

14 February 2024

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 Financial Report 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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Results for the
half-year ended
31 December 2023



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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 2023

RESULTS FOR ANNOUNCEMENT TO THE MARKET

REPORTED				\$m
Revenue from ordinary activities (continuing operations)	up	17.1%	to	5,394.0
Net profit from ordinary activities after income tax attributable to members	down	38.1%	to	188.9
Net profit for the period attributable to members	down	40.9%	to	188.9

UNDERLYING				\$m
Revenue from ordinary activities (continuing operations)	up	16.9%	to	5,385.8
Net profit before net finance expense and income tax from ordinary activities (continuing operations)	up	28.4%	to	763.7
Net profit for the period attributable to members	up	27.1%	to	433.1

DIVIDENDS			
	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 March 2024	
Date the interim dividend is payable		12 April 2024	

NET TANGIBLE ASSET BACKING

Net tangible asset backing per ordinary share: \$4.99 (June 2023: \$4.65).

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 2023.

COMMENTARY ON RESULTS

Detailed commentary on the results for the period is contained in the press release dated 14 February 2024 accompanying this Report. This Report should be read in conjunction with the 2023 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

Control over the entities listed below was lost during the period as the sale of these entities to Atlas Copco Sickla Holding AB was completed on 5 December 2023.

AllightPrimax FZCO

Sykes Fleet Services Pty Limited

AllightSykes New Zealand Limited

Sykes Group Pty Limited

Primax USA Inc

The entities' results for the period to 5 December 2023 are included within the Other Investments segment.

Refer to Note 16: Disposal of businesses for further detail.

There were no other 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 2023

RESULTS FOR ANNOUNCEMENT TO THE MARKET UNDERLYING TRADING PERFORMANCE

	Underlying trading performance ^(a)			Significant items ^(b)			Reported statutory results		
	Cont	Discont	Total	Cont	Discont	Total	Cont	Discont	Total
HALF-YEAR ENDED 31 DECEMBER 2023	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Revenue	5,385.8	-	5,385.8	8.2	-	8.2	5,394.0	-	5,394.0
Other income	22.1	-	22.1	-	-	-	22.1	-	22.1
Share of results from equity accounted investees	85.5	-	85.5	(174.9)	-	(174.9)	(89.4)	-	(89.4)
Impairment of equity accounted investees	-	-	-	(91.2)	-	(91.2)	(91.2)	-	(91.2)
Net gain on disposal of controlled entities	-	-	-	32.6	-	32.6	32.6	-	32.6
Expenses excluding depreciation and amortisation	(4,476.5)	-	(4,476.5)	(12.7)	-	(12.7)	(4,489.2)	-	(4,489.2)
Profit before depreciation, amortisation, net finance expense and income tax	1,016.9	-	1,016.9	(238.0)	-	(238.0)	778.9	-	778.9
Depreciation and amortisation	(253.2)	-	(253.2)	2.6	-	2.6	(250.6)	-	(250.6)
Profit before net finance expense and income tax	763.7	-	763.7	(235.4)	-	(235.4)	528.3	-	528.3
Net finance expense	(142.3)	-	(142.3)	(3.9)	-	(3.9)	(146.2)	-	(146.2)
Profit before income tax	621.4	-	621.4	(239.3)	-	(239.3)	382.1	-	382.1
Income tax expense	(147.1)	-	(147.1)	(10.5)	-	(10.5)	(157.6)	-	(157.6)
Profit for the period	474.3	-	474.3	(249.8)	-	(249.8)	224.5	-	224.5
Profit for the period attributable to:									
Equity holders of the Company	433.1	-	433.1	(244.2)	-	(244.2)	188.9	-	188.9
Non-controlling interest	41.2	-	41.2	(5.6)	-	(5.6)	35.6	-	35.6
Profit for the period	474.3	-	474.3	(249.8)	-	(249.8)	224.5	-	224.5
EARNINGS PER SHARE	\$	\$	\$				\$	\$	\$
Basic earnings per share	1.19	-	1.19				0.52	-	0.52
Diluted earnings per share	1.18	-	1.18				0.51	-	0.51

HALF-YEAR ENDED 31 DECEMBER 2022									
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)
Profit before depreciation, amortisation, net finance expense and income tax	841.8	-	841.8	(23.8)	18.9	(4.9)	818.0	18.9	836.9
Depreciation and amortisation	(247.2)	-	(247.2)	(11.9)	-	(11.9)	(259.1)	-	(259.1)
Profit before net finance expense and income tax	594.6	-	594.6	(35.7)	18.9	(16.8)	558.9	18.9	577.8
Net finance expense	(128.2)	-	(128.2)	11.4	-	11.4	(116.8)	-	(116.8)
Profit before income tax	466.4	-	466.4	(24.3)	18.9	(5.4)	442.1	18.9	461.0
Income tax (expense)/benefit	(105.0)	-	(105.0)	(7.5)	1.0	(6.5)	(112.5)	1.0	(111.5)
Profit for the period	361.4	-	361.4	(31.8)	19.9	(11.9)	329.6	19.9	349.5
Profit for the period attributable to:									
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
Profit for the period	361.4	-	361.4	(31.8)	19.9	(11.9)	329.6	19.9	349.5
EARNINGS PER SHARE	\$	\$	\$				\$	\$	\$
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

(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 2023

		Dec 23	Dec 22
	Note	\$m	\$m
CONTINUING OPERATIONS			
Revenue	4	5,394.0	4,607.0
Other income		22.1	20.2
Share of results from equity accounted investees	8	(89.4)	115.3
Impairment of equity accounted investees	3	(91.2)	(50.7)
Net gain on disposal of controlled entities	16	32.6	-
Expenses excluding depreciation and amortisation	4	(4,489.2)	(3,873.8)
Profit before depreciation and amortisation, net finance expense and income tax		778.9	818.0
Depreciation and amortisation		(250.6)	(259.1)
Profit before net finance expense and income tax		528.3	558.9
Finance income	5	20.4	21.1
Finance expense	5	(166.6)	(137.9)
Net finance expense		(146.2)	(116.8)
Profit before income tax		382.1	442.1
Income tax expense	6	(157.6)	(112.5)
Profit for the period from continuing operations		224.5	329.6
Profit for the period from discontinued operations	16	-	19.9
Profit for the period		224.5	349.5
Profit for the period attributable to:			
Equity holders of the Company		188.9	319.6
Non-controlling interest		35.6	29.9
Profit for the period		224.5	349.5
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of financial assets at fair value through other comprehensive income		1.6	(5.9)
Income tax relating to items that will not be reclassified subsequently to profit or loss	6	0.4	(2.9)
Total items that will not be reclassified subsequently to profit or loss		2.0	(8.8)
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges: effective portion of changes in fair value		(16.6)	(35.4)
Foreign currency differences for foreign operations		(0.2)	2.1
Foreign currency translation reserve transferred to profit or loss		(2.2)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	6	5.2	7.9
Total items that may be reclassified subsequently to profit or loss		(13.8)	(25.4)
Total comprehensive income for the period		212.7	315.3
Total comprehensive income for the period attributable to:			
Equity holders of the Company		178.1	289.9
Non-controlling interest		34.6	25.4
Total comprehensive income for the period		212.7	315.3
EARNINGS PER SHARE (EPS)			
		\$	\$
From continuing operations			
Basic earnings per share	7	0.52	0.84
Diluted earnings per share	7	0.51	0.84
From continuing and discontinued operations			
Basic earnings per share	7	0.52	0.88
Diluted earnings per share	7	0.51	0.88

