

21 November 2018

Company Announcements Office
Australian Securities Exchange Limited
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Sydney NSW 2000

By electronic lodgment

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Dear Sir / Madam

Annual General Meeting Addresses

Attached is a copy of the Chairman's Address and Managing Director & Chief Executive Officer's Address to be made at the Annual General Meeting commencing at 10.30am today, along with Presentation slides.

Yours Sincerely



Warren Coatsworth
Company Secretary

Seven Group Holdings

Annual General Meeting - 21 November 2018

Mr Kerry Stokes AC, Executive Chairman

Our Group's operating strength coupled with disciplined capital management has continued to deliver shareholder value.

Over the last five years, the Group's industrial services operations - WesTrac, Coates Hire and AllightSykes - have adjusted their respective business models to meet the changing dynamics of the market, ensuring our market leading businesses were all positioned to capture the opportunities we were confident would present as cyclical markets turned.

The result the Group delivered this year clearly demonstrates the value in quality business and equally highlights what can be achieved with a capable management team supported by an exceptional workforce and quality business partners.

As commodity prices strengthened we have seen increased production and early signs of capital reinvestment albeit we are still below the ten-year average in terms of mining fleet replacement.

We continue to drive productivity improvements, ensuring we remain competitive all the time whilst supporting our customers to improve their efficiencies and increase production volumes.

This has allowed our key mining customers to revamp their business models, supported by CAT product and technology, to meet their challenges and support them achieve global leading operating costs.

However, it has been our extraordinary people who have supported our customers' continued drive for greater efficiency delivering real outperformance that necessitated three upgrades to FY18 financial guidance during the year.

We achieved record parts and support volumes for WesTrac and increased activity in Coates Hire which allowed operating leverage to be captured, improving the Group's profitability.

Today we are seeing the signs that market conditions, particularly for our Industrial Services businesses in Australia, continue to improve. Ryan will speak more of these in his address.

Coates Hire has similarly leveraged the new infrastructure investment cycle, particularly in the eastern states of Australia, to create long-term value for the Group.

Our investment into Energy has seen the Group create substantial value for shareholders. We are confident that our position in Beach will generate further growth as the company supports the east coast gas market. Our other energy assets are well positioned as economies gather momentum and require traditional energy to support increased activity.

Ryan will detail the other key transactions which have been recently implemented to leverage both our strategic positions and our strong balance sheet to continue to reposition your company.

Our media interests are in a period of rapid change.

The SWM team have responded positively with a renewed focus on improving their core business with stronger TV ratings, revenue and cost savings.

These initiatives have delivered tangible results, with SWM's net debt reduced by \$90 million with a target to be less than two times EBITDA in FY19.

SWM continues to dominate the television sector, achieving its 12th consecutive year as Australia's number one TV network, lifting its share of every key demographic segment of the market.

We remain confident the investment in SWM is well positioned and as the company continues to deliver on their goal of audience and revenue share dominance with a focus on costs.

We believe that the combination of our assets, people and opportunities will allow SGH to continue to deliver shareholder value.

On behalf of the Board I thank our staff and you our shareholders, for your continuing support and commitment to your Company. Together with over 5,000 employees, we continue to adapt to the ever-changing market and ensure our businesses remain strong and competitive.

And on that, I would like to invite Ryan Stokes to address you.

Seven Group Holdings

Annual General Meeting - 21 November 2018

Mr Ryan Stokes, Managing Director & CEO

Slide 1 – Opening Slide

At this time last year, I spoke about the steps taken to reposition the Group's businesses and investments for the opportunities in the market. Today, I am pleased to report to you, our shareholders, that the underlying strength of the operating businesses, combined with our focus on execution, has transformed your company into one of the best performers on the ASX.

SGH delivered a total shareholder return of 81 per cent in FY18, ranking second against the ASX 100 for the year, fifth over three years, and seventh over five years.

Slide 2 – Disclaimer

This is our standard disclaimer.

Slide 3 – Group

The strategic objective of our Group is simple: to maximise return to shareholders through long term sustainable value creation.

We do this through our team's focus on driving operational performance and remaining disciplined on costs, cash flow and capital allocation. We remain resolute on adding value to the businesses that we operate and invest in.

