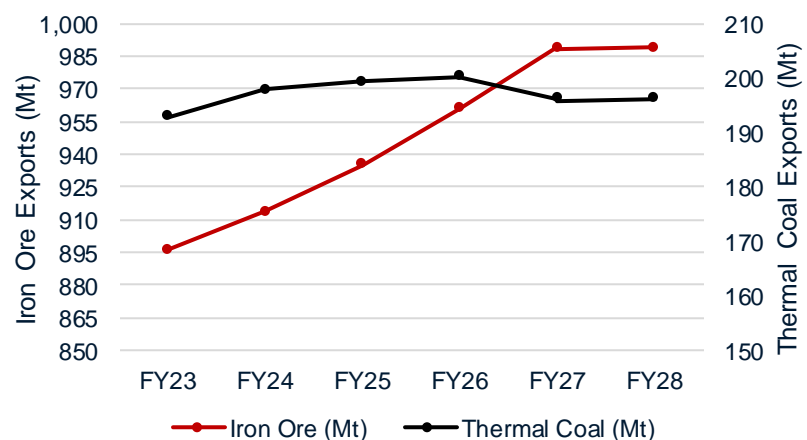
Strategic Sector Exposures



Mining Production

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

Australian Mining Export Volume Forecast



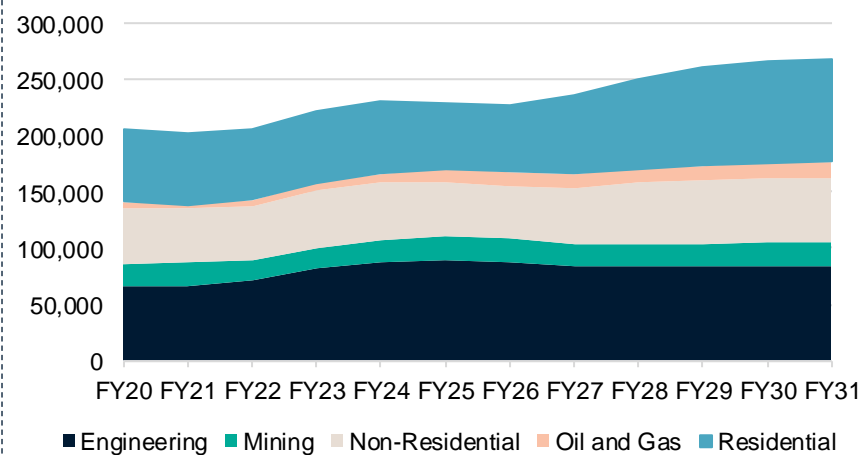
Source: Australian Department of Industry, Science and Resources



Infrastructure and Construction

- Exposure through Coates and Boral
- \$1.7t seven-year project pipeline
- Renewables build-out to eclipse current infrastructure pipeline

Australian Infrastructure and Construction Spend (\$m)



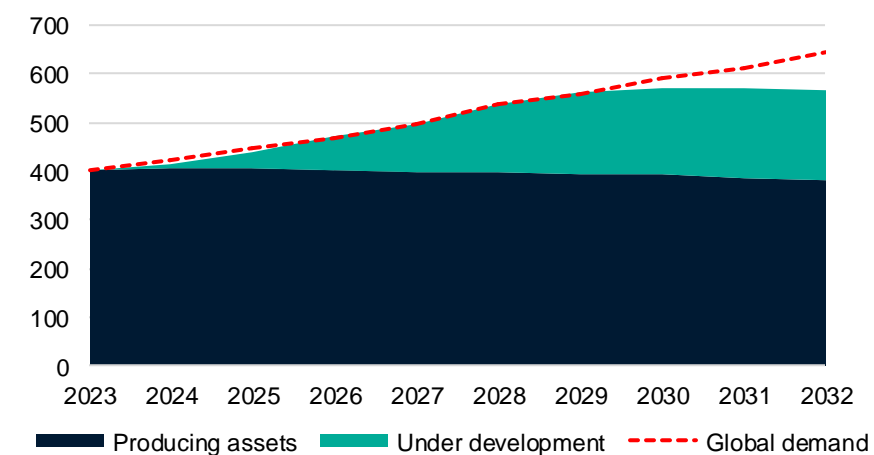
Source: Oxford Economics, Haver Analytics



Transitional Energy

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

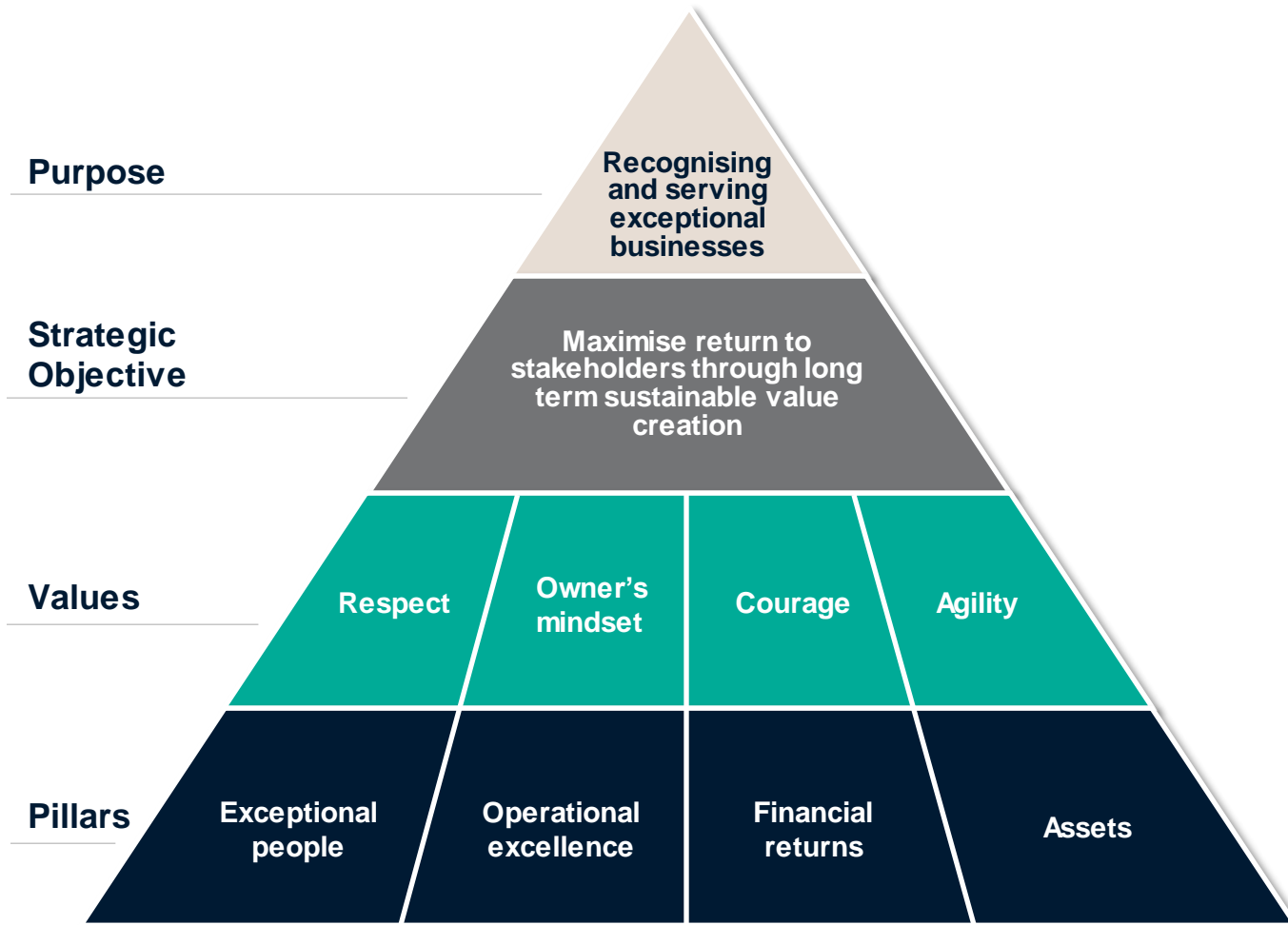
Global LNG Demand by Region and Supply Status (mt)



Source: Rystad Energy

Group POV, Operating Model

Group Purpose, Objective and Values



Accountable, Scalable Operating Model



Safety and Sustainability

Safety performance continues to improve

- HY24 12m LTIFR of 1.3, improved 47%
- HY24 12m TRIFR of 4.5, improved 48%
- Driving safety culture through visible safety leadership, accountability, awareness, and training initiatives

Sustainability

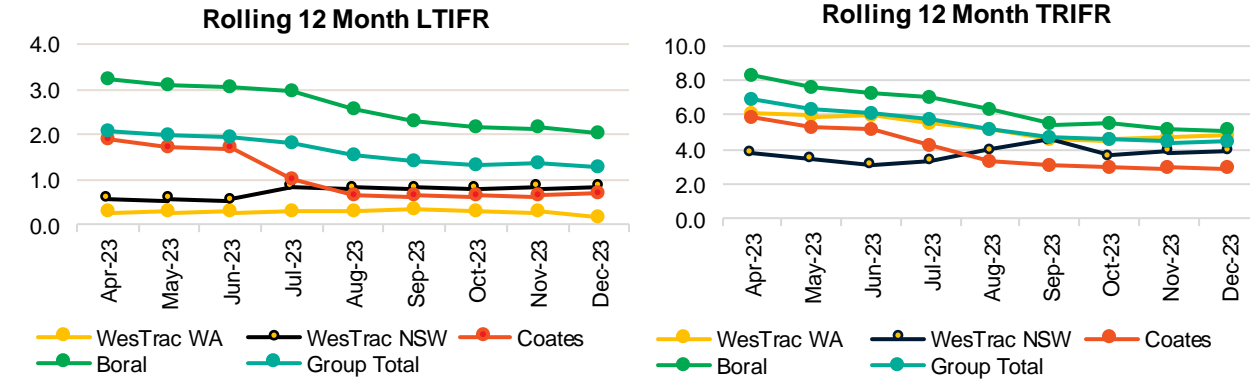
- 20% of Coates branches solar equipped by year-end FY24, reducing CO₂ emissions by over 1ktpa
- CAT progressively introducing low-carbon solutions for construction industries, lifting fuel efficiency by up to 35%¹
- Waste compaction technology implemented at WesTrac PDCs, reducing landfill volumes, improving centre economics and lowering environmental impacts
- BLD recycling +2m tonnes of construction material annually

1. Efficiency movement refers to CAT 980 XE wheel loader vs previous models

| | LTIFR ² | | TRIFR ³ | |
|--------------------|--------------------|------------|--------------------|------------|
| | Dec 2023 | Dec 2022 | Dec 2023 | Dec 2022 |
| WesTrac | 0.4 | 0.3 | 4.5 | 6.7 |
| Coates | 0.7 | 2.3 | 2.9 | 5.9 |
| Boral | 2.1 | 3.9 | 5.2 | 11.1 |
| Group Total | 1.3 | 2.4 | 4.5 | 8.6 |

2. Lost time injury frequency rate (LTIFR) = rolling 12m number of work-related injuries that resulted in time lost from work per million hours worked.