The Consolidated Statement of Profit or Loss and 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 2023

	Note	Dec 23 \$m	Jun 23 \$m
CURRENT ASSETS			
Cash and cash equivalents		1,066.5	876.5
Trade and other receivables		1,514.9	1,629.3
Inventories		1,717.2	1,501.0
Current tax assets		15.1	25.6
Other current assets		143.2	189.7
Derivative financial instruments	13	9.8	37.7
Assets classified as held for sale		3.5	3.2
Total current assets		4,470.2	4,263.0
NON-CURRENT ASSETS			
Other receivables		3.6	20.0
Inventories		346.0	345.7
Investments accounted for using the equity method	8	1,512.9	1,701.3
Other financial assets		94.4	96.2
Right of use assets		711.8	711.8
Property, plant and equipment		3,526.1	3,497.9
Producing and development assets	9	537.8	476.5
Intangible assets		2,220.4	2,222.2
Deferred tax assets		72.1	108.8
Other non-current assets		35.8	36.1
Derivative financial instruments	13	105.2	150.4
Total non-current assets		9,166.1	9,366.9
Total assets		13,636.3	13,629.9
CURRENT LIABILITIES			
Trade and other payables		1,036.3	1,124.6
Lease liabilities		73.5	71.3
Interest bearing loans and borrowings	11	367.4	450.4
Deferred income		499.4	555.1
Current tax liability		98.9	25.2
Provisions		125.5	101.8
Employee benefits		191.2	199.5
Derivative financial instruments	13	16.6	7.6
Total current liabilities		2,408.8	2,535.5
NON-CURRENT LIABILITIES			
Other payables		4.4	2.0
Lease liabilities		915.4	913.2
Interest bearing loans and borrowings	11	4,407.8	4,442.8
Deferred tax liabilities		537.7	572.0
Provisions		473.4	470.3
Employee benefits		18.9	17.4
Derivative financial instruments	13	69.4	61.4
Total non-current liabilities		6,427.0	6,479.1
Total liabilities		8,835.8	9,014.6
Net assets		4,800.5	4,615.3
EQUITY			
Contributed equity	14	3,393.8	3,375.3
Reserves		(1,526.8)	(1,526.6)
Retained earnings		2,166.9	2,061.6
Total equity attributable to equity holders of the Company		4,033.9	3,910.3
Non-controlling interest		766.6	705.0
Total equity		4,800.5	4,615.3

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 2023

HALF-YEAR ENDED 31 DECEMBER 2023	Note	Contributed equity \$m	Reserves \$m	Retained earnings \$m	Total \$m	Non-controlling interest \$m	Total equity \$m
Balance as at 1 July 2023		3,375.3	(1,526.6)	2,061.6	3,910.3	705.0	4,615.3
Profit for the period		-	-	188.9	188.9	35.6	224.5
Net change in fair value of financial assets measured at fair value through OCI		-	1.6	-	1.6	-	1.6
Cash flow hedges: effective portion of changes in fair value		-	(15.1)	-	(15.1)	(1.5)	(16.6)
Foreign currency differences for foreign operations		-	(0.2)	-	(0.2)	-	(0.2)
Recycling of foreign currency translation		-	(2.2)	-	(2.2)	-	(2.2)
Income tax on items of OCI		-	5.1	-	5.1	0.5	5.6
Total comprehensive income for the period		-	(10.8)	188.9	178.1	34.6	212.7
Transactions with owners recognised directly in equity							
Ordinary dividends paid	15	-	-	(83.6)	(83.6)	(0.5)	(84.1)
Shares issued	14	7.4	-	-	7.4	-	7.4
Non-controlling interest on partial disposal of controlled entity without loss of control	16	-	24.1	-	24.1	30.2	54.3
Share-based payments from controlled entity		-	(6.6)	-	(6.6)	(2.7)	(9.3)
Treasury shares acquired	14	(0.7)	-	-	(0.7)	-	(0.7)
Shares vested and transferred to employees	14	11.8	(11.8)	-	-	-	-
Share-based payments		-	4.9	-	4.9	-	4.9
Total distributions to owners		18.5	10.6	(83.6)	(54.5)	27.0	(27.5)
Total movement in equity for the period		18.5	(0.2)	105.3	123.6	61.6	185.2
Balance as at 31 December 2023		3,393.8	(1,526.8)	2,166.9	4,033.9	766.6	4,800.5

HALF-YEAR ENDED 31 DECEMBER 2022

Balance as at 1 July 2022		3,410.5	(1,495.8)	1,634.8	3,549.5	734.2	4,283.7
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
Total comprehensive income for the period		-	(29.7)	319.6	289.9	25.4	315.3
Transactions with owners recognised directly in equity							
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	14	3.4	(3.4)	-	-	-	-
Share-based payments		-	5.5	-	5.5	-	5.5
Total distributions to owners		(7.0)	(2.0)	(83.5)	(92.5)	(71.7)	(164.2)
Total movement in equity for the period		(7.0)	(31.7)	236.1	197.4	(46.3)	151.1
Balance as at 31 December 2022		3,403.5	(1,527.5)	1,870.9	3,746.9	687.9	4,434.8