Slide 4 – People and HSEQ Management

Safety is an important focus across the Group. In FY18 we saw some deterioration in the lost-time injury frequency rate, however, I am pleased to report that we have seen an improvement in each business in FY19 year to date.

This reflects the commitment of our management teams, employees and contractors to take ownership of workplace health and safety.

More broadly, we are building on our people and culture initiatives. Our aim is to bring the best out of our people, by leveraging diversity and creating an open, engaged and inclusive workforce.

We recognise that climate change is a factor we need to consider. This year we have provided a detailed statement in our annual report. We support the Government's position and operate our businesses with relevant targets in mind.

There will continue to be a level of underlying demand for fossil fuels, particularly as emerging economies transition to cleaner energy sources. The Group, along with its key customers and their position on the cost curve, are adaptable and capable of dealing with the effects of climate change. Australia has some of the cleanest coal in the world and is set to become the largest exporter of LNG for use as a transition fuel.

Slide 5 – Timeline

This slide provides an overview of the initiatives we have taken, aimed at repositioning the Group in its key markets. Through the sale of WesTrac China at an attractive point in the cycle, we were able to complete the acquisition of Coates Hire and increase the investment in Beach Energy, thereby capitalising on the level of infrastructure activity and gas demand on the East Coast.

We have also taken opportunities in capital markets to enhance an already strong balance sheet through a \$385 million equity raising, \$350 million convertible notes issue, refinancing our corporate syndicated facility, and mostly recently, successfully converting the \$496 million TELYS4 shares to ordinary shares.

These steps have diversified our funding base and lowered our funding costs, increased the free float, brought new investors onto the register, and unified the capital structure.

All of this has only been made possible through the underlying strength of our businesses and the outstanding performance of our people and leaders right across the Group.

Slide 6 – Group Businesses

We continue to build a strong industrial services presence through WesTrac and Coates Hire, who provide leading equipment solutions to major mining, construction and infrastructure customers. Our industrial services segment has assets of \$4 billion, in FY18 they generated revenue of \$3.2 billion and EBIT of \$335 million.

We have invested in energy where we have seen market opportunities, such as East Coast gas and long-term LNG, and we have delivered value to our shareholders through our position in Beach.

In media, we are the largest shareholder in Seven West Media, the dominant free-to-air television broadcaster and content producer. Seven West Media has a strong media platform effectively capable of leading in a diverse media landscape.

Slide 7 – Key Markets

We have positioned the Group to take advantage of three strong underlying trends in our key markets.

The transition of the mining sector into a production cycle is seeing iron ore export volumes continuing to grow, while coal exports have stabilised near record levels. WesTrac is a direct beneficiary through its ability to deliver the parts and maintenance required by customers to drive incremental production and efficiency.

Infrastructure investment is continuing to grow in the eastern states, with more projects yet to enter the pipeline, and new spending in WA and other states yet to emerge. Coates Hire as the leader in equipment rental in Australia is well positioned to compete in this market.

The shortage of domestic gas supply on the east coast is set to be exacerbated in coming years through the lack of developed and undeveloped reserves. Beach has strategically positioned itself in this market and will have uncontracted gas available as existing contracts roll off and through exploration activities.

Likewise, the global LNG market is set to experience a shortage of supply in the early to mid 2020's. Our Crux project will deliver first gas within this period and will therefore benefit from the strong anticipated LNG pricing.

Slide 9 – Year in Review

Recapping the highlights from FY18, Group EBIT of \$497 million from continuing operations was up 32 per cent on a pro-forma basis and ahead of guidance.

WesTrac delivered 23 per cent growth in EBIT to \$203 million, reflecting cost discipline in addition to the growth in revenue, supported by high machine utilisation and reduction in the level of idle equipment. There were pleasing results in construction to bolster the strong mining sector activity evidenced by a record number of parts lines shipped across WA and NSW.

We have invested in working capital, particularly in parts inventory and certain classes of new equipment, to capture the demand created by the mining production cycle.

Coates Hire achieved 21 per cent growth in EBIT, driven by the growing infrastructure investment pipeline and improvements in operational efficiency delivered through various ongoing management initiatives. The EBIT result was generated on revenue growth of 7 per cent, demonstrating the degree of operating leverage in the business.