3. Total recordable injury frequency rate (TRIFR) = rolling 12m number of work-related recordable injuries per million hours worked.



Group Overview – Earnings Growth

Above-trend growth continues

- Seven consecutive years of Group earnings growth
- EBIT of \$764m up 28%, ahead of 12% 10-year CAGR

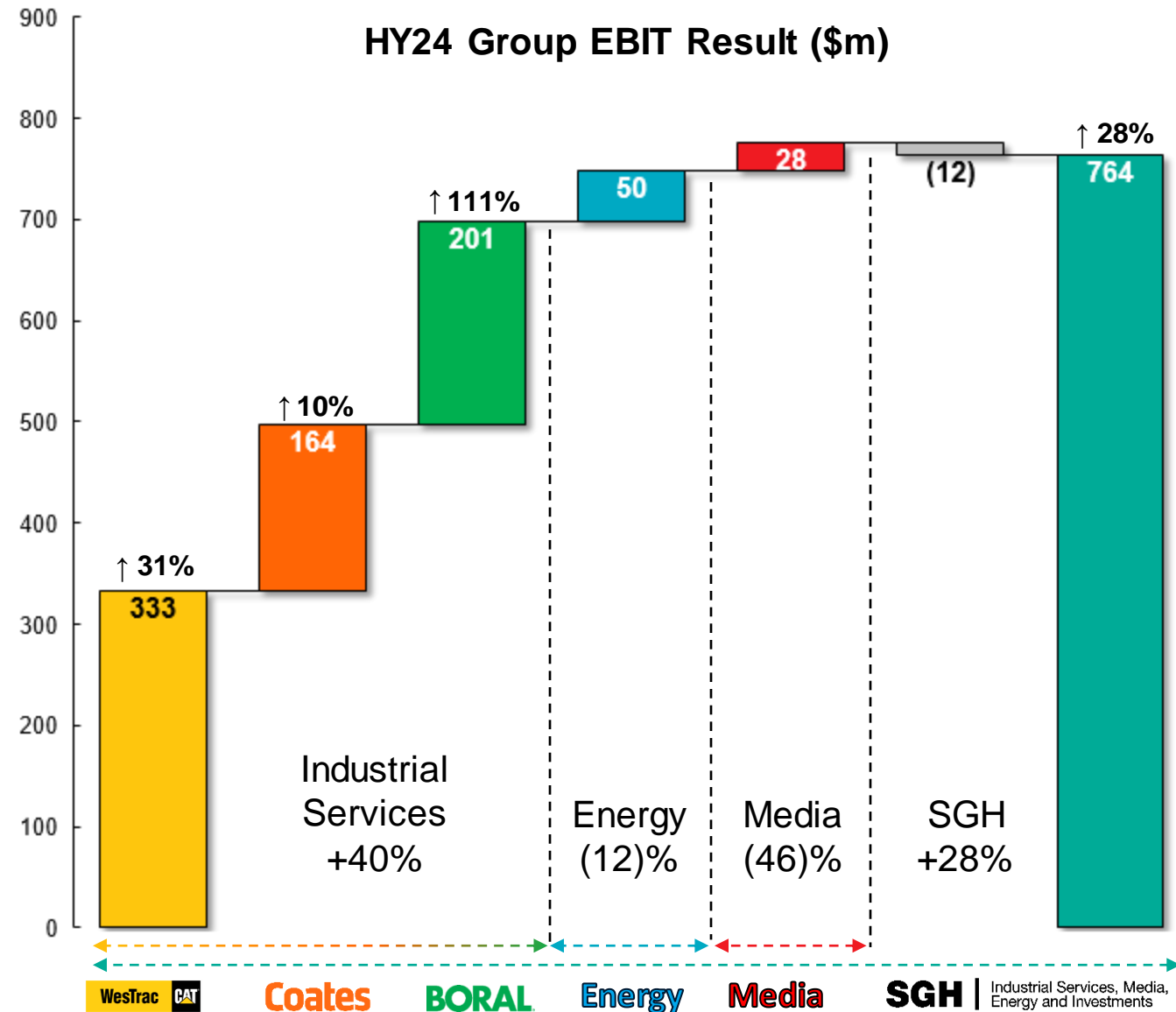
Driven by Industrial Services (IS) segment

- IS revenue growth of 17% on strong customer activity
- IS EBIT margin expansion of 214bp to 13%
- IS EBIT of \$698m up 40%

Key Outcomes

- Adjusted net debt to EBITDA (leverage) sub-2x
- Group EBIT margin improvement
- Boral delivering double-digit EBIT margins
- Operating cashflow of \$715m up 25%
- ROE¹ of 17.3% up 273bp

1. Last twelve months ROE

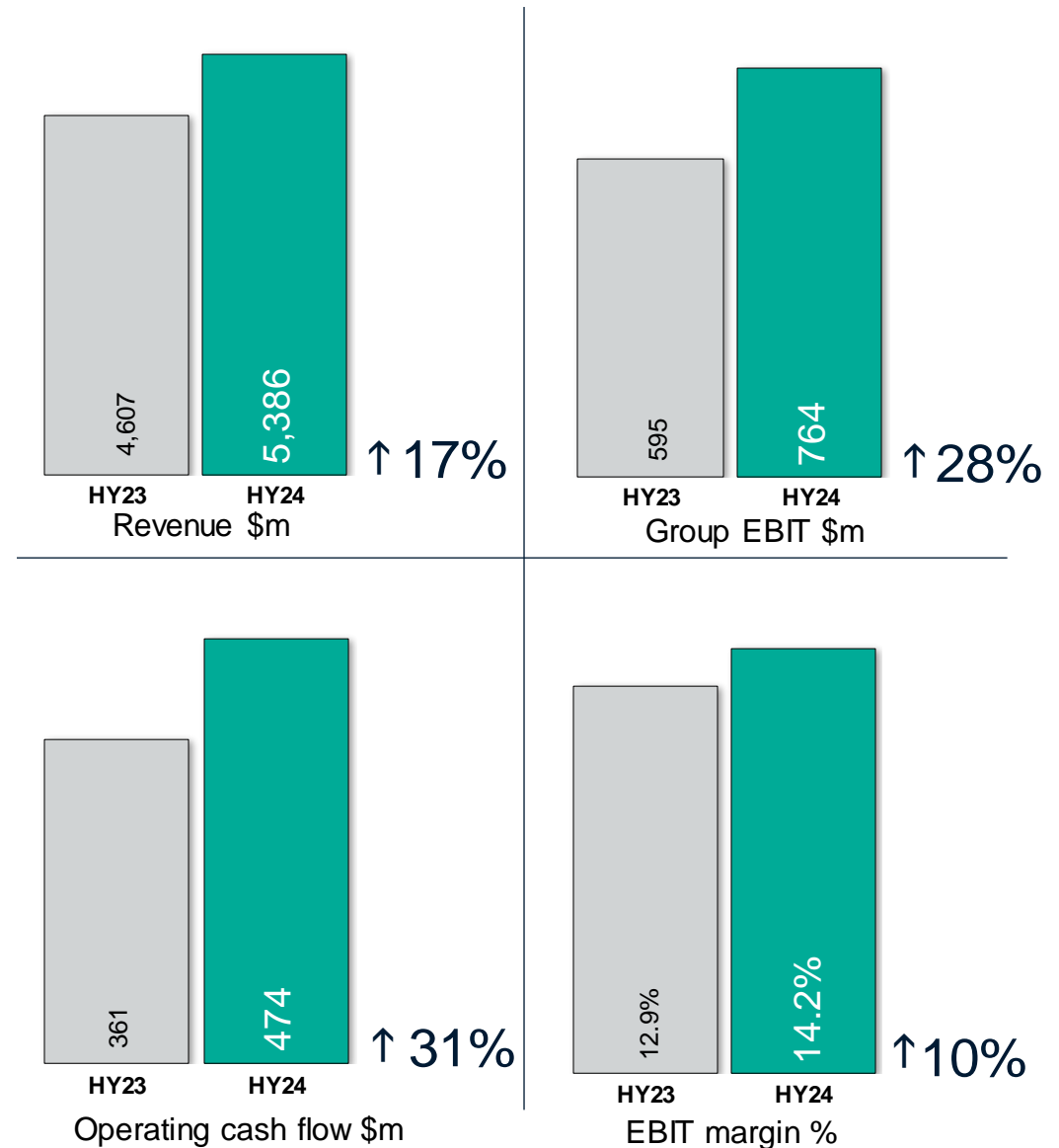


Group Overview – Key Financials

| \$m ¹ | HY24 | HY23 | % Change |
|--|--------------|--------------|------------|
| Revenue | 5,386 | 4,607 | 17% |
| Earnings before interest, tax, depreciation and amortisation | 1,017 | 842 | 21% |
| Earnings before interest and tax (EBIT) | 764 | 595 | 28% |
| Statutory EBIT Impact | (236) | (17) | - |
| Statutory EBIT | 528 | 578 | (9%) |
| Net profit after tax (NPAT) | 474 | 361 | 31% |
| Statutory NPAT impact | (250) | (12) | - |
| Statutory NPAT | 225 | 350 | (36%) |
| Earnings per share (cps) | 119 | 94 | 27% |
| Operating cashflow ² | 715 | 574 | 25% |
| Return on Equity | 17.3% | 14.6% | 19% |
| Adjusted Net Debt/EBITDA (Leverage) | 1.9x | 2.3x | 16% |
| Fully franked ordinary dividend | 23cps | 23cps | - |

1. All table items are underlying (excluding significant items on slide 24) unless specified otherwise

2. Underlying OCF pre-interest and tax



WesTrac – Business Unit Overview



Industrial Services – WesTrac Highlights

Above-trend growth continues

- Total sales up 27% on new machines and product support
- Machine sales up 23%, with strong deliveries across mining and construction
- Product support sales up 30% on volume growth and product mix, outperforming 10-year CAGR of 11%