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 2023

	Note	Dec 23 \$m	Dec 22 \$m
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
Receipts from customers		5,929.0	5,000.8
Payments to suppliers and employees		(5,236.6)	(4,455.5)
Dividends and distributions received from equity accounted investees	8	19.9	25.1
Other dividends received		2.8	3.1
Interest and other items of a similar nature received		20.4	10.0
Interest and other costs of finance paid		(148.6)	(119.1)
Income taxes paid		(65.3)	(63.5)
Restructure and transaction costs paid		-	(18.1)
Net operating cash flows	10	521.6	382.8
CASH FLOWS RELATED TO INVESTING ACTIVITIES			
Payments for purchases of property, plant and equipment		(235.9)	(242.1)
Proceeds from sale of property, plant and equipment		17.6	20.7
Payments for purchase of intangible assets		(1.1)	(1.3)
Payments for production, development and exploration assets		(61.4)	(57.2)
Payments for other investments		-	(0.5)
Proceeds from sale of other financial assets		0.8	-
Return of capital from investment in equity accounted investee		-	14.2
Proceeds from disposal of controlled entities, net of cash disposed	16	88.8	14.9
Acquisition of controlled entities, net of cash acquired		(6.6)	-
Proceeds from partial disposal of controlled entity without loss of control	16	54.3	-
Net investing cash flows		(143.5)	(251.3)
CASH FLOWS RELATED TO FINANCING ACTIVITIES			
Ordinary dividends paid	15	(83.6)	(83.5)
Dividends paid to non-controlling interests		(0.5)	(0.6)
Proceeds from borrowings		927.6	645.9
Repayment of borrowings		(970.5)	(1,370.2)
Proceeds from exchangeable bond		-	135.7
Repayment of lease liabilities		(43.3)	(43.0)
Purchase of Boral shares for Boral employee equity plans		(13.0)	-
Purchase of treasury shares	14	(0.7)	-
Net financing cash flows		(184.0)	(715.7)
Net increase/(decrease) in cash and cash equivalents		194.1	(584.2)
Cash and cash equivalents at beginning of the period		876.5	1,254.6
Effect of exchange rate changes on cash and cash equivalents		(4.1)	35.7
Cash and cash equivalents at end of the period		1,066.5	706.1

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 2023

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 2023 (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 14 February 2024.

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 2023 Annual Report and considered with any public announcements made by the Company during the half-year ended 31 December 2023 in accordance with the continuous disclosure obligations of the ASX Listing rules. A copy of the 2023 Annual Report is available from the Company on request or at 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.

(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 2023 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 2023

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 2023.

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

- Revenue recognition - maintenance and repair contracts
- 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
- Right of Use assets valuation and Lease liabilities
- Property, plant and equipment - useful life
- Producing and development assets - recoverable amount, project development costs, estimates on reserve quantities and quality, pipeline and processing availability, estimation on commodity prices and climate change
- Provisions - restoration and rehabilitation
- Dependency on key suppliers
- Impairment of intangible assets
- Restoration and environmental rehabilitation
- Environmental risk and regulation

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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 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 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. On 5 December 2023, the Group disposed of its investment in Sykes.

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.

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SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

2. OPERATING SEGMENTS (CONTINUED)

	WesTrac ^(a)		Coates ^(a)		Boral ^(a)		Energy		Media investments ^(b)		Other investments ^(a)		Total	
	Dec 23	Dec 22	Dec 23	Dec 22	Dec 23	Dec 22	Dec 23	Dec 22	Dec 23	Dec 22	Dec 23	Dec 22	Dec 23	Dec 22
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
CONTINUING OPERATIONS														
Segment revenue														
Building material sales	-	-	-	-	1,693.0	1,524.6	-	-	-	-	-	-	1,693.0	1,524.6
Product sales	1,036.0	845.7	4.7	9.5	-	-	-	-	-	-	40.4	35.7	1,081.1	890.9
Product support	1,857.5	1,434.3	3.4	3.3	-	-	-	-	-	-	12.5	16.6	1,873.4	1,454.2
Hire of equipment	13.1	16.3	577.0	562.1	-	-	-	-	-	-	-	-	590.1	578.4
Rendering of services	-	-	-	-	45.0	43.7	-	-	-	-	-	-	45.0	43.7
Contracting business	-	-	-	-	101.9	112.8	-	-	-	-	-	-	101.9	112.8
Oil, gas and condensate sales	-	-	-	-	-	-	1.3	2.4	-	-	-	-	1.3	2.4
Other	-	-	-	-	-	-	-	-	-	-	8.2	-	8.2	-
Sales to external customers	2,906.6	2,296.3	585.1	574.9	1,839.9	1,681.1	1.3	2.4	-	-	61.1	52.3	5,394.0	4,607.0
By geographic segment														
Australia	2,906.6	2,296.3	568.5	560.3	1,839.9	1,681.1	-	-	-	-	46.7	33.6	5,361.7	4,571.3
International	-	-	16.6	14.6	-	-	1.3	2.4	-	-	14.4	18.7	32.3	35.7
Segment result														
Segment EBITDA ^(c)	372.1	293.7	264.1	245.4	313.6	206.5	50.0	56.9	28.3	50.3	4.0	3.7	1,032.1	856.5
Depreciation and amortisation	(39.4)	(39.6)	(100.1)	(96.4)	(112.6)	(111.2)	-	-	-	-	(1.3)	(0.2)	(253.4)	(247.4)
Segment EBIT^(c)	332.7	254.1	164.0	149.0	201.0	95.3	50.0	56.9	28.3	50.3	2.7	3.5	778.7	609.1
Other segment information														
Share of results of equity accounted investees included in segment EBIT ^(d)	1.9	0.6	-	-	(9.3)	8.8	51.8	58.0	24.9	47.1	(0.1)	(0.5)	69.2	114.0
Significant items														
Impairment of assets	-	-	-	-	-	-	-	-	(90.2)	(50.7)	(1.0)	-	(91.2)	(50.7)
Acquisition fair value adjustments	-	-	-	-	(2.2)	6.9	-	-	-	-	-	-	(2.2)	6.9
Share of equity accounted significant items	-	-	-	-	(16.3)	-	(155.4)	4.8	(3.2)	(3.5)	-	-	(174.9)	1.3
Transformation and restructure (costs)/benefits	-	-	(2.9)	-	-	6.8	-	-	-	-	-	-	(2.9)	6.8
Property EBIT	-	-	-	-	-	-	-	-	-	-	3.6	-	3.6	-
Net gain on disposal of controlled entities	-	-	-	-	-	-	-	-	-	-	32.6	-	32.6	-
Fair value movement on power agreement	-	-	-	-	(0.4)	-	-	-	-	-	-	-	(0.4)	-
Capital expenditure	(16.9)	(20.5)	(128.2)	(125.3)	(91.5)	(97.4)	(61.4)	(57.2)	-	-	(0.4)	(0.1)	(298.3)	(300.5)
	Dec 23	Jun 23	Dec 23	Jun 23	Dec 23	Jun 23	Dec 23	Jun 23	Dec 23	Jun 23	Dec 23	Jun 23	Dec 23	Jun 23
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Balance sheet														
Investments accounted for using the equity method	39.3	37.8	-	-	178.6	185.8	1,122.6	1,239.4	167.1	232.0	5.3	6.3	1,512.9	1,701.3
Other segment assets ^(e)	3,425.7	3,224.6	2,543.8	2,510.1	5,131.9	5,078.1	538.4	477.3	94.4	96.2	34.9	94.6	11,769.1	11,480.9
Segment assets^(f)	3,465.0	3,262.4	2,543.8	2,510.1	5,310.5	5,263.9	1,661.0	1,716.7	261.5	328.2	40.2	100.9	13,282.0	13,182.2
Segment liabilities^(f)	(1,592.5)	(1,641.6)	(465.2)	(473.2)	(2,608.2)	(2,663.1)	(86.9)	(85.6)	-	-	(21.9)	(29.4)	(4,774.7)	(4,892.9)

* 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 \$3.5 million (June 2023: \$3.2 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.