Coates is reinvesting in its fleet to take advantage of market opportunities, with net capex of \$180 million planned in FY19 to deliver new fleet in targeted growth areas.

Beach Energy contributed \$72 million towards the Group EBIT result, significantly up on the prior year. The Lattice business has been successfully integrated, driving production growth, which coupled with sustained increases in oil and gas prices in Australian dollar terms, has delivered significant free cash flow for Beach.

Slide 10 – Key Results

Now for a closer look at the Group financials. On a continuing operations basis, underlying EBIT for the year was up 67 per cent to \$497 million. Underlying net profit after tax was up 72 per cent to \$322 million.

A fact that did not get much attention when we delivered our results was that on a statutory basis, EBIT was \$570 million and statutory net profit after tax was \$405 million, a staggering 15 per cent above our underlying result, and this did not include the further \$657 million mark-to-market gain referable to Beach.

Underlying earnings per share was 97 cents, up 70 per cent on the prior year.

Underlying EBITDA cash conversion for the year was 54 per cent, lower than FY17, given the increased investment in inventory within WesTrac, together with a higher proportion of earnings from equity accounted investments.

Slide 11 – Capital Management

Maintaining access to a diverse capital funding base is an important aspect of how we operate and perhaps a differentiator for the Group. In the past year, the strength of our underlying businesses opened several opportunities in capital markets, some relatively straightforward, and others slightly more unique.

Slide 12 – Capital Management: Overview

In September last year, we raised \$385 million through an institutional placement. This enabled us to increase the free float and introduce new institutional shareholders onto the register.

In February, we issued a \$350 million convertible note which reduced the Group's cash interest costs. This also diversified our lending base and increased duration.

In August, we refinanced our corporate syndicated facility, not only increasing tenor in three and five-year tranches, but also increasing the capacity from \$900 million to \$1.3 billion.

We have over \$1 billion in available liquidity through undrawn debt facilities, cash reserves, and the listed investment portfolio to take advantage of opportunities should they emerge.

Slide 13 – TELYS4 Conversion

In September we successfully converted the TELYS4 shares to ordinary shares. This was well supported by both sets of shareholders, given the premium paid to TELYS4 shareholders at a price not traded since 2014, and the EPS accretion delivered to all shareholders.

The TELYS4 shareholder vote was 91 per cent in favour of the proposal, however many holders took advantage of market pricing, with post-announcement volume equating to 78 per cent of the register.

The conversion has further increased the free float to 39 per cent. The index weighting in the ASX has increased and may ultimately lead to MSCI inclusion.

All of our capital management initiatives, coupled with our track record and level of shareholder return, means that SGH has greater relevance, through a higher index weighting, broader set of investors and increased analyst coverage.

Slide 14 – Outlook

All of the Group's businesses are performing strongly and are well positioned to execute their respective strategies to deliver both top line and margin growth.

WesTrac has seen another quarter of record parts volume, as it continues to capture the maintenance opportunities continually being created by the strong mining production cycle.

Coates Hire is continuing to benefit from the level of infrastructure activity and is well positioned to win market share. Efficiency remains an ongoing focus through better utilisation of existing fleet, combined with investment in new fleet to capture selected growth opportunities.

Beach's results for the September quarter reflect not only strong energy prices but also the benefits of a diversified asset portfolio and a disciplined management team focused on maintaining low cost operations and deploying capital prudently. Beach has indicated that production and EBITDA is trending towards the upper end of its guidance range, while capex remains in line with guidance.

Seven West Media's ratings dominance has continued through 2018. The FY19 net cost savings target has been increased to \$20-30 million per year. FY19 guidance was reiterated by SWM at its AGM, with FY19 underlying EBIT to grow by 5 to 10 per cent on the prior year.

On a Group basis, we reiterate the guidance provided at the full year results announcement, that FY19 underlying EBIT is expected to be approximately 25 per cent above FY18 on a continuing operations basis. For the avoidance of doubt, that is \$621 million EBIT on an underlying basis.

With that note I conclude my remarks. Thank you our shareholders for your continued support through the year.

Ends.