Strong customer activity driving demand for machines, parts and labour

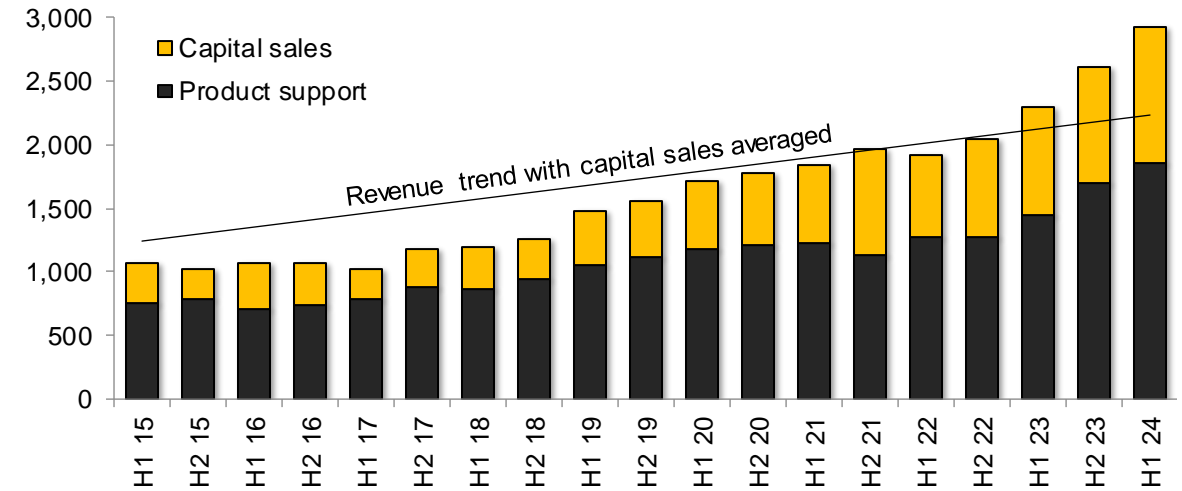
- Australian iron ore and thermal coal exports expected to grow in FY24¹
- Demand reflected in strong capital sales pipeline
- Average mining machine age up 40% since FY16, increasing R&M intensity

Margin focus delivering operating leverage

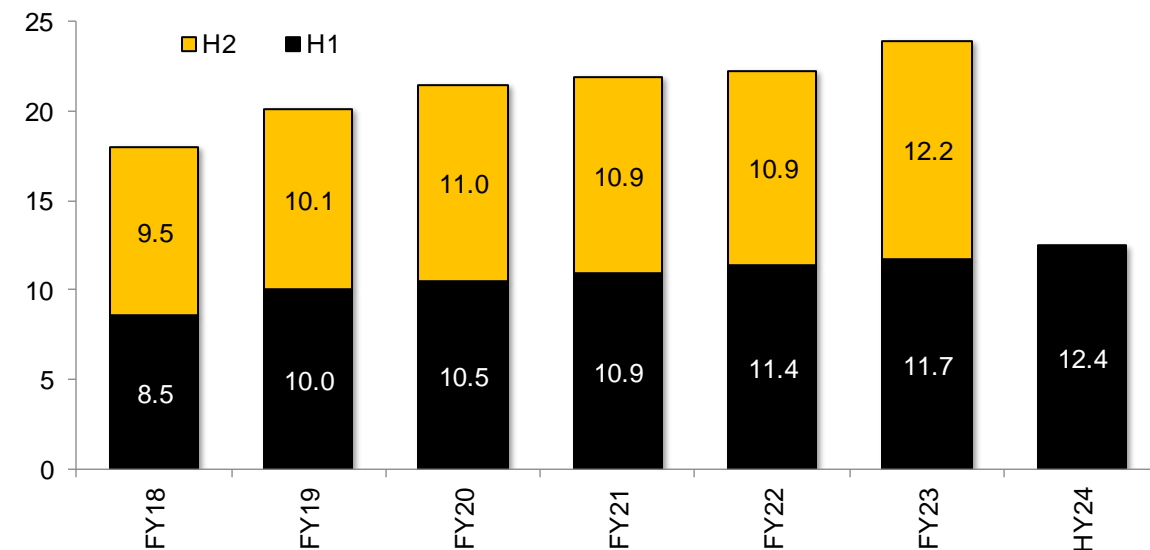
- Cost and efficiency initiatives delivering margin improvement
- Margin growth, cost discipline and focus continues in 2H

1. Source: Australian Department of Industry, Science and Resources – Resources and Energy Quarterly forecast

WesTrac Revenue Split by Half



WesTrac parts Volumes Sold (m)



Industrial Services – WesTrac Financials

Revenue up 27% to \$2,907m

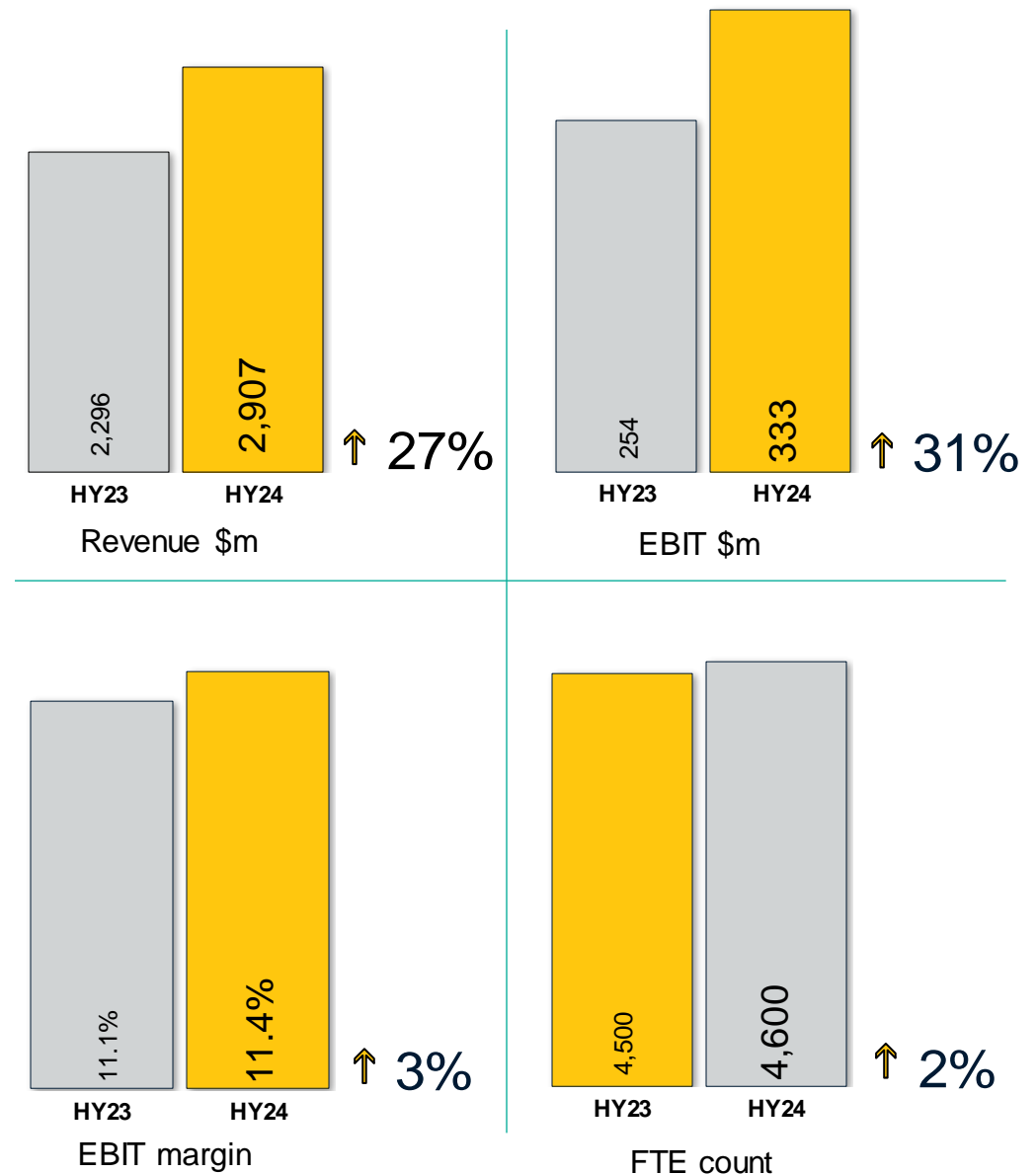
- EBIT margin up 38bp to 11.4%
- EBIT up 31% to \$333m, ahead of 10-year CAGR of 8%

Investing to support customer demand and growth

- Targeted investment in working capital/inventory to meet growing customer demand in FY24+
- Resulting in lower operating cashflows of \$105m, cash conversion of 28% and working capital to LTM sales of 26%
- Inventory investment positions WesTrac for growth in FY24+

Building a stronger WesTrac

- FTE workforce expanded 2% in HY24, domestic and international skilled-labour recruitment initiatives ongoing
- Productivity focused investment (Digital Twin, AutoStore & capacity expansion) showing strong results, driving higher facilities and labour utilisation



Coates – Business Unit Overview



Industrial Services - Coates Highlights

Customer activity remains robust

- Total Australian construction work done up 8.5% YoY to Sep-23 (latest ABS release)

Positive outlook for Coates' largest segment exposures

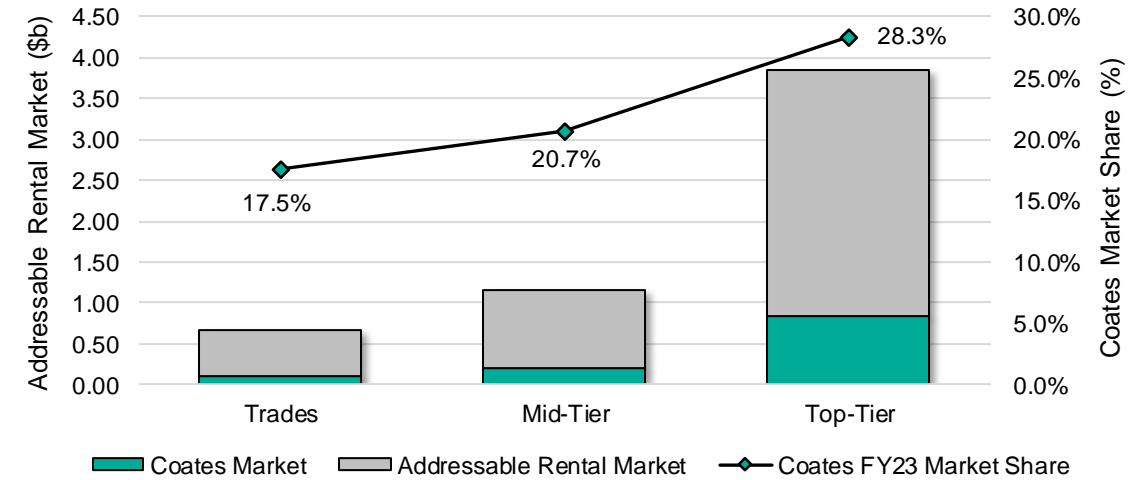
- \$1.7t 7-year infrastructure & construction pipeline
- Dominant (28%) and growing market share of Tier-1 infrastructure and construction customers
- Infrastructure project commencement delays are deferring, not reducing activity