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2. OPERATING SEGMENTS (CONTINUED)

ANALYSIS BY GEOGRAPHICAL AREA

	Segment revenue		Non-current assets ^(a)	
	Dec 23	Dec 22	Dec 23	Jun 23
	\$m	\$m	\$m	\$m
CONTINUING OPERATIONS				
Australia	5,361.7	4,571.3	7,363.7	7,289.1
United Arab Emirates	9.2	15.2	-	3.7
Indonesia	16.6	14.6	17.8	17.2
United States of America	6.5	5.9	-	0.2
Total by geographical segment	5,394.0	4,607.0	7,381.5	7,310.2

(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 23	Dec 22
	\$m	\$m
Segment earnings before interest and income tax (EBIT)	778.7	609.1
Corporate operating costs	(15.0)	(14.5)
Share of results from equity accounted investees attributable to significant items	(174.9)	1.3
Impairment of equity accounted investees	(91.2)	(50.7)
Fair value adjustments arising from acquisition of Boral	(2.2)	6.9
Fair value movement of power purchase agreement	(0.4)	-
Net gain on disposal of controlled entities	32.6	-
Transformation and restructure (costs)/benefit	(2.9)	6.8
Property EBIT	3.6	-
Net finance expense	(146.2)	(116.8)
Profit before income tax per Consolidated statement of profit or loss	382.1	442.1

Reconciliation of segment operating assets to total assets per Consolidated statement of financial position	Dec 23	Jun 23
	\$m	\$m
Segment operating assets	13,282.0	13,182.2
Corporate cash holdings	177.9	218.4
Deferred tax assets	-	1.1
Derivative financial instruments	109.6	163.2
Assets held at corporate level	66.8	65.0
Total assets per Consolidated statement of financial position	13,636.3	13,629.9

Reconciliation of segment operating liabilities to total liabilities per Consolidated statement of financial position		
Segment operating liabilities	(4,774.7)	(4,892.9)
Interest bearing loans and borrowings - current	(1.8)	(84.9)
Interest bearing loans and borrowings - non-current	(3,557.5)	(3,568.9)
Current tax liability	(83.1)	(24.6)
Deferred tax liabilities	(317.1)	(350.2)
Derivative financial instruments	(54.9)	(48.3)
Liabilities held at corporate level	(46.7)	(44.8)
Total liabilities per Consolidated statement of financial position	(8,835.8)	(9,014.6)

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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.

		Dec 23	Dec 22
	Note	\$m	\$m
CONTINUING OPERATIONS			
Share of results from equity accounted investees attributable to significant items		(174.9)	1.3
Impairment of equity accounted investees	8	(91.2)	(50.7)
Fair value adjustments arising from acquisition of Boral		(2.2)	6.9
Net gain on disposal of controlled entities	16	32.6	-
Transformation and restructure (costs)/benefits		(2.9)	6.8
Fair value movement of power purchase agreement		(0.4)	-
Property EBIT		3.6	-
Total significant items before net finance expense and income tax - continuing operations		(235.4)	(35.7)
Significant items in net finance expense		(3.9)	11.4
Total significant items before income tax - continuing operations		(239.3)	(24.3)
Income tax expense on significant items		(10.5)	(7.5)
Total significant items - continuing operations		(249.8)	(31.8)
DISCONTINUED OPERATIONS			
Previously disposed businesses		-	18.9
Total significant items before income tax - discontinued operations		-	18.9
Income tax benefit on significant items		-	1.0
Total significant items - discontinued operations		-	19.9

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 Seven West Media's gain on lease modification, offset by IT implementation costs and fair value adjustments to investments. It also includes the Group's share of the impairment expense recognised by Beach, tariffs and tolls and loss on disposal of non-current assets, offset by insurance recoveries. It also includes the Group's share of the impairment of capitalised development costs within Penrith Lakes Development Corporation. The prior period included the Group's share of Beach's reversal of accrued acquisition costs and Seven West Media's fair value gains and transaction costs.

Impairment of equity accounted investee relates to the impairment of the Group's investment in the ordinary equity of Seven West Media as well as impairment of an immaterial joint venture.

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

Net gain on disposal of controlled entities relates to the realised net gain on the disposal of Sykes entities.

Transformation and restructure (costs)/benefits relate to the restructuring and transformation program undertaken by Coates in the current period and by Boral in the prior period.

Fair value movement of power purchase agreement relates to a mark to market movement in a power purchase agreement derivative contract in Boral.

Property EBIT relates to the sale of properties at Dianella, net of costs incurred. The Group does not consider this income stream to form part of the underlying operations of the Group.

Significant items in net finance expense included the expense relating to the unwind of the discount on provisions recognised on the acquisition of Boral and fair value movement from remeasurement of cash-settled equity awards. The prior period related to the gain on Boral's early repayment of US Senior Notes.

In the prior period, discontinued operations related to income received in relation to the exit of Boral's North American operations.

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

4. REVENUE AND EXPENDITURE

	Dec 23 \$m	Dec 22 \$m
CONTINUING OPERATIONS		
REVENUE		
Building material sales	1,693.0	1,524.6
Product sales	1,081.1	890.9
Product support	1,873.4	1,454.2
Hire of equipment	590.1	578.4
Rendering of services	45.0	43.7
Contracting business	101.9	112.8
Oil, gas and condensate sales	1.3	2.4
Other	8.2	-
Total revenue	5,394.0	4,607.0
EXPENDITURE EXCLUDING DEPRECIATION AND AMORTISATION		
Materials cost of inventory sold and used in product sales and product support	(2,107.9)	(1,619.3)
Materials cost of inventory sold and used in building materials, rendering of services and contracting	(1,306.7)	(1,263.0)
Repairs, maintenance and consumables used on equipment hire	(65.7)	(73.7)
Employee benefits	(612.1)	(574.7)
Other expenses	(396.8)	(343.1)
Total expenses excluding depreciation and amortisation	(4,489.2)	(3,873.8)

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 2023, 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 \$101.3 million (June 2023: \$128.0 million). Approximately 79 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 2023: 62 per cent over 12 months with the remaining over a period of up to three years).

