

21 August 2019

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

By electronic lodgment

Total Pages: 6 (including covering letter)

Dear Sir / Madam

APPENDIX 4E AND YEAR END RESULTS ANNOUNCEMENT

Following is a copy of the Appendix 4E and the Year End Results Announcement for the financial year ended 30 June 2019.

Yours faithfully
For and on behalf of Seven Group Holdings



Warren Coatsworth
Company Secretary

Appendix 4E

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
ABN 46 142 003 469
FOR THE YEAR ENDED 30 JUNE 2019

RESULTS FOR ANNOUNCEMENT TO THE MARKET

REPORTED ON A CONTINUING OPERATION BASIS \$m

Revenue from ordinary activities				
From continuing operations	up	27.31%	to	4,084.0
Net profit from ordinary activities after tax attributable to members on a continuing operation basis	down	46.15%	to	217.3
Net profit after tax for the year attributable to members on a continuing operation basis	down	46.15%	to	217.3

UNDERLYING \$m

Revenue from ordinary activities				
From continuing operations	up	27.31%	to	4,084.0
Net profit before net finance expense and tax				
From continuing operations	up	39.89%	to	695.1
Net profit from ordinary activities after tax attributable to members excluding significant items				
From continuing operations	up	48.97%	to	477.0

DIVIDENDS

Ordinary shares	Amount per security	Franked amount per security
Interim	21 cents	21 cents
Final	21 cents	21 cents
Record date for determining entitlements to the dividend	5.00pm on 16 September 2019	
Date the final dividend is payable	11 October 2019	

COMMENTARY ON RESULTS

A detailed commentary on the results for the year is contained in the Operating & Financial Review section of the accompanying 2019 Annual Report.

NET TANGIBLE ASSET BACKING

Net tangible asset backing per ordinary share: \$4.05 (2018: \$2.46).

This has been calculated by dividing the net assets attributable to equity holders of the Company (reduced for the carrying value of TELYS4 preference shares in the prior year) less intangible assets by the number of ordinary shares as at 30 June 2019.

ENTITIES OVER WHICH CONTROL, JOINT CONTROL OR SIGNIFICANT INFLUENCE WAS GAINED OR LOST

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

AUDIT

This report is based on accounts that have been audited.

Appendix 4E

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
ABN 46 142 003 469
FOR THE YEAR ENDED 30 JUNE 2019

RESULTS FOR ANNOUNCEMENT TO THE MARKET UNDERLYING TRADING PERFORMANCE

	Underlying trading performance ^(a)			Less: Significant items ^(b)			Statutory results (as reported)		
	Cont. \$m	Discont. \$m	Total \$m	Cont. \$m	Discont. \$m	Total \$m	Cont. \$m	Discont. \$m	Total \$m
Year ended 30 June 2019									
Revenue	4,084.0	-	4,084.0	-	-	-	4,084.0	-	4,084.0
Gain on conversion of convertible note	-	-	-	(28.9)	-	(28.9)	28.9	-	28.9
Other income	53.5	-	53.5	-	-	-	53.5	-	53.5
Share of results from equity accounted investees	210.2	-	210.2	230.4	-	230.4	(20.2)	-	(20.2)
Impairment of equity accounted investee	-	-	-	57.5	-	57.5	(57.5)	-	(57.5)
Expenses excluding depreciation and amortisation	(3,452.5)	-	(3,452.5)	-	-	-	(3,452.5)	-	(3,452.5)
Profit before depreciation, amortisation, net finance expense and tax	895.2	-	895.2	259.0	-	259.0	636.2	-	636.2
Depreciation and amortisation	(200.1)	-	(200.1)	-	-	-	(200.1)	-	(200.1)
Profit before net finance expense and income tax	695.1	-	695.1	259.0	-	259.0	436.1	-	436.1
Net finance expense	(102.8)	-	(102.8)	1.0	-	1.0	(103.8)	-	(103.8)
Profit before income tax	592.3	-	592.3	260.0	-	260.0	332.3	-	332.3
Income tax expense	(113.4)	-	(113.4)	(0.3)	-	(0.3)	(113.1)	-	(113.1)
Profit for the year	478.9	-	478.9	259.7	-	259.7	219.2	-	219.2
Profit for the period attributable to:									
Equity holders of the Company	477.0	-	477.0	259.7	-	259.7	217.3	-	217.3
Non-controlling interest	1.9	-	1.9	-	-	-	1.9	-	1.9
Profit for the year	478.9	-	478.9	259.7	-	259.7	219.2	-	219.2