Strategic productivity and growth initiatives

- Project Equipped Phase 2 focusing on R&M and productivity benefits from branch network optimisation
- Growing Industrial and Engineering solutions businesses, HY24 revenue up 10%

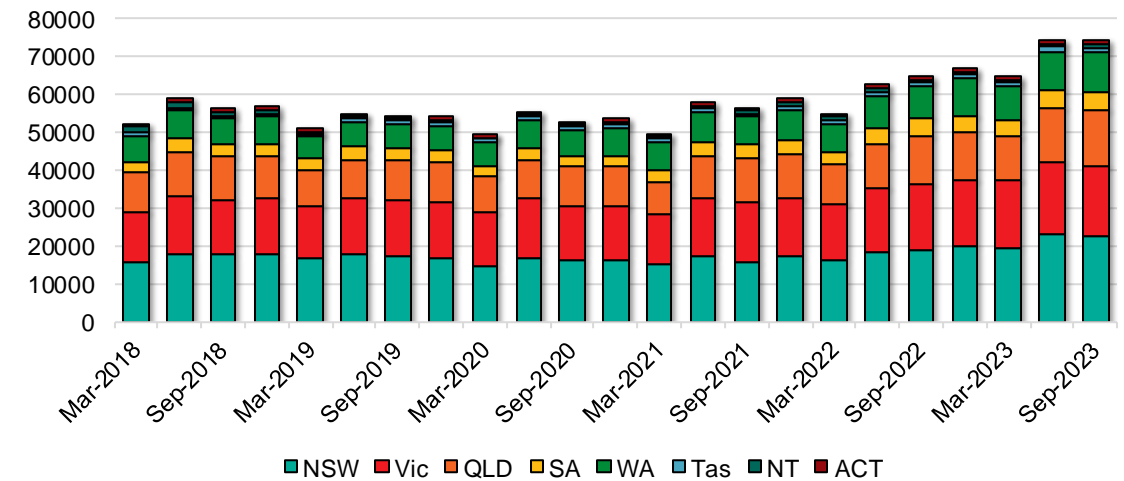
1. Oxford Economics, Haver Analytics

Coates Market Share and Addressable Market



Source: IBIS World, Company data

Quarterly Total Construction Work Done by State (\$m)



Source: ABS Value of Construction Work Done, Current Prices, States and Territories, Original

Industrial Services - Coates Financials

Financial result reflects customer activity and cost focus

- Revenue of \$585m up 2%
- EBIT of \$164m, up 10%

Improving operating leverage and yield

- Driven by pricing and cost discipline
- 44.1% EBITDA margin, up 245bp
- 28.0% EBIT margin, up 210bp
- ROCE of 17.5%, up 180bp

Operating cash flow \$255m, up 7%

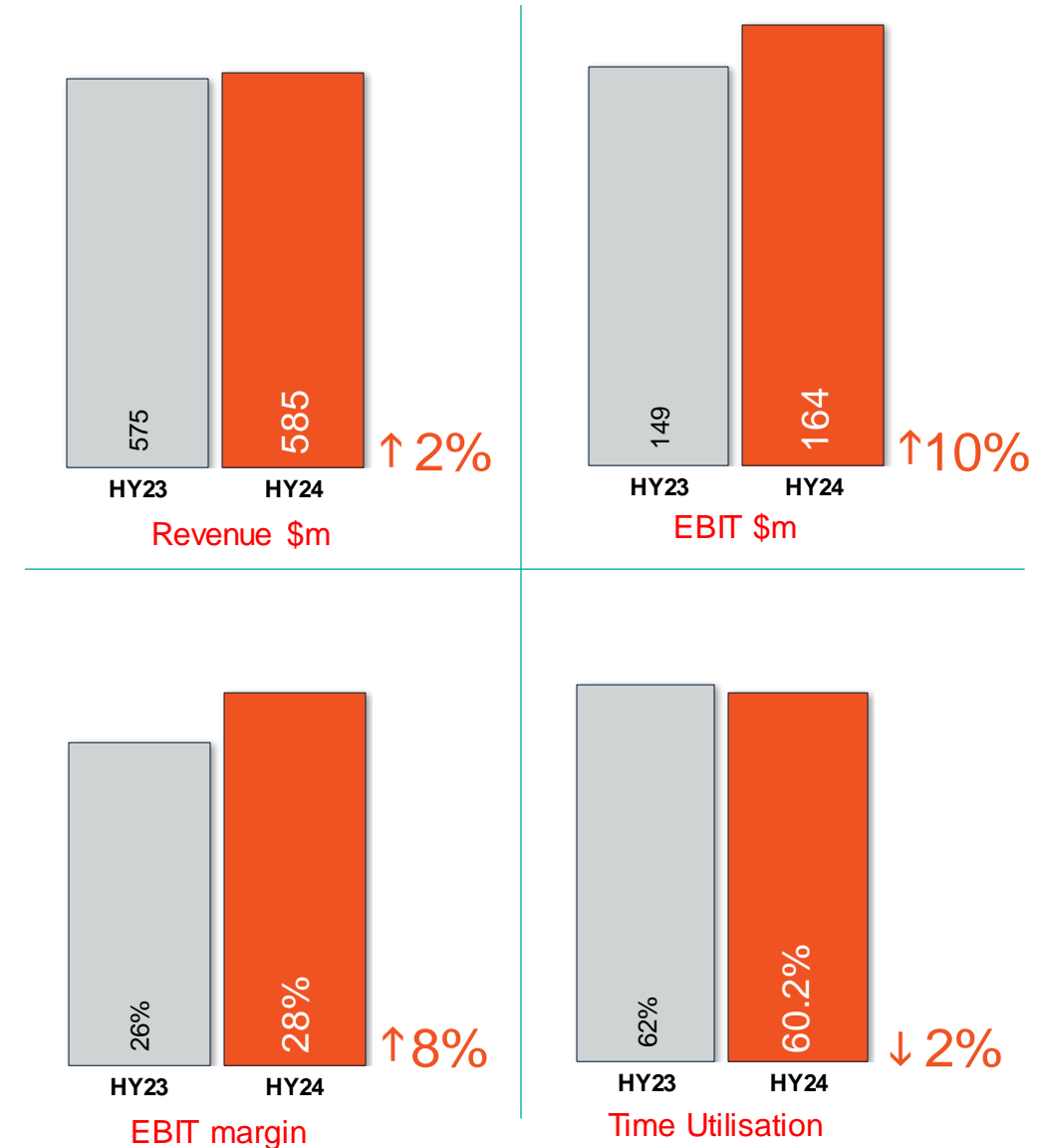
- EBITDA cash conversion up 5bp to 98%

Asset utilisation

- Time Utilisation maintained above 60% performance benchmark

Disciplined investment in hire fleet

- Hire fleet up ~\$50m to \$1.88b (OC), targeting \$1.9b by year-end 2024



Boral – Business Unit Overview



Industrial Services - Boral Highlights

Sales volume and pricing holding in HY24

- Total HY24 sales volumes marginally up
- Pricing traction maintained or improved across all products

Internal optimisation

- Direct cost management ongoing, HY24 overheads down 6%
- Focus on drag index, simplifying call-to-cash process and increasing customer proximity
- \$300-400m catch-up capex over the next 4 years across HME, Heavy Road Fleet and Upstream network

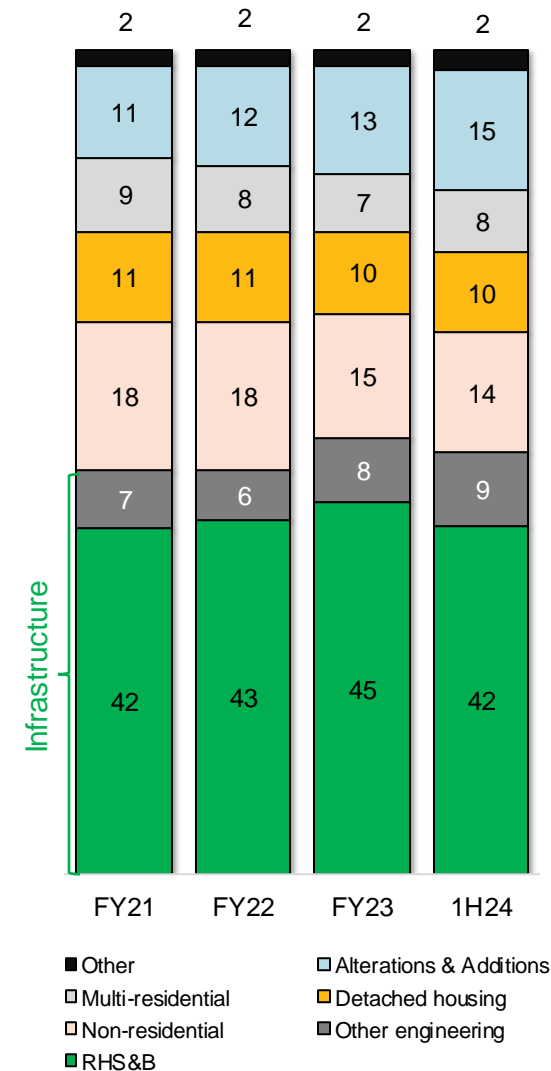
Developing property opportunities to deliver recurring income

- ~450ha at Deer Park identified by Vic gov as “State Significant Industrial Land”, exploring development with LOGOS