5. NET FINANCE EXPENSE

	Dec 23 \$m	Dec 22 \$m
CONTINUING OPERATIONS		
FINANCE INCOME		
Interest income on bank deposits	20.2	9.2
Other	0.2	11.9
Total finance income	20.4	21.1
FINANCE EXPENSE		
Interest expense	(129.0)	(103.1)
Interest expense on lease liabilities	(30.2)	(27.7)
Amortisation of capitalised borrowing costs	(2.6)	(3.5)
Unwind of discount on provisions	(4.8)	(3.6)
Total finance expense	(166.6)	(137.9)
Net finance expense	(146.2)	(116.8)

Interest expense includes \$2.9 million expense (December 2022: \$0.1 million) in relation to the fair value movement for cash-settled share-based payments. In the prior period, Other finance income includes a gain of \$11.4 million recognised on the early repayment of Boral US Senior Notes.

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

6. INCOME TAX

	Dec 23 \$m	Dec 22 \$m
CONTINUING OPERATIONS		
INCOME TAX EXPENSE		
Current tax expense	(151.7)	(46.0)
Deferred tax expense	(5.9)	(66.5)
Income tax expense - continuing operations	(157.6)	(112.5)
RECONCILIATION BETWEEN INCOME TAX EXPENSE AND PRE-TAX STATUTORY PROFIT:		
Income tax using the domestic corporation tax rate 30%	(114.6)	(132.6)
Share of equity accounted investees' net (loss)/profit	(29.5)	33.7
Non-assessable income	3.6	3.3
Non-deductible expenses	-	(1.7)
Equity accounted impairments	(27.4)	(15.2)
Recognition of deferred tax asset on capital and revenue losses, not previously recognised	8.9	-
Difference in overseas tax rates	1.4	-
Income tax expense - continuing operations	(157.6)	(112.5)
DEFERRED INCOME TAX RECOGNISED DIRECTLY IN OCI		
Relating to financial assets at fair value through other comprehensive income	0.4	(2.9)
Relating to cash flow hedge reserve	5.2	7.9
Total deferred income tax recognised directly in OCI	5.6	5.0
DISCONTINUED OPERATIONS		
INCOME TAX EXPENSE		
Current tax benefit	-	0.2
Deferred tax benefit	-	0.8
Income tax benefit - discontinued operations	-	1.0
RECONCILIATION BETWEEN INCOME TAX EXPENSE AND PRE-TAX STATUTORY PROFIT:		
Income tax using the domestic corporation tax rate 30%	-	(5.7)
Recognition of deferred tax asset on capital and revenue losses, not previously recognised	-	2.5
Capital loss and exempt income on disposal of business	-	3.7
Difference in overseas tax rates	-	0.5
Income tax benefit - discontinued operations	-	1.0

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

7. EARNINGS PER SHARE

	Basic		Diluted	
	Dec 23	Dec 22	Dec 23	Dec 22
	\$	\$	\$	\$
STATUTORY EARNINGS PER SHARE				
From continuing operations	0.52	0.84	0.51	0.84
From discontinued operations	-	0.04	-	0.04
Statutory earnings per share - total	0.52	0.88	0.51	0.88

	Dec 23	Dec 22
	\$m	\$m
EARNINGS RECONCILIATION BY CATEGORY OF SHARE - ORDINARY SHARES		
Net profit attributable to equity holders of the Company - continuing operations	188.9	305.2
Net profit attributable to equity holders of the Company - discontinued operations	-	14.4
Net profit attributable to equity holders of the Company - continuing & discontinued operations	188.9	319.6

	Note	Dec 23	Dec 22
		Million	Million
WEIGHTED AVERAGE NUMBER OF SHARES			
Ordinary shares for basic earnings per share			
Issued shares as at 1 July		363.3	363.3
- Shares issued	14	0.3	-
Issued shares as at 31 December		363.6	363.3
Weighted average number of shares (basic) at 31 December^(a)		363.5	363.3
Weighted average number of shares (diluted) at 31 December		366.9	365.0

(a) Weighted average number of shares adjusted for effect of share rights issued under employee share plans, net of treasury shares and convertible notes issued 5 March 2018. At 31 December 2023, there were 3.4 million potential ordinary shares that were dilutive (December 2022: 1.7 million).

The weighted average number of shares (WANOS) used to calculate underlying earnings per share is the same as the WANOS used to calculate statutory earnings per share.

	Basic		Diluted	
	Dec 23	Dec 22	Dec 23	Dec 22
	\$	\$	\$	\$
UNDERLYING EARNINGS PER SHARE (NON-IFRS MEASURE)				
From continuing operations	1.19	0.94	1.18	0.93
Underlying earnings per share - total	1.19	0.94	1.18	0.93

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

	Dec 23	Dec 22
	\$m	\$m
UNDERLYING EARNINGS RECONCILIATION BY CATEGORY OF SHARE - ORDINARY SHARES		
Net profit attributable to equity holders of the Company	188.9	319.6
Significant items attributable to equity holders of the Company	244.2	21.2
Underlying net profit attributable to equity holders of the Company - continuing & discontinued operations	433.1	340.8

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Dec 23 \$m	Jun 23 \$m
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Investments in associates		
Beach Energy Limited	1,122.6	1,239.4
Seven West Media Limited	167.1	232.0
Individually immaterial associates	217.9	223.6
Investments in joint ventures		
Individually immaterial joint ventures	5.3	6.3
Total investments accounted for using the equity method	1,512.9	1,701.3

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 40.2 per cent (June 2023: 39.8 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 23	Jun 23
ASSOCIATES					
Beach Energy Limited	Oil and gas exploration, development, production	Australia	30 Jun	30.0	30.0
Bitumen Importers Australia Pty Limited ^(a)	Bitumen importer	Australia	30 Jun	50.0	50.0
ConnectSydney Pty Ltd ^(a)	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 ^(a)	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 ^(a)	Property development	Australia	30 Jun	40.0	40.0
Seven West Media Limited ^(b)	Media	Australia	30 Jun	40.2	39.8
South Australian Road Services Pty Limited ^(a)	Road maintenance	Australia	30 Jun	50.0	50.0
South East Asphalt Pty Limited ^(a)	Asphalt	Australia	30 Jun	50.0	50.0
Sunstate Cement Limited ^(a)	Cement manufacturer	Australia	30 Jun	50.0	50.0
JOINT VENTURES					
Flagship Property Holdings Pty Limited	Property management	Australia	31 Dec	46.6	46.6
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 71.6 per cent interest (June 2023: 72.6 per cent).