Attached: AGM Slide Presentation

SGH | Industrial Services, Media,
Energy and Investments

Focus on execution

Annual General Meeting

21 November 2018

Disclaimer

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.
- ▶ SGH does not accept any liability to any person, organisation or entity for any loss or damage suffered as a result of reliance on this document. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, and are subject to variation. All forward-looking statements in this document reflect the current expectations concerning future results and events. Any forward-looking statements contained or implied, either within this document or verbally, involve known and unknown risks, uncertainties and other factors (including economic and market conditions, changes in operating conditions, currency fluctuations, political events, labour relations, availability and cost of labour, materials and equipment) that may cause actual results, performance or achievements to differ materially from the anticipated results, performance or achievements, expressed, projected or implied by any forward-looking statements.
- ▶ 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 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.
- ▶ Period-on-period changes that are greater than 100%, less than (100)% or change between positive and negative are omitted for presentation purposes.

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. Significant Items are detailed in Note 3 to the financial statements.
- ▶ 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.
- ▶ This presentation includes references to continuing and discontinued operations. Profit and cash flow from discontinued operations are detailed in Note 32 to the financial statements.



Group

Overview

Ryan Stokes
Chief Executive Officer & Managing Director

Group People and HSEQ Management

Committed to health, safety and welfare of staff

- ▶ Workplace health and safety is the collective responsibility of all the Group's ~5,400 direct employees
- ▶ Safety reporting and performance are a key focus of the Group and improvement has been achieved since 30 June 2018
- ▶ Cultural shift from incident reporting and compliance mindset to genuine supervisory / managerial ownership

Renewed focus on people and culture initiatives

- ▶ Shared understanding across the Group of values, enablers and strategic people initiatives and priorities
- ▶ Committed to fostering a high performance culture that is focused on building strong leadership capability
- ▶ Building a culture that continues to leverage diversity to create an open, engaged and inclusive workforce

Climate change

- ▶ Climate change presents a challenge to businesses, broader society and the environment
- ▶ Group's portfolio of businesses and its key customers are adaptable to deal with the effects of climate change
- ▶ Actions to date include: use of efficient energy solutions to reduce carbon footprint; reducing draw on grid during higher voltage start ups of longwalls; investigating solar energy solutions for major sites at South Guildford and Tomago

	LTIFR		TRIFR	
	FY19 LTM	FY18	FY19 LTM	FY18
WesTrac WA	1.9	2.5	9.9	10.6
WesTrac NSW	0.4	0.4	9.8	10.1
Coates Hire	2.1	2.3	17.8	19.6
AllightSykes	0.0	0.0	7.4	7.7
SGH Energy	0.0	0.0	0.0	0.0
Group Total	1.6	1.9	12.9	14.0

Group Timeline

Sale of WesTrac China	\$385m equity raising	\$350m convertible notes	TELYS4 conversion
▶ \$535m proceeds (net of cash) ▶ Attractive point in the cycle	▶ Increased free float ▶ New institutional investors on register	▶ Lower cash interest cost ▶ Increased tenor and funding diversity	▶ EPS and CFPS accretive ▶ Increased free float and unified capital structure



Coates Hire acquisition	Beach acquisition of Lattice	Refinanced corporate facility
▶ \$488m consideration (net of cash) ▶ Deep understanding of the company ▶ Additional exposure to infrastructure	▶ \$118m Group investment / underwrite ▶ Reserves growth & diversified assets ▶ Operational and capital efficiencies	▶ Increased size and tenor ▶ Continued balance sheet flexibility

Group Businesses

Industrial Services



#1 equipment solution company
in WA and NSW / ACT



Largest equipment hire
company in Australia



\$3.9bn segment assets

Energy



Australia's leading mid-cap oil and
gas producer
\$1,126m investment value



Leveraged to East Coast
gas demand
\$443m segment assets



Australia's largest diversified media
company - \$433m investment value

Listed Portfolio

\$337m investment
value

Other Media
Investments

Property Portfolio

Industrial Services: Equipment solutions leveraged to growth in mining production and infrastructure investment

Energy: Diversified energy assets leveraged to growing East Coast gas demand and other domestic opportunities

Media: Diversified media with leading content and dominant TV ratings in Australia