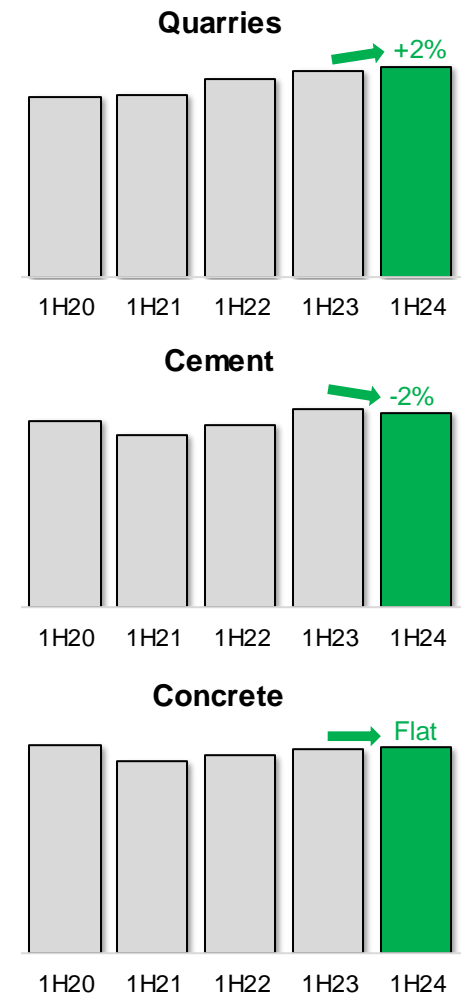
FY24 ongoing priorities

- Finalising and embedding the operating model to drive commercial, operational and financial rigour
- Standardising systems and processes to drive efficiencies
- Improving go-to-market strategy

Boral Revenue Split by Segment FY21-HY24 (%)



HY24 External Volumes



Industrial Services - Boral Financials

Strong first half financial result

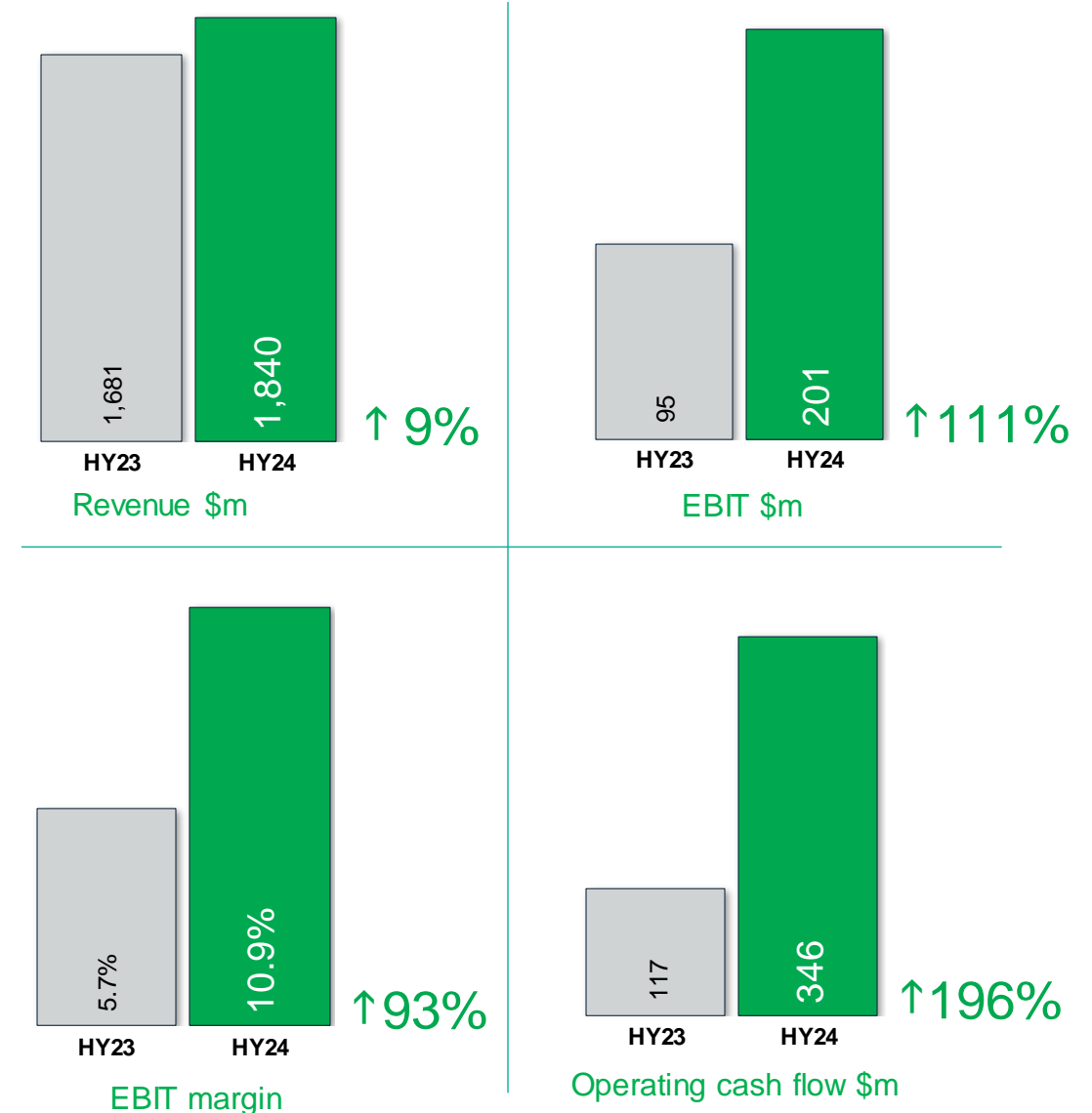
- Revenue of \$1,840m up 9%
- EBIT margin expansion of 525bp to 10.9%
- EBIT of \$201m, up 111%
- ROFE of 18.1% up 960bp

OCF growth strengthening financial position

- Operating cashflow (OCF) of \$346m, up 196%
- OCF growth facilitating 75% net debt reduction to \$85m, or \$38m net cash on an adjusted basis (excluding leases)

First-half earnings skew

- Second half trading typically softer on fewer working days and reduced customer activity in January
- FY24 EBIT guidance lifted to \$330 - \$350m
- Long-term market outlook remains supportive



Energy – Business Unit Overview



Beach and SGH Energy Highlights

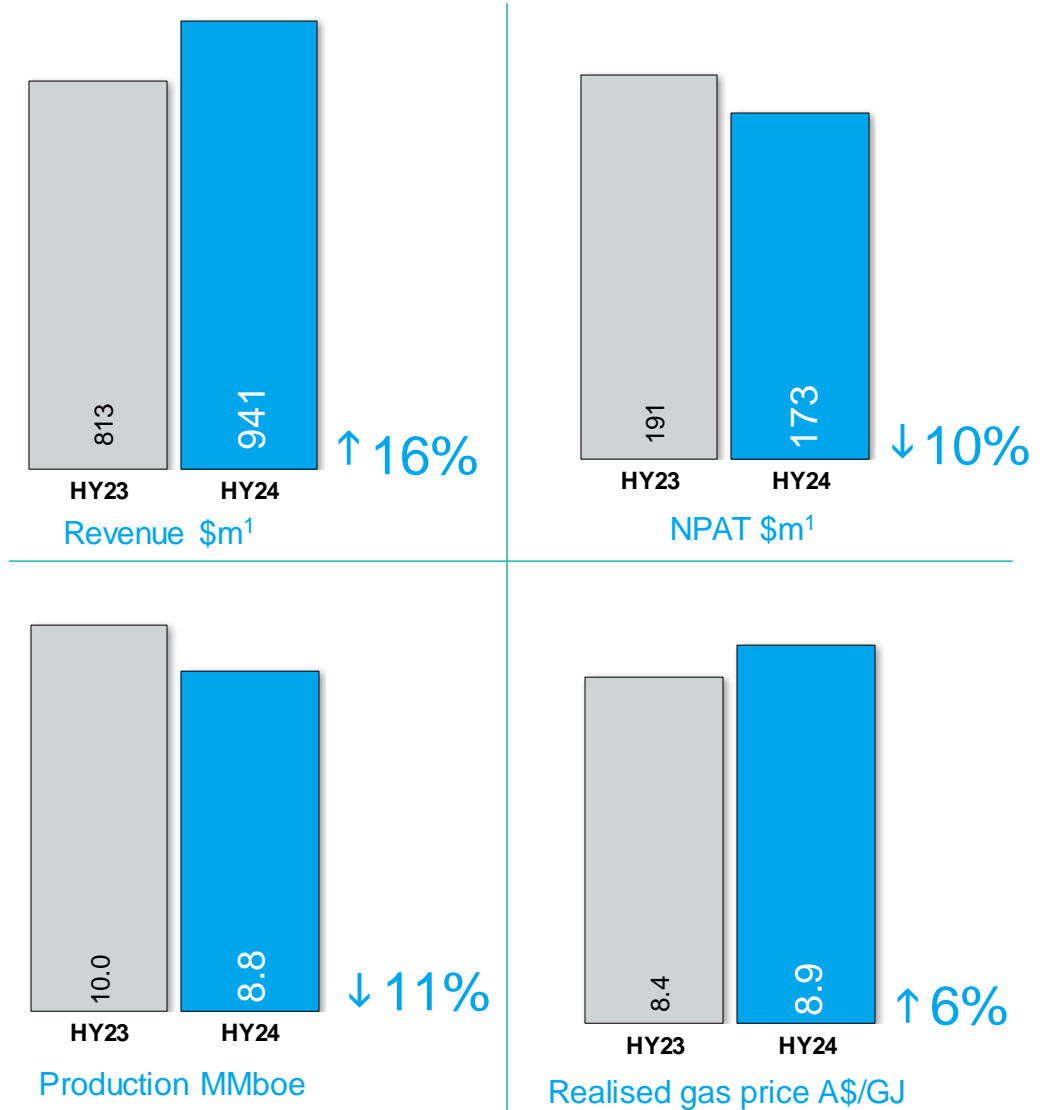
Beach Energy (30%)

- HY24 production of 8.8mmboe down 11%
- NPAT of \$173m down 10%, on margin compression
- Increasing production into tightening east coast gas market through Otway well connections
- Competitive GSA signed with Origin for Enterprise gas
- Waitsia construction ongoing, targeting first gas mid-CY24
- LNG sales through NWS commenced via stored and swapped volumes
- Brett Woods commenced as CEO 29 January 2024

SGH Energy

- Crux drilling EP approved, construction underway, drilling template installed, rig in transit, first LNG cargo expected CY27
- Exploring commercialisation options for Longtom

1. BPT full contribution (100%)



Media – Business Unit Overview



Seven West Media (40%) & Other Media

Revenue of \$775m down 5%

- Market share up 1.7 points, offsetting 9% softer ad market
- EBITDA of \$124m, down 40%
- NPAT of \$63m, down 49%