(b) During the period, Seven West Media bought shares on-market and subsequently cancelled the shares. This increased the Group's ownership interest in Seven West Media to 40.2 per cent.

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SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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

	Dec 23 \$m	Dec 22 \$m
SHARE OF INVESTEE'S NET PROFIT/(LOSS)		
Investments in associates:		
Beach Energy Limited	(103.6)	62.8
Seven West Media Limited	21.7	43.6
Individually immaterial associates	(7.4)	9.4
Investments in joint ventures:		
Individually immaterial joint ventures	(0.1)	(0.5)
Share of net (loss)/profit from equity accounted investees	(89.4)	115.3

	Dec 23 \$m	Jun 23 \$m
MARKET VALUES OF LISTED INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Beach Energy Limited		
Book value	1,122.6	1,239.4
Market value	1,092.2	924.4
Seven West Media Limited		
Book value	167.1	232.0
Market value	167.1	232.0

An impairment of \$90.2 million (December 2022: \$50.7 million) relating to the Group's investment in Seven West Media was recognised in the profit or loss during the period and a further \$1.0 million (December 2022: nil) in relation to an immaterial joint venture.

The Group received cash dividends and distributions of \$19.9 million from its investments in equity accounted investees during the half-year ended 31 December 2023 (December 2022: \$25.1 million).

9. PRODUCING AND DEVELOPMENT ASSETS

ACCOUNTING POLICY

Producing and development assets are carried at historical cost less accumulated depreciation.

Development costs

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within development assets.

Depreciation/amortisation

Producing oil and gas properties are depreciated/amortised on a unit of production basis over the total proved developed and undeveloped reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied.

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

9. PRODUCING AND DEVELOPMENT ASSETS (CONTINUED)

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Assessment of recoverable amount and key assumptions used

Producing and development asset valuations are based on the expected production profile of reserves and resources and various estimates and assumptions. For the purposes of assessing impairment, the recoverable amount of an asset or cash generating unit (CGU) is based on the greater of its fair value less costs of disposal (FVLCD) and its value-in-use (VIU), using a discount rate specific to the asset. Where the carrying value is less than the recoverable value, an impairment is expensed in the profit or loss.

The estimated future cash flows for the VIU calculation are based on various estimates, the most significant of which are resources, future production profiles, commodity prices, operating costs and any future development costs necessary to produce the resources. For the FVLCD calculation, future cash flows are based on estimates of reserves in addition to other relevant factors such as value attributable to additional resources and additional tolling arrangements.

The cash flow projections for Bivins Ranch and Longtom reflect the expected production profile of reserves and resources. The discount rates applied to the forecast cash flows are based on the weighted average cost of capital adjusted for risks where appropriate including the functional currency of the asset and the risk profile of the country in which the asset operates. The post-tax discount rates that have been applied range between 8.8 to 9.7 per cent (June 2023: between 8.2 to 9.1 per cent).

The cash flow projections for the Crux Joint Operation (Crux JO) include assumptions on the expected production profile of reserves and resources, facility design, project development cost (including input price escalation) and a long-term oil price assumption of US\$72/bbl (June 2023: US\$72/bbl) has been used to estimate a long-term LNG price and a post-tax discount rate of 8.8 per cent (June 2023: 8.2 per cent). It is possible that a change in these assumptions could result in an adjustment to the carrying value of the Crux JO.

Project development costs

Estimates of project development costs are integral to cash flow projections. The Group's best estimate of project development costs is made with reference to internally derived cost estimates or joint venture project development budgets. These estimates and budgets require assumptions to be made regarding cost of construction and installation of surface and subsurface assets, including design, engineering, procurement and input price escalation, labour and vessel availability and the project schedule. The project schedule may require modification for items including but not limited to task dependencies, changes in scope, seasonable factors and timing of regulatory approvals. Cash flow projections include a level of cost contingency to account for project uncertainty. An adverse change to the Group's estimates of project development costs, if it were to occur, may require an adjustment to the carrying amount of producing and development assets.

Estimates on reserve quantities and quality

The estimated quantities and quality of reserves and resources are integral to the calculation of amortisation expense and the assessment of the recoverable amount of assets. Estimated reserve and resource quantities and quality is based on interpretations of geological and geophysical models and assessments of technical feasibility and commercial viability of future production. These estimates require assumptions to be made regarding future development and production costs, commodity prices and exchange rates. The estimates of reserves and resources may change from period to period, and as additional geological data is generated or obtained from the operator during the course of the operations. Reserves and resource estimates are prepared in accordance with relevant local guidelines, including SPE-PRMS guidelines prepared by the Society of Petroleum Engineers.

Pipeline and gas processing availability

The Longtom gas and condensate field is connected to the Patricia Baleen pipeline and the Orbest Gas Plant. The estimated cash flows are predicated on achieving contractual access to this infrastructure in order to transport and process gas and condensate produced by the field. Discussions in respect of securing access to these facilities are ongoing, and should this not be secured, it is reasonably possible that an adjustment to the carrying amount of the Longtom asset of \$119.6 million (June 2023: \$119.6 million) could be required.

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SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
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9. PRODUCING AND DEVELOPMENT ASSETS (CONTINUED)

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimation on commodity prices

The Group's best estimate of future commodity prices is made with reference to internally derived forecast data, current spot prices, external market analysts forecast and forward curves. Future commodity price assumptions impact the recoverability of carrying values and are reviewed at least annually.

Future removal cost

The Group holds provisions for the future removal costs of oil and gas production facilities and pipelines at different stages of the development, construction and end of their economic lives.

The Group's restoration provision includes the following costs:

- for offshore assets, provision has been made for restoration plans including installation of permanent well barriers, sever casings and conductors, recovery of nearshore subsea flowlines, umbilicals and manifolds. It is currently the Group's intention to leave all subsea pipelines in-situ on the basis of restoration plans delivering equal or better environmental, safety and well integrity outcomes than removal. In the event that removal of all, or a substantial portion was required, the Group estimates the additional cost would lead to an increase to the provision of approximately \$22.6 million.
- for non-operated joint venture assets, the provision recorded represents the Group's share of the relevant Joint Venture operator estimate as responsibility for the restoration will reside with the operator who has the best knowledge and understanding of the assets. The Group regularly assesses the operator estimates with the assistance of experts appointed by the Group.