Other media: Offshore media investments

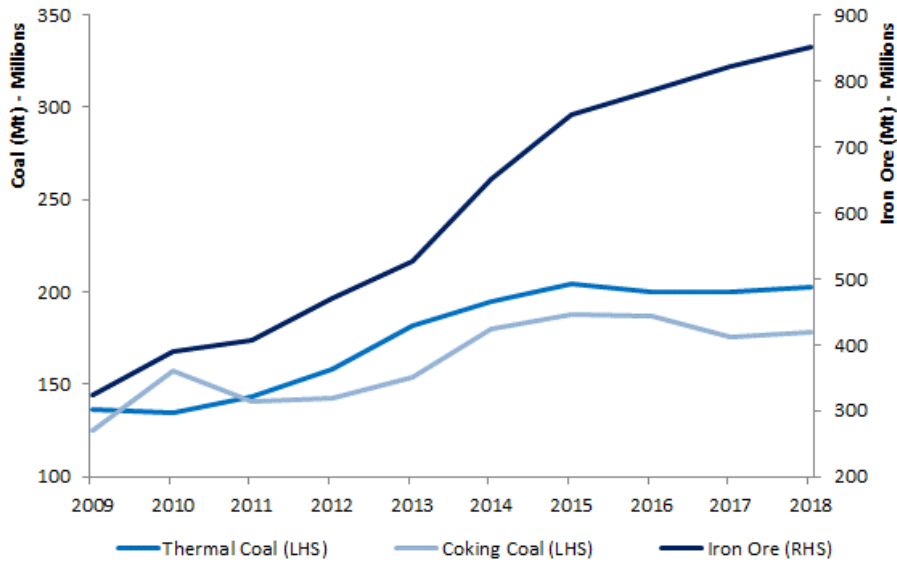
Listed portfolio: High yield and liquid investments

Property portfolio: Legacy property assets

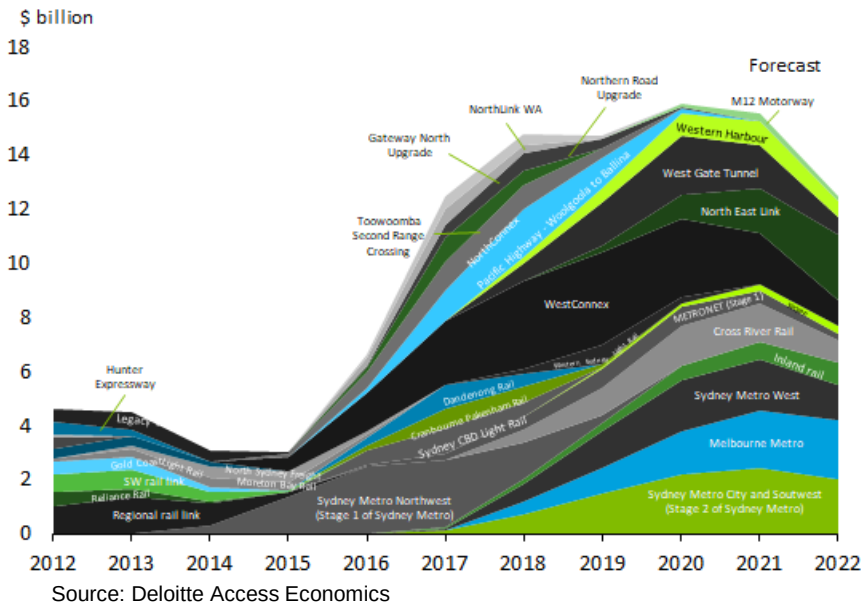
Note: Beach Energy, Seven West Media and Listed Portfolio values are based on market value as at 20 November 2018; all other values are based on segment asset value as at 30 June 2018