Balance sheet strength maintained

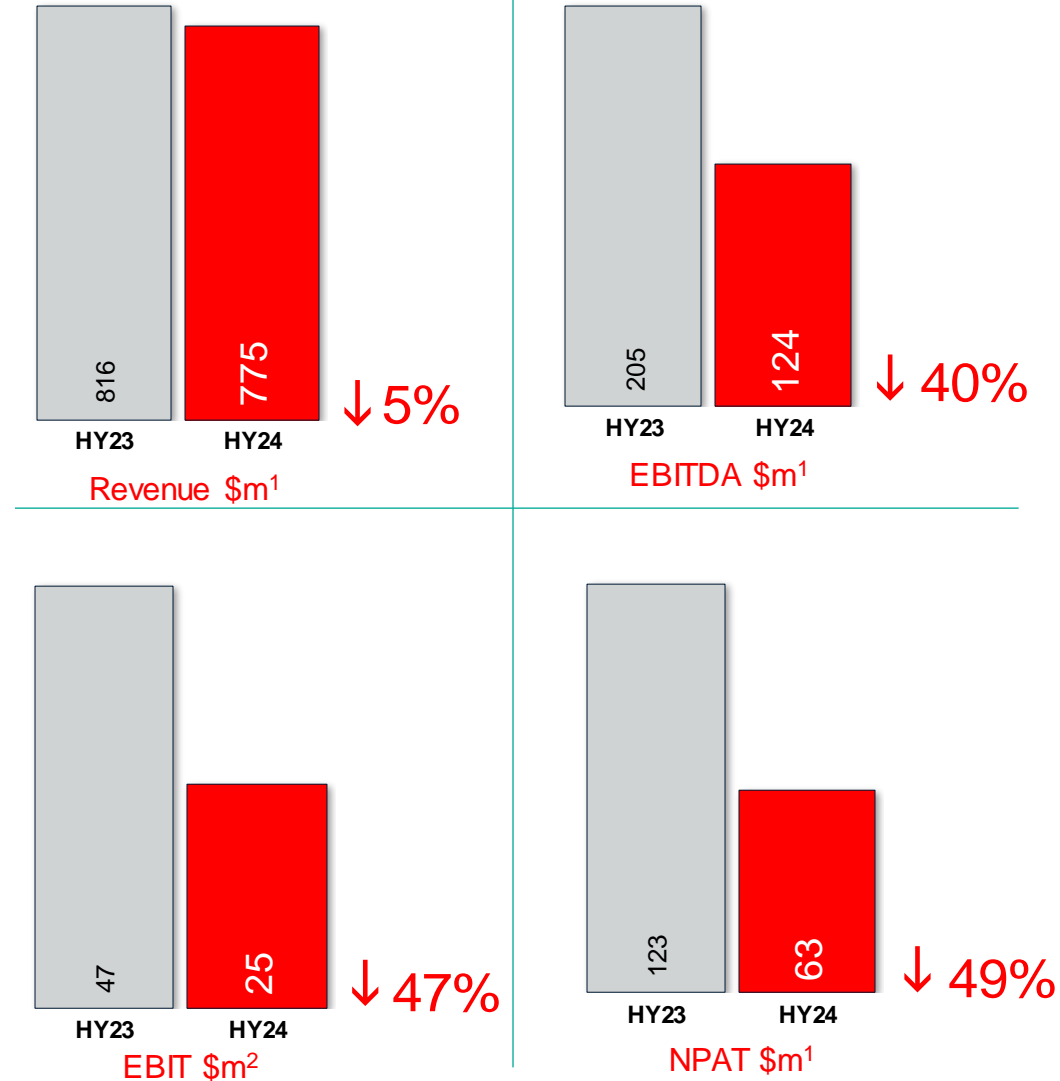
- Net Debt (ND) up slightly (3%) to \$257m
- ND/EBITDA (leverage) of 1.3x, ~1x excluding the ARN investment

Disciplined execution and investment

- Ongoing delivery of cost-out initiatives; \$25m expected in H2 FY24 as part of larger \$60m program
- Digital rights for AFL and cricket secured, expected to support further digital growth

Other Media EBIT of \$3.2m

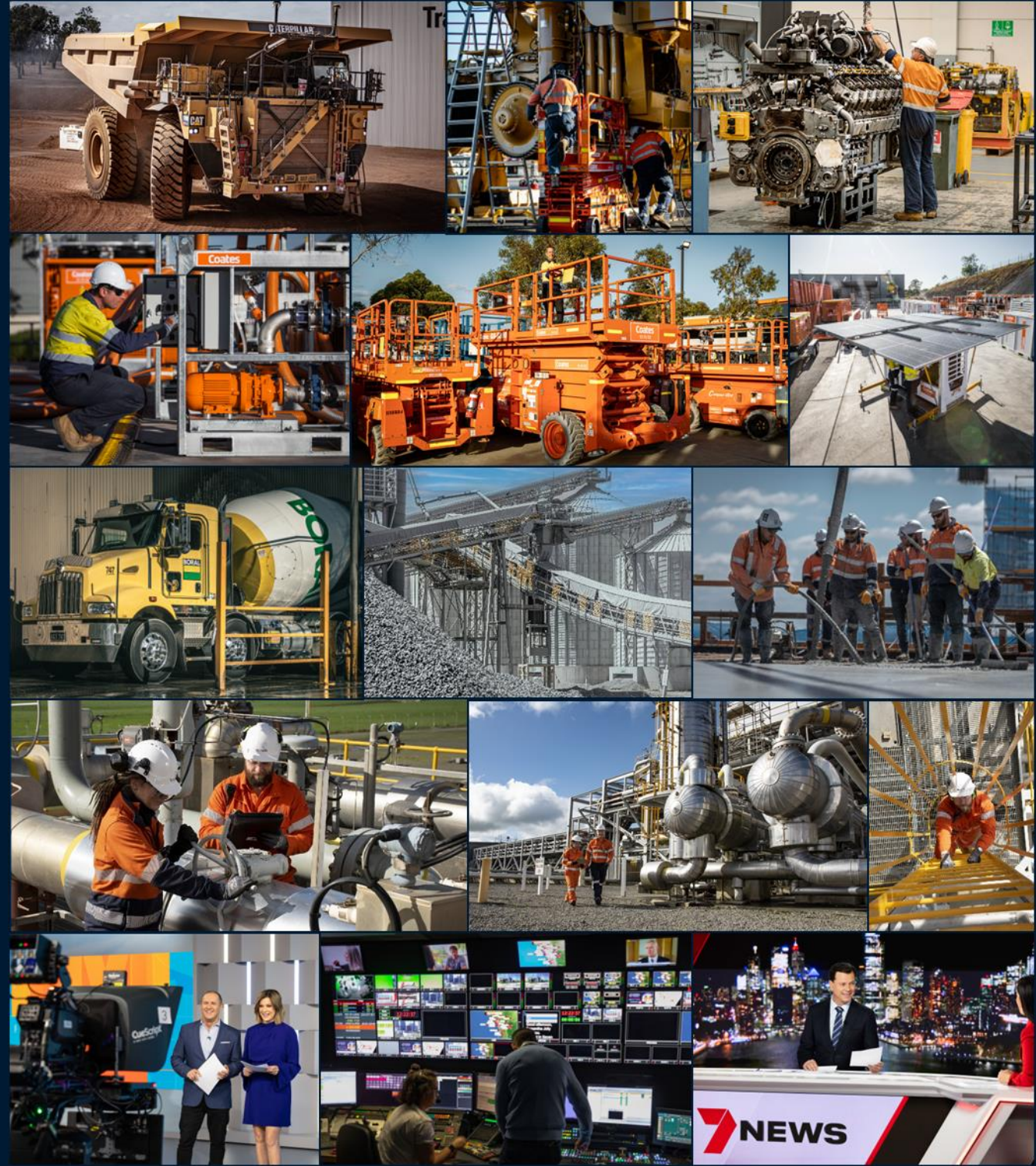
1. SWM full contribution (100%)
2. Reflects SGH equity accounted portion of SWM NPAT



Seven Group Holdings HY24 Results Presentation Group Finances

Richard Richards, CFO

SGH | Industrial Services, Media,
Energy and Investments



Financials – Profit and Loss

| \$m | HY24 | HY23 | Change % |
|--|----------------|----------------|----------------|
| Revenue | 5,385.8 | 4,607.0 | 16.9% |
| Other income | 22.1 | 20.2 | 9.4% |
| Share of results from equity accounted investees | 85.5 | 114.0 | (25.0)% |
| Revenue and other income | 5,493.4 | 4,741.2 | 15.9% |
| Expenses (excluding depreciation, amortisation and interest) | (4,476.5) | (3,899.4) | 14.8% |
| Underlying EBITDA | 1,016.9 | 841.8 | 20.8% |
| Depreciation and amortisation | (253.2) | (247.2) | 2.4% |
| Underlying EBIT | 763.7 | 594.6 | 28.4% |
| Net finance costs | (142.3) | (128.2) | 11.0% |
| Underlying net profit before tax | 621.4 | 466.4 | 33.2% |
| Underlying tax expense | (147.1) | (105.0) | 40.1% |
| Underlying continuous operations NPAT | 474.3 | 361.4 | 31.2% |
| Profit from discontinued operations | - | - | - |
| Significant items (including tax impact) | (249.8) | (11.9) | - |
| Statutory net profit after tax | 224.5 | 349.5 | (35.8)% |
| Profit attributable to SGH shareholders | 188.9 | 319.6 | (40.9)% |

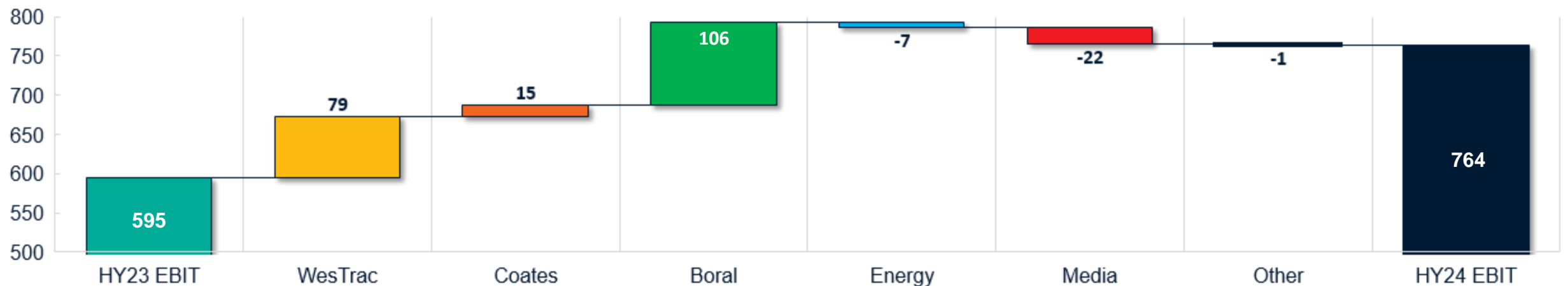
Financials – Significant Items

| \$m | HY24 | HY23 |
|--|----------------|---------------|
| Fair value adjustments on acquisition of Boral | (2.2) | 6.9 |
| Net gain on disposal of controlled entities | 32.6 | - |
| Property EBIT | 3.6 | - |
| Transformation and restructure (costs)/benefits | (2.9) | 6.8 |
| Impairment of investment in equity accounted investees | (91.2) | (50.7) |
| Significant items in results of equity accounted investees | (174.9) | 1.3 |
| Fair value movement on power purchase agreement | (0.4) | - |
| Significant items on discontinued operations | - | 18.9 |
| Significant items - EBIT impact | (235.4) | (16.8) |
| Significant items in net finance expense | (3.9) | 11.4 |
| Significant items - PBT impact | (239.3) | (5.4) |
| Tax expense relating to significant items | (10.5) | (6.5) |
| Significant items - NPAT impact | (249.8) | (11.9) |
| Statutory NPAT | 224.5 | 349.5 |
| NPAT excluding significant items | 474.3 | 361.4 |