Actual costs and cash outflows can materially differ from the current estimate as a result of changes in regulations and their application, prices, analysis of site conditions, further studies, timing of restoration, achievability of restoration efficiencies (such as joint campaigning or use of vessels in the vicinity), and changes in removal technology.

The discount rate used to determine the present value of future cash flows was 4.0 per cent (June 2023: 4.0 per cent), based on applicable government bonds with a tenure aligned to the tenure of the liability. If the discount rate was decreased by 0.5 per cent, it would lead to an increase to the provision of approximately \$6.8 million.

Climate change

Current climate change legislation is considered in estimating cash flows. Estimates of cash flows include impact of current climate change legislation, including the Safeguard Mechanism. Climate change risks may result in a proportion of reserves becoming incapable of economic extraction, demand for hydrocarbons decreasing due to policy, regulation including carbon pricing, legal, technological, market or societal responses to climate change and physical aspects related to extreme weather events or climate change. The Group continues to monitor climate related policy and its impact on the Financial Report.

	Dec 23 \$m	Jun 23 \$m
PRODUCING AND DEVELOPMENT ASSETS		
At cost	678.0	620.9
Accumulated depreciation	(22.8)	(23.3)
Accumulated impairment	(117.4)	(121.1)
Total producing and development assets	537.8	476.5

The Group's restoration provision in relation to Producing and development assets was \$77.4 million at 31 December 2023 (June 2023: \$75.9 million). This is included within Non-current provisions.

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
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9. PRODUCING AND DEVELOPMENT ASSETS (CONTINUED)

The Group's operating interests in producing and development assets are held through the Group's wholly-owned subsidiaries as follows:

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

IMPAIRMENT REVIEW

As at 31 December 2023, the Group performed an impairment review of its producing and development assets in accordance with AASB 136: Impairment of Assets. The review has not indicated any trigger events or indicator that the Crux asset may be impaired or that the Bivins Ranch impairment be reversed. The lack of agreement to date on access to third-party facilities to transport and process gas and condensate in relation to its Longtom asset was considered an indicator of impairment. Accordingly, a full impairment test was conducted with the recoverable value assessed utilising a VIU discounted cash flow model. The estimated future cash flows for the VIU calculation are based on various estimates, the most significant of which are resources, production profiles, commodity prices, operating costs, tolling and processing arrangements, any future development costs necessary to produce the reserves, the capital cost of bringing the asset into production and timing of restart.

The estimated cash flows are predicated on achieving contractual access to infrastructure to transport and process gas and condensate produced by the field with discussions ongoing with the relevant counterparty. The value of future cash flows were estimated using the assumptions below which have regard to observable market data including forward curves, external market forecasts and specific target market supply/demand dynamics. The following assumptions were used in the assessment of the recoverable amount for the period:

- uncontracted long-term gas price assumption of \$15/GJ indexed at 2.5 per cent;
- Brent oil price of US\$72/bbl;
- foreign currency exchange rate of A\$/US\$0.65;
- weighted average cost of capital of 9.7 per cent; and
- restart of production in FY29.

The carrying value of the Longtom asset has been reassessed using these updated estimates and, based on this assessment, there is no impairment required as at 31 December 2023.

SENSITIVITY ANALYSIS

In the event circumstances vary from the assumptions used in the impairment assessment, the recoverable amount of the Longtom asset could change and result in adjustment to the carrying amount of the asset. Sensitivity analysis has been performed applying the following possible changes in key assumptions:

- Reserves - 10% decrease in reserves;
- Gas and oil price assumptions - 10% decrease in oil and gas pricing assumption;
- Post tax discount rate - 1% increase in post-tax discount rate; and
- Deferred restart of Longtom production by 4 years.

Based on sensitivity analysis performed, no reasonable change in the key assumptions above, would give rise to an impairment of the Longtom asset at 31 December 2023. Should access not ultimately be secured by ~2047, it is reasonably probable that an adjustment to the carrying amount of the Longtom asset would be required.

The key assumptions (including access, restart and key economic variables) used in the impairment model were reviewed by an independent oil and gas expert, who concluded that the critical assumptions were reasonable.

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

10. NOTES TO THE CASH FLOW STATEMENT

	Dec 23 \$m	Dec 22 \$m
Reconciliation of profit for the period to net cash flows related to operating activities		
Profit for the period	224.5	349.5
Income tax expense	157.6	111.5
Income taxes paid	(65.3)	(63.5)
Depreciation and amortisation:		
Property, plant and equipment	194.1	209.0
Right of use assets	52.7	45.5
Intangible assets	3.8	4.6
Capitalised borrowing costs amortised	2.6	3.5
Share of results from equity accounted investees	89.4	(115.3)
Employee share movements in equity	4.9	5.5
Dividends and distributions received from equity accounted investees	19.9	25.1
Gain on sale of property, plant and equipment	(8.4)	(8.7)
Gain on disposal of discontinued operations	-	(18.9)
Net gain on disposal of controlled entities	(32.6)	-
Impairment of equity accounted investees	91.2	50.7
Gain on settlement of interest bearing liabilities	-	(11.4)
Movement in accrued investing items	(51.8)	11.8
Unwind of interest on convertible note and exchangeable bond	3.5	5.3
Other	(4.0)	4.4
Movement in:		
Trade and other receivables	130.8	(19.8)
Inventories	(216.2)	(76.0)
Other assets	46.5	(69.3)
Trade and other payables/deferred income	(141.6)	(6.8)
Provisions and employee benefits	20.0	(53.9)
Net operating cash flows	521.6	382.8

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

11. INTEREST BEARING LOANS AND BORROWINGS

	Dec 23 \$m	Jun 23 \$m
CURRENT		
Interest bearing liabilities	367.4	367.4
Fixed term US dollar notes and bonds	-	83.0
	367.4	450.4
NON-CURRENT		
Interest bearing liabilities	1,578.7	1,565.4
Convertible notes	37.2	44.1
Exchangeable bond	224.3	221.4
Fixed term US dollar notes and bonds	2,628.2	2,687.5
Fair value adjustment - cross currency swaps	(43.3)	(58.2)
Less: capitalised borrowing costs net of accumulated amortisation	(17.3)	(17.4)
	4,407.8	4,442.8

At 31 December 2023, the Group had available undrawn borrowing facilities of \$849.1 million (June 2023: \$1,226.0 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

The Group has equity-settled swaps for Boral shares with a notional value totalling \$365.5 million (June 2023: \$365.5 million). The swaps mature in October 2024. AASB 9: Financial Instruments does not apply to interests in controlled entities for the swaps over Boral shares. Margin of \$65.6 million (June 2023: \$65.6 million) has been deposited and is reflected in the accounts under Trade and other receivables.