Group Key Markets

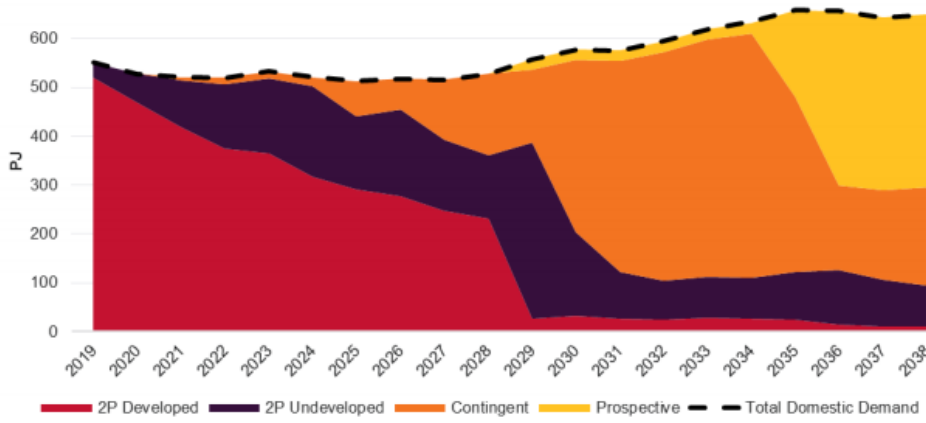
Australian commodity export volumes per year



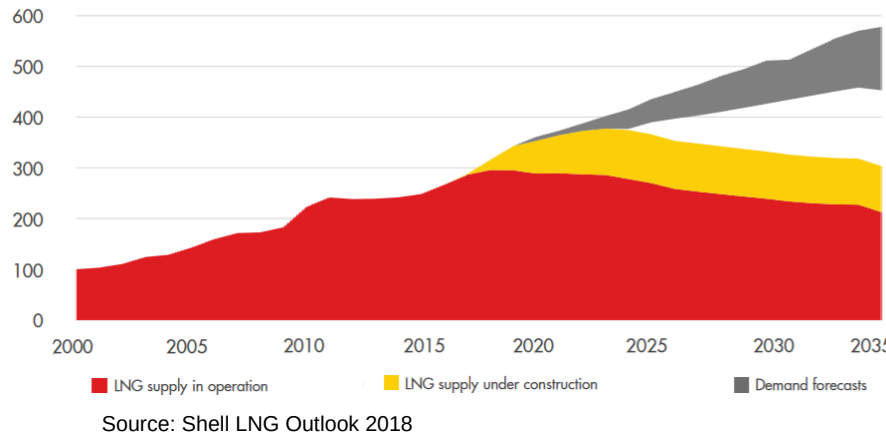
Future value of major road and rail infrastructure projects



Reserves / resources to meet domestic east coast gas demand



Emerging global LNG supply gap



FY18 Review

Year in Review Highlights

Momentum continues in key sectors

- ▶ Significant year of growth and transformation for the Group
- ▶ Strong operational and financial results delivered by WesTrac, Coates Hire, Beach Energy and Seven West Media
- ▶ Group underlying EBIT growth of 67% to \$497m; 32% growth on FY17 pro-forma EBIT – ahead of 20-25% guidance range provided in May
- ▶ Structure of the Group optimised to capture the strength in mining production, infrastructure investment and domestic gas demand

High level of activity in WesTrac and Coates Hire

- ▶ Mining demand remains strong and resurgence seen in construction, driving WesTrac EBIT growth of 23%
- ▶ WesTrac shipped 5.7m parts lines, up 25% YoY, and operating cash flow is allowing reinvestment in parts inventory and equipment to meet the expected demand
- ▶ Coates Hire time utilisation of 57.9%, up from 57.2% in prior year, while average hire value increased by 16%
- ▶ Coates Hire EBIT increased by 21% on revenue growth of 7%, reflecting the operating leverage in the business

Focus on long term sustainable value creation

- ▶ Business-led transformation across the Group enabled by operating strength of the businesses, rationalisation of cost structures, embracing data and technology, and commitment of management and staff
- ▶ TELYS4 conversion has delivered earnings and cash flow per share accretion