	Underlying trading performance ^(a)			Less: Significant items ^(b)			Statutory results (as reported)		
	Cont. \$m	Discont. \$m	Total \$m	Cont. \$m	Discont. \$m	Total \$m	Cont. \$m	Discont. \$m	Total \$m
Year ended 30 June 2018									
Revenue	3,207.9	189.9	3,397.8	-	-	-	3,207.9	189.9	3,397.8
Other income	65.1	2.3	67.4	(11.5)	-	(11.5)	76.6	2.3	78.9
Share of results from equity accounted investees	144.1	-	144.1	17.4	-	17.4	126.7	-	126.7
Revaluation of equity interest on acquisition of Coates Hire	-	-	-	(14.5)	-	(14.5)	14.5	-	14.5
Loss on sale of WesTrac China	-	-	-	5.3	-	5.3	(5.3)	-	(5.3)
Recycling of FCTR on sale of WesTrac China	-	-	-	(79.9)	-	(79.9)	79.9	-	79.9
Impairment reversal of equity accounted investee	-	-	-	(28.6)	-	(28.6)	28.6	-	28.6
Fair value movement of derivatives	-	-	-	(4.0)	-	(4.0)	4.0	-	4.0
Expenses excluding depreciation and amortisation	(2,774.4)	(174.2)	(2,948.6)	42.3	-	42.3	(2,816.7)	(174.2)	(2,990.9)
Profit before depreciation, amortisation, net finance expense and tax	642.7	18.0	660.7	(73.5)	-	(73.5)	716.2	18.0	734.2
Depreciation and amortisation	(145.8)	(0.8)	(146.6)	-	-	-	(145.8)	(0.8)	(146.6)
Profit before net finance expense and income tax	496.9	17.2	514.1	(73.5)	-	(73.5)	570.4	17.2	587.6
Net finance expense	(101.7)	(2.1)	(103.8)	-	-	-	(101.7)	(2.1)	(103.8)
Profit before income tax	395.2	15.1	410.3	(73.5)	-	(73.5)	468.7	15.1	483.8
Income tax expense	(73.3)	(4.7)	(78.0)	(9.8)	-	(9.8)	(63.5)	(4.7)	(68.2)
Profit for the year	321.9	10.4	332.3	(83.3)	-	(83.3)	405.2	10.4	415.6
Profit for the period attributable to:									
Equity holders of the Company	320.2	10.4	330.6	(83.3)	-	(83.3)	403.5	10.4	413.9
Non-controlling interest	1.7	-	1.7	-	-	-	1.7	-	1.7
Profit for the year	321.9	10.4	332.3	(83.3)	-	(83.3)	405.2	10.4	415.6

(a) Underlying trading performance is comprised of reported 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 of the 2019 Annual Report.

21 August 2019

ASX Release

SEVEN GROUP HOLDINGS DELIVERS STRONG FY19 RESULT

Seven Group Holdings (“SGH”) (ASX: SVW) has reported an increase in revenue and underlying profitability for the 12 months to 30 June 2019.

Highlights of the result are:

- **Trading revenue of \$4.1 billion, up 27 per cent on prior comparative period (pcp);**
- **Underlying earnings before interest and tax (EBIT) of \$695 million, up 40 per cent on pcp;**
- **Operating cash flow of \$411 million, up 62 per cent on pcp;**
- **Underlying net profit after tax (NPAT) of \$479 million, up 49 per cent on pcp**
- **Underlying earnings per share (EPS) up 47 per cent to 143 cents per share;**
- **Fully franked final dividend maintained at 21 cents per share;**
- **Statutory EBIT of \$436 million impacted by significant items of \$291 million relating to SWM.**

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

“The strong underlying result reflects the level of operating performance achieved by our businesses across three growth areas of mining production, infrastructure investment, and east coast gas demand.

Our people are committed to supporting our customers, helping them to drive outcomes and efficiency through quality products, cutting-edge technology and high standards of after-sales support. We are proud of the work of our people across our businesses that has supported the results this year and helped ensure our businesses maintain leadership in their respective markets with a strong value proposition.

Our objective is to grow shareholder returns and ensure our businesses continue to perform and deliver market-leading positions”.