Financials – Business Unit Earnings

| \$m | Total Group | WesTrac | Coates | Boral | Energy | Media | Investments | Corporate |
|---|-------------|---------|--------|-------|--------|-------|-------------|-----------|
| Revenue from continuing operations | 5,394 | 2,907 | 585 | 1,840 | 1 | - | 61 | - |
| Statutory EBIT | 528 | 333 | 161 | 182 | (105) | (66) | 39 | (15) |
| Add: unfavourable significant items | 272 | - | 3 | 19 | 155 | 94 | - | - |
| Subtract: favourable significant items | (36) | - | - | - | - | - | (36) | - |
| Total significant items – EBIT | 235 | - | 3 | 19 | 155 | 94 | (36) | - |
| Underlying EBIT – HY24 | 764 | 333 | 164 | 201 | 50 | 28 | 3 | (15) |
| Underlying EBIT – HY23 | 595 | 254 | 149 | 95 | 57 | 50 | 4 | (15) |
| Change % | 28% | 31% | 10% | 111% | (12)% | (44)% | (23)% | 3% |

HY24 Underlying EBIT Bridge/Movement (\$m)

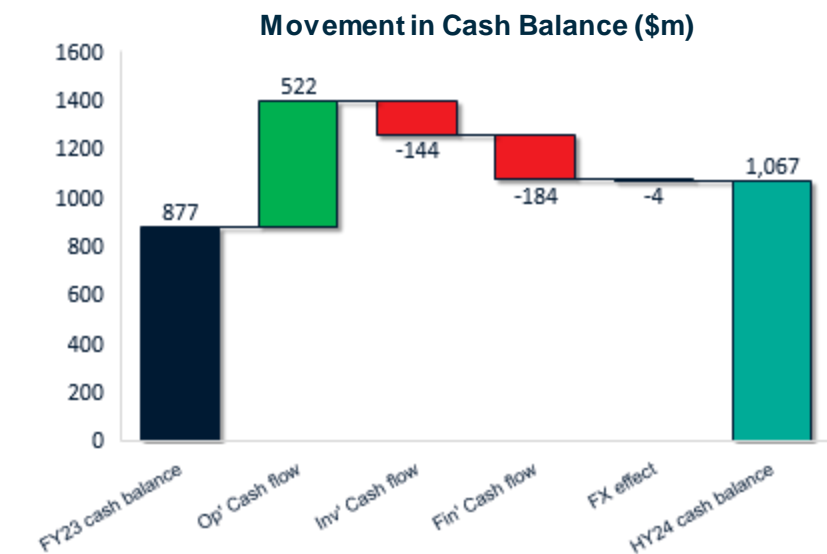


Financials – Cash Flow

| \$m | HY24 | HY23 |
|---|----------------|----------------|
| Underlying EBIT | 763.7 | 594.6 |
| Add: depreciation and amortisation | 253.2 | 247.2 |
| Underlying EBITDA | 1,016.9 | 841.8 |
| Operating cash flow | 521.6 | 382.8 |
| Add: net interest and other costs of finance paid | 128.2 | 109.1 |
| Net income taxes paid | 65.3 | 63.5 |
| Add back: restructuring and transaction costs | - | 18.1 |
| Underlying operating cash flow | 715.1 | 573.5 |
| Underlying EBITDA cash conversion | 70% | 68% |
| Operating cash flow | 521.6 | 382.8 |
| Investing cash flow | (143.5) | (251.3) |
| Financing cash flow | (184.0) | (715.7) |
| Net increase/(decrease) in cash and cash equivalents | 194.1 | (584.2) |
| Opening net debt | 4,016.7 | 2,271.5 |
| Movement in net debt | (308.0) | 1,850.0 |
| Closing net debt | 3,708.7 | 4,121.5 |

Key Commentary

- Disciplined working capital focus enabled \$138m increase in Operating Cash
- Cash conversion of 110% at Boral and 98% at Coates supported a \$269m working capital investment in WesTrac to enable future growth
- Investing cash outflow was down \$107m, predominantly due to the sale of Sykes and legacy property assets
- Net debt reduction of \$308m demonstrates the ability to delever whilst delivering earnings growth



Financials – Balance Sheet

| \$m | HY24 | FY23 | Change % |
|--|----------------|----------------|-------------|
| Trade and other receivables | 1,518.5 | 1,649.3 | (7.9)% |
| Inventories | 2,063.2 | 1,846.7 | 11.7% |
| Assets held for sale | 3.5 | 3.2 | 9.4% |
| Investments | 1,607.3 | 1,797.5 | (10.6)% |
| Property, plant and equipment | 3,526.1 | 3,497.9 | 0.8% |
| Oil and gas assets | 537.8 | 476.5 | 12.9% |
| Intangible assets (including goodwill) | 2,220.4 | 2,222.2 | (0.1)% |
| Other assets | 179.0 | 225.8 | (20.7)% |
| Trade and other payables | (1,040.7) | (1,126.6) | (7.6)% |
| Provisions | (809.0) | (789.0) | 2.5% |
| Deferred income | (499.4) | (555.1) | (10.0)% |
| Net tax assets (liabilities) | (549.4) | (462.8) | 18.7% |
| Derivative financial instruments | 29.0 | 119.1 | (75.7)% |
| Net lease liabilities | (277.1) | (272.7) | 1.6% |
| Net debt (excluding leases) | (3,708.7) | (4,016.7) | (7.7)% |
| Total shareholders' equity | 4,800.5 | 4,615.3 | 4.0% |

Financials – Capital Management

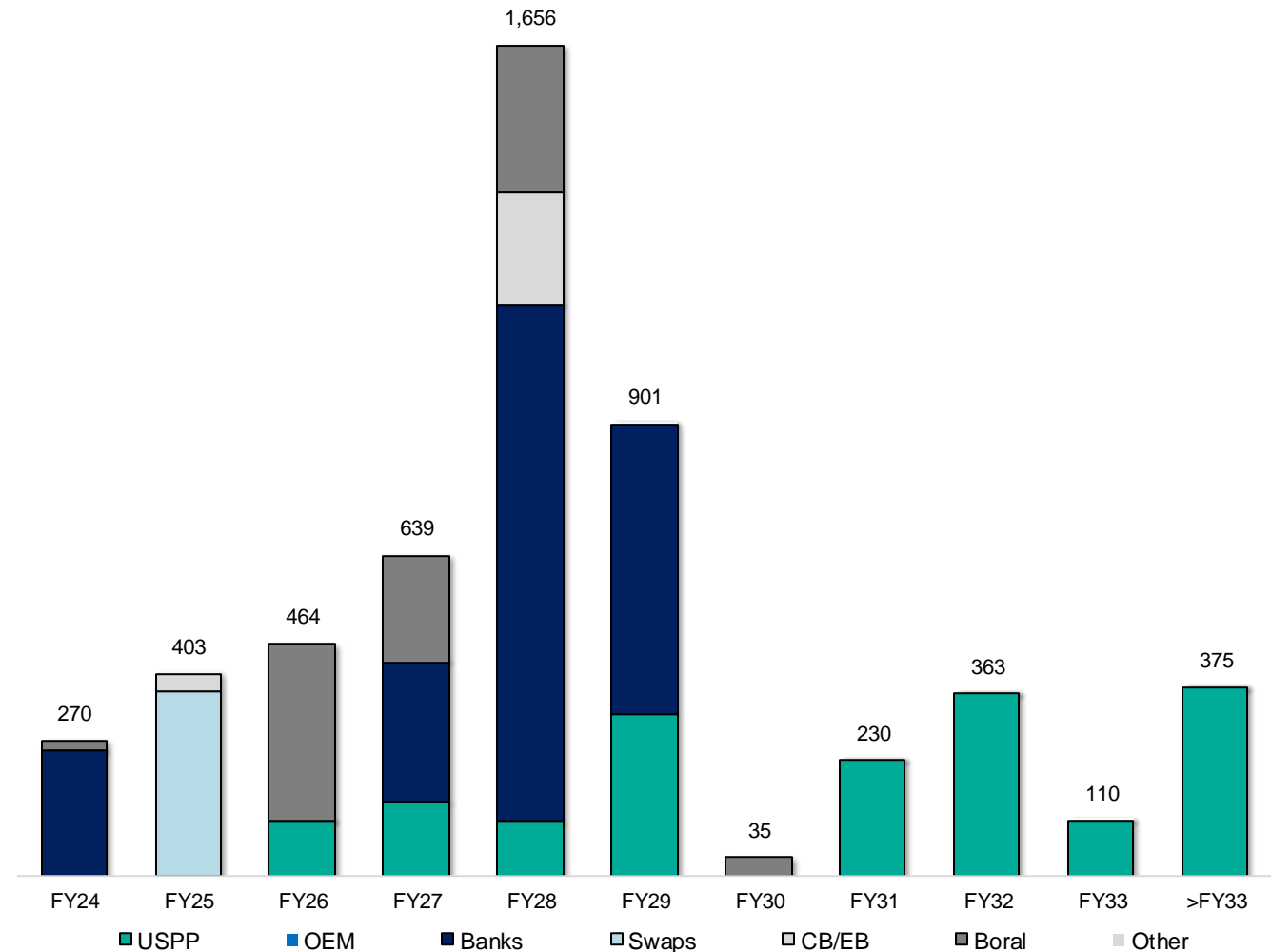
Net Debt and Leverage

- Strong cash flow utilised to reduce net debt (ND) by 8% to \$3,709m
- Adjusted¹ ND/EBITDA (leverage) down 15% to 1.9x
- Deleveraging supported by Industrial Services earnings growth and sale of non-core portfolio assets