Year in Review Key Results

Underlying results (\$m) – continuing operations	FY18	FY17	% Change
Trading revenue	3,207.9	2,283.3	41%
EBITDA ¹	642.7	327.7	96%
EBIT ¹	496.9	297.2	67%
Underlying NPAT ¹	321.9	187.1	72%
Underlying earnings per share ¹	97 cents	57 cents	70%
Underlying EBITDA cash conversion ¹	54%	86%	(33)%
Statutory results (\$m) – continuing operations	FY18	FY17	
Trading revenue	3,207.9	2,283.3	41%
EBITDA	716.2	150.3	>100%
EBIT	570.4	119.8	>100%
Underlying net profit after tax	405.2	16.4	>100%
Underlying earnings per share	124 cents	(3) cents	-
Final fully franked ordinary dividend	21 cents	21 cents	-

Notes:

1. Excluding Significant Items. Refer to Note 3 of the Financial Statements.



Capital Management

Capital Management Overview

Capital structure strengthened and diversified

- ▶ \$385m institutional placement completed in September 2017
 - Increased free float from 26% to 34% leading to improved quality and diversity of the institutional share register
 - 81% return on investment to participating retail and institutional holders
- ▶ \$350m convertible notes issued in February 2018
 - Reduction in Group's cash interest cost by capturing the margin differential of ~400 bps
 - Diversification away from bank facilities and increase in duration
- ▶ Refinance of corporate syndicated facility completed; upsized from \$900m to \$1.3bn; extended tenor of 3 and 5 year tranches
- ▶ Conversion of \$496m (face value) in TELYS4 to ordinary shares, well supported by shareholders and EPS accretive for the Group
- ▶ Committed to maintaining the dividend through the cycle with a view to increasing the dividend over the long term

Investor relations

- ▶ Total shareholder return of 81% in FY18 (ranked 2nd against ASX 100 ex. financials)
- ▶ Increase in analyst coverage as a result of free float and index weighting which is attracting institutional investor interest
- ▶ Confidence in management's capacity to identify opportunities and execute has removed the holdco discount in analyst valuations
- ▶ Focus on MSCI inclusion and targeting foreign investors which have increased by 2% on the register

Capital Management TELYS4 Conversion

Well supported by market

- ▶ TELYS4 volume from announcement date to conversion date totalled 78% of the register
- ▶ VWAP of \$95.05 (high of \$103.50) for on-market trades representing a 17% premium to the pre-announcement price
- ▶ Shareholder vote was 91% in favour of the proposal
- ▶ Equivalent value of \$104.38 received in ordinary shares as at issue date representing a 29% premium to pre-announcement price

Value created for all shareholders

- ▶ TELYS4 shareholders received a premium to market value at a price not traded since 2014
- ▶ Both sets of shareholders benefit from EPS accretion
- ▶ Free float increased by 4.4% to 38.9%
 - Increased index weighting in the S&P / ASX 200
 - Potential inclusion in the S&P / ASX 100 and MSCI indices
 - Average daily volume of ordinary shares post conversion has doubled to 1.2m shares per day

Outlook

Business Outlook

WesTrac continuing to benefit from growth in mining production

- ▶ Parts volume level to remain strong while service sales will benefit from an expected increase in maintenance activities, new machine assembly, and a rise in service rates due to the tight labour market
- ▶ Increase in new equipment sales to be driven by activity levels in both mining and construction markets with customers investing in fleet for new projects

Coates Hire benefitting from infrastructure activity

- ▶ Capture new revenue opportunities and win market share as the level of infrastructure activity strengthens
- ▶ Ongoing efficiencies to be extracted through improvement initiatives already in progress
- ▶ Investment in fleet to capture the market opportunity

Capitalise on demand for domestic gas and Australian gas assets

- ▶ Beach FY19 production and EBIT expected to be towards upper end of guidance range and FY19; capital program in line with guidance range; aiming to grow production to 30 Mmboe by FY21
- ▶ Crux progressing as a backfill option that can enhance returns for existing infrastructure owners

Media accelerated cost targets

- ▶ FY19 net cost savings target increase to \$20-30m per year
- ▶ FY19 EBIT to grow by 5-10% on the prior period

Group Outlook

Momentum building throughout the Group

- ▶ All businesses anticipating earnings growth in FY19 as the focus on excellence and execution continues

TELYS4 benefits

- ▶ EPS accretive transaction executed, increased free float and higher index weighting

Group EBIT guidance

- ▶ FY19 underlying EBIT expected to be approximately \$621m or 25% above FY18 underlying EBIT on a continuing operations basis