WesTrac

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SGH | Energy

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Key Financials

Group result (\$m) – continuing operations	FY19	FY18	% change
Trading revenue	4,084.0	3,207.9	27%
Underlying earnings before interest and tax ^{1,2}	695.1	496.9	40%
Underlying net profit after tax ¹	478.9	321.9	49%
Statutory net profit after tax	219.2	405.2	(46)%
Underlying EPS	143 cents	97 cents	47%
Statutory EPS	65 cents	124 cents	(48)%
Final fully franked dividend per ordinary share (cps)	21 cents	21 cents	-

1. Excluding Significant Items

2. Pro-forma Group EBIT growth is 29% where FY18 EBIT is adjusted to reflect the Coates Hire result on a consolidated basis

3. Significant Items include \$291 million relating to the Group's share of Seven West Media's impairment and restructuring costs, together with a mark-to-market impairment of SGH's carrying value of the investment

Segment Earnings

Underlying EBIT (\$m)	FY19	FY18	Change %
WesTrac	285.6	202.7	41%
Coates Hire ⁴	183.6	129.4	42%
AllightSykes	1.3	3.0	(57)%
Energy	156.6	71.8	118%
Media Investments	65.9	72.6	(9)%
Other Investments	21.4	33.1	(35)%
Other	(19.3)	(15.7)	23%
Group EBIT – continuing operations	695.1	496.9	40%

4. Pro forma Coates Hire EBIT growth is 7% where FY18 EBIT is adjusted to reflect the Coates Hire result on a consolidated basis

Industrial Services

SGH's performance was led by the continued growth in WesTrac's parts business as mining customers seek to maximise the utilisation of their hard-working fleets. The demand for parts and service was bolstered by an increase in new equipment sales to mining and construction customers and the take-up of autonomous mining technology. WesTrac will be working with Rio Tinto on their Koodaideri "Mine of the Future" and will be responsible for all technology installation and commissioning of fleet.

Coates Hire performed well, with pro-forma operating profit increasing while revenue was broadly in line with last year. The market in Queensland has declined, Western Australia activity has markedly increased, while New South Wales and Victoria remain on a stable trajectory. The growing pipeline of committed infrastructure projects continues to create opportunities over the medium to long-term with Coates Hire optimising its fleet composition accordingly and investing through growth capex where appropriate.

Energy

Beach's strong operational results were underpinned by the production performance and high facility reliability delivered across its producing assets. Net cash of \$172 million and the high level of continuing free cash flow generation has positioned Beach to drive future production and reserves growth through its portfolio of development and exploration assets. SGH invested an additional \$111 million in Beach in November 2018 on the basis of the strong operational performance and Beach's position as a key supplier of gas to the tight East Coast gas market.

FY19 also saw some significant milestones on Crux, in which SGH Energy has a 15 per cent direct interest. Crux is now more than half-way through FEED and well-positioned to create value for our shareholders.

Media and Listed Investments

Seven West Media has continued to deliver significant audiences across its free to air and publishing interests with growth in digital reach, revenue and profit through the year. The business is focused on driving growth in the content creation and distribution through Seven Studios and looking to deliver strong audience and advertising share while focusing on managing costs.

SGH's statutory result was impacted by non-cash significant items of \$291 million relating to the share of Seven West Media's significant items, together with a mark-to-market impairment of SGH's carrying value of the investment.

During the year, the listed portfolio was divested of \$196 million, providing funds to balance the reinvestment in Beach and in addition pay down of debt facilities. The market value of the remaining portfolio is \$198 million as of 20 August 2019.

Outlook

On a Group basis, FY20 underlying EBIT growth is expected in the mid to high single digits against FY19 underlying EBIT including the impacts of AASB 16, subject to there being no material adverse changes in trading conditions.

Mr Stokes said: "We are very well positioned with opportunities and expertise across our businesses and our balance sheet strength. We see opportunities for growth in all our businesses, particularly our Industrial Services and Energy businesses, as they continue to benefit from the strong medium to long term outlook for mining production, infrastructure investment, and domestic energy".

SGH net debt is below \$2 billion and adjusted net debt is below \$1.7 billion after taking into account the value of hedging derivatives and the listed portfolio. SGH has cashflow and funding capacity for the next waves of growth for the company both through reinvestment in existing businesses and new opportunities to expand in our growth drivers.

For more information

More detailed information regarding SGH's 2019 full year results can be found in SGH's FY19 Results Presentation and the 2019 Annual Report.

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Seven Group Holdings Limited is a leading Australian diversified operating and investment group with market leading businesses and investments in industrial services, media and energy. In industrial services, WesTrac Group is the sole authorised Caterpillar dealer in Western Australia, New South Wales and the Australian Capital Territory. WesTrac is one of Caterpillar's top dealers globally (by sales value). SGH also owns Coates Hire, Australia's largest equipment hire business; and AllightSykes, a supplier of lighting towers, generators and pumps. The Group also has a 28.6 per cent shareholding in Beach Energy and has interests in oil and gas projects in Australia and the United States. In media, SGH has a 41 per cent shareholding in Seven West Media, one of Australia's largest multiple platform media companies, including the Seven Network, The West and Pacific.