Funding and interest

- Syndicated facility tranche of \$558m upsized to \$578m, extended to 2028; no corporate bank facility maturities until 2027
- WesTrac USPP of \$410m completed in January; oversubscribed by 3.2x
- 46% of the Group’s drawn debt is fixed at an average rate of 4.6% and remaining tenor of 5.9 years
- Effective Group borrowing cost of 5.5%
- Weighted average facility maturity of 4.0 years

Facility Maturity as at 31 Dec 2023 (\$m)



1. Adjusted net debt = \$3,709 (SGH consolidated ND) – \$35 (Derivative MtM) – \$66m (Equity swap cash)

Seven Group Holdings HY24 Results Presentation Closing Messages & Outlook

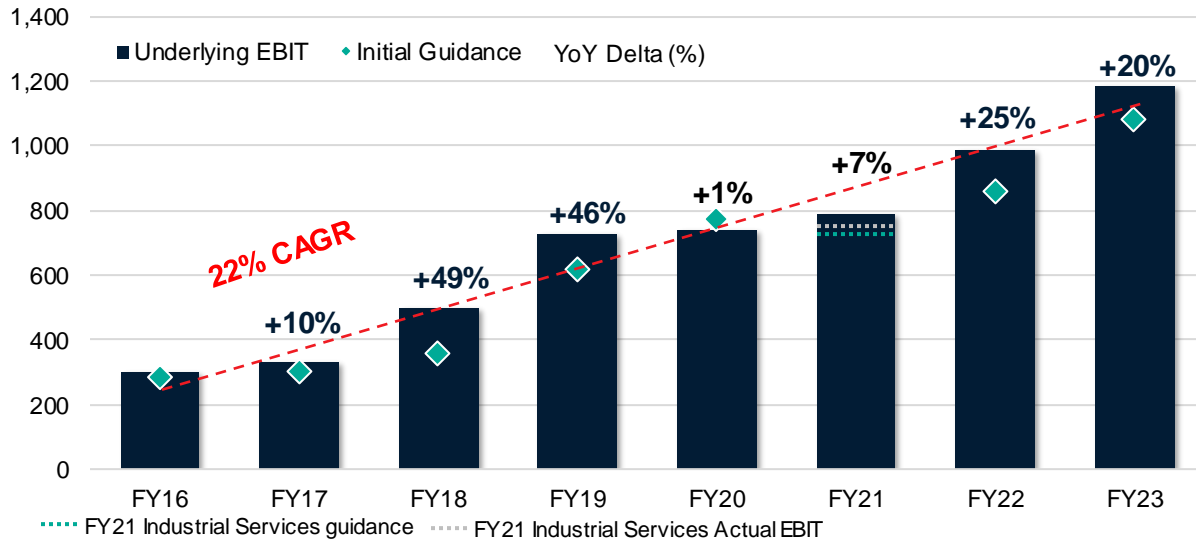
Ryan Stokes, MD & CEO

SGH | Industrial Services, Media,
Energy and Investments

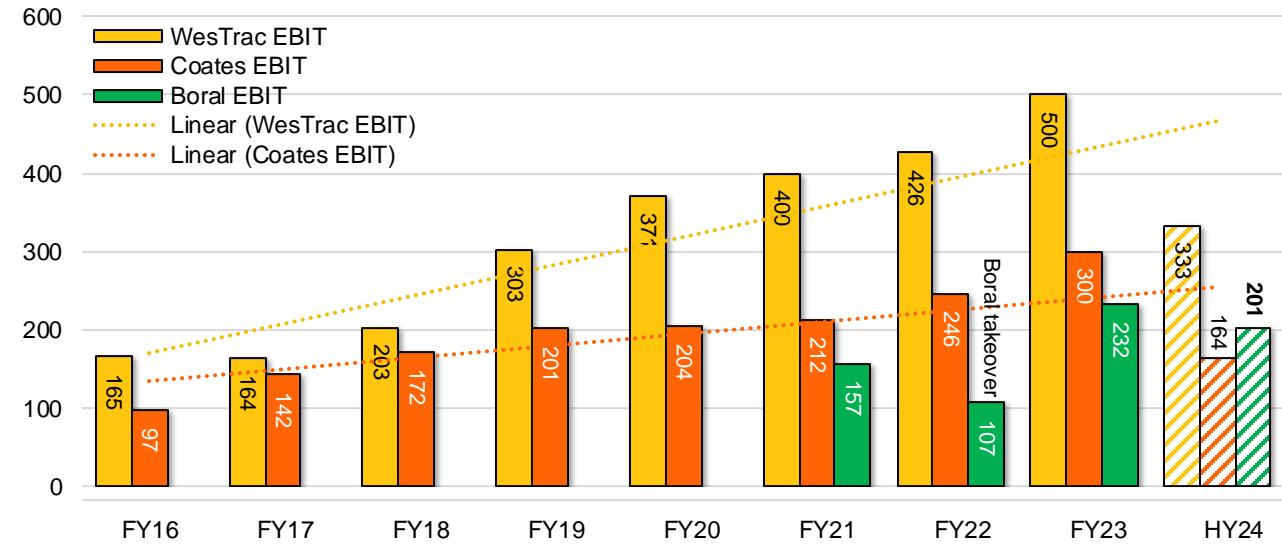


Track Record of Delivery

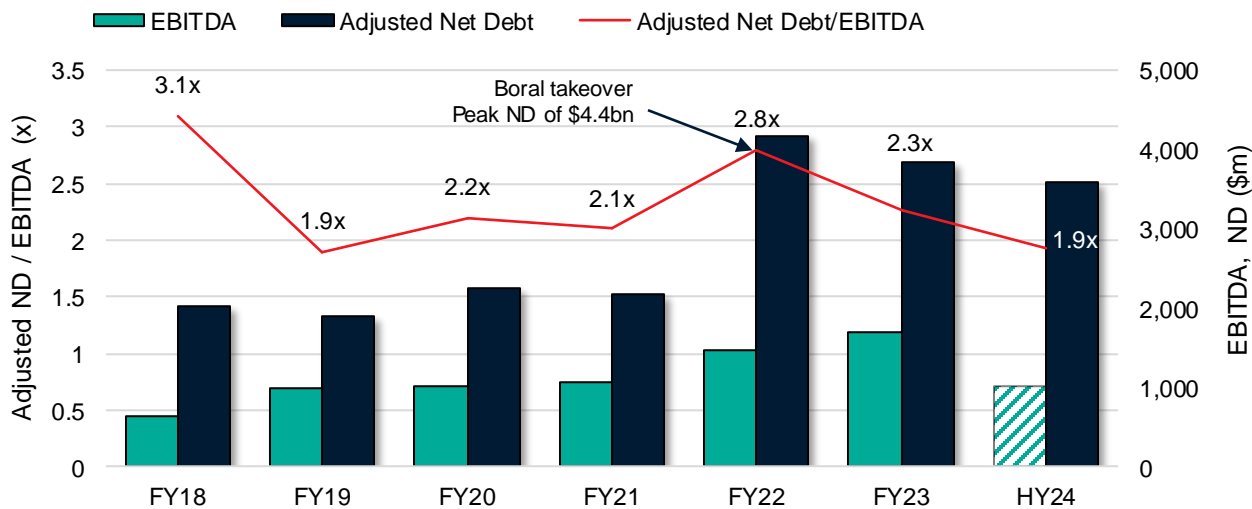
Group EBIT History and Initial Guidance



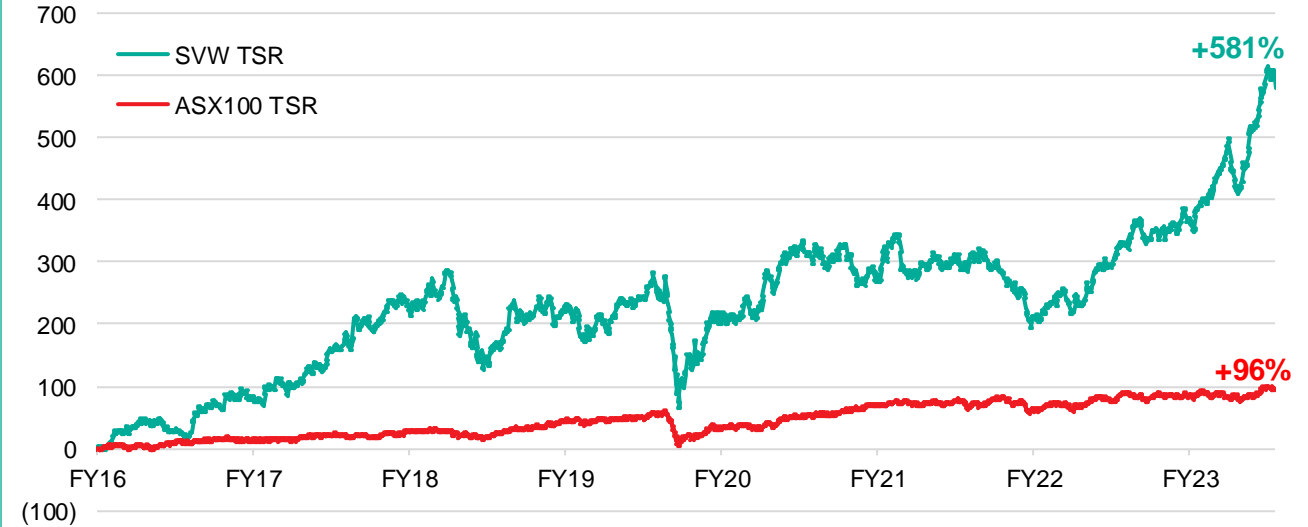
EBIT Margin History by Business Unit



EBITDA, Adj. ND and Leverage History



SGH vs ASX100 Total Shareholder Return (%)



Key Messaging and Outlook

Group Level Guidance

- Strong 1H performance supports upgrading Group guidance to “Mid to high-teen EBIT growth in FY24”

Strong start to FY24 for Industrial Services

- Bulk commodity production outlook and 1H investment in inventory underpin positive WesTrac outlook
- Resilient infrastructure and construction investment supporting customer activity at Coates and Boral
- 1H Industrial Services outperformance supports upgrading FY24 segment outlook to 20 – 25% EBIT growth

Energy

- Beach expects to produce 18 – 20mboe in FY24

Media

- Maintain +40% market share, while reducing H2 costs by \$20-25m vs H2 FY23








Seven Group Holdings HY24 Results Presentation Q&A

14th February 2024

SGH | Industrial Services, Media,
Energy and Investments



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

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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.