Syndicated loan facility

The syndicated loan facility comprises three tranches A, B and C. Tranche A was amended during the period to increase the limit by \$20.0 million to \$578.0 million and extend the maturity until September 2028. Tranche B provides a \$1,030.0 million limit until September 2027 and Tranche C provides a limit of \$280.0 million to April 2027.

Convertible notes

During the period, 0.3 million ordinary shares were issued following the receipt of conversion notices from Note holders. There are 386 Notes remaining on issue at 31 December 2023 (June 2023: 464 Notes). Refer to Note 14: Capital for further detail.

Fixed term US dollar notes

The Private Placement notes are unsecured and issued in US Dollar and Australian Dollar and the US144A notes are issued in US Dollars. Principal and coupon payments for the US Dollar denominated notes issued by WesTrac and Coates are hedged by cross currency interest rate swaps. The US Dollar denominated notes issued by Boral are hedged by cross currency interest rate swaps and US Dollar cash reserves. On 7 July 2023, the Group repaid US\$55.0 million of the 2011 WesTrac Series B notes. Subsequent to period end, further funding for approximately A\$410.0 million was received. Refer to Note 17: Events Subsequent Balance Date for further detail.

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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 23	Net financing cash flows	Effect of FX rates	Other ^(a)	Dec 23
	\$m	\$m	\$m	\$m	\$m
Interest bearing loans and borrowings					
Interest bearing liabilities	1,932.8	13.2	-	0.1	1,946.1
Fixed term US dollar notes and bonds	2,770.5	(53.6)	(88.7)	-	2,628.2
Convertible notes	44.1	-	-	(6.9)	37.2
Exchangeable bond	221.4	-	-	2.9	224.3
Capitalised borrowing costs	(17.4)	(2.5)	-	2.6	(17.3)
Fair value adjustment	(58.2)	-	-	14.9	(43.3)
Total interest bearing loans and borrowings	4,893.2	(42.9)	(88.7)	13.6	4,775.2
Lease liabilities					
Lease liabilities	984.5	(43.3)	-	47.7	988.9
Total lease liabilities	984.5	(43.3)	-	47.7	988.9
Total	5,877.7	(86.2)	(88.7)	61.3	5,764.1

(a) Other includes non-cash reduction to Convertible notes related to early conversions into equity 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 AASBs, 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. For financial instruments not quoted in active markets, the Group used 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
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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 23 Carrying amount \$m	Dec 23 Fair value \$m	Jun 23 Carrying amount \$m	Jun 23 Fair value \$m
Financial assets measured at fair value						
Unlisted equity securities		3	94.4	94.4	96.2	96.2
Forward foreign exchange contracts - used for hedging	13	2	7.3	7.3	8.3	8.3
Commodity swaps and options - used for hedging	13	2/3	5.0	5.0	3.4	3.4
Cross currency swaps - used for hedging	13	2	102.7	102.7	176.4	176.4
			209.4	209.4	284.3	284.3
Financial assets not measured at fair value						
Cash and cash equivalents		-	1,066.5	1,066.5	876.5	876.5
Trade and other receivables		-	1,518.5	1,518.5	1,649.3	1,649.3
			2,585.0	2,585.0	2,525.8	2,525.8
Financial liabilities measured at fair value						
Forward foreign exchange contracts - used for hedging	13	2	7.4	7.4	3.2	3.2
Commodity swaps and options - used for hedging	13	2	10.9	10.9	4.8	4.8
Cross currency swaps - used for hedging	13	2	58.8	58.8	49.0	49.0
Interest rate swaps and collars - used for hedging	13	2	8.9	8.9	12.0	12.0
			86.0	86.0	69.0	69.0
Financial liabilities not measured at fair value						
Trade and other payables (excluding accruals)		-	722.8	722.8	749.1	749.1
Fixed term US dollar notes	11	2	2,628.2	2,552.6	2,770.5	2,530.5
Fair value adjustment relating to US dollar notes	11	-	(43.3)	(43.3)	(58.2)	(58.2)
Convertible note and Exchangeable bond	11	2	261.5	265.2	265.5	265.1
Other borrowings	11	2	1,946.1	1,946.1	1,932.8	1,932.8
			5,515.3	5,443.4	5,659.7	5,419.3

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 2023

13. DERIVATIVE FINANCIAL INSTRUMENTS

	Dec 23 \$m	Jun 23 \$m
CURRENT ASSETS		
Cross currency interest rate swaps	-	29.4
Forward foreign exchange contracts	7.3	7.7
Commodity swaps and options	2.5	0.6
	9.8	37.7
NON-CURRENT ASSETS		
Cross currency interest rate swaps	102.7	147.0
Forward foreign exchange contracts	-	0.6
Commodity swaps and options	2.5	2.8
	105.2	150.4
CURRENT LIABILITIES		
Forward foreign exchange contracts	(7.4)	(3.2)
Commodity swaps and options	(9.2)	(4.4)
	(16.6)	(7.6)
NON-CURRENT LIABILITIES		
Cross currency interest rate swaps	(58.8)	(49.0)
Interest rate swaps and collars	(8.9)	(12.0)
Commodity swaps and options	(1.7)	(0.4)
	(69.4)	(61.4)
Net derivative financial instruments	29.0	119.1

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 terms 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 2023

14. CAPITAL

	Dec 23 \$m	Jun 23 \$m
CONTRIBUTED EQUITY		
363,585,587 ordinary shares, fully paid (June 2023: 363,260,588)	3,389.6	3,382.2
Convertible notes, fully paid	4.2	4.2
1,450 treasury shares, fully paid (June 2023: 459,450)	-	(11.1)
Balance at end of the period	3,393.8	3,375.3
MOVEMENTS IN ORDINARY SHARES		
Balance at beginning of the period	3,382.2	3,382.2
Conversion of convertible notes	7.4	-
Balance at end of the period	3,389.6	3,382.2
MOVEMENT IN TREASURY SHARES		
Balance at beginning of the period	(11.1)	(3.4)
Shares vested and transferred to employees	11.8	3.4
On-market share acquisition	(0.7)	(11.1)
Balance at end of the period	-	(11.1)

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 acquired 25,000 shares on-market during the period at a cost of \$0.7 million. The movement in Treasury Shares of \$11.8 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, 78 Notes were converted by Note holders and 324,999 ordinary shares issued to satisfy the conversion notices. The total number of ordinary shares which will be issued if the remaining 386 Notes are converted is 1,608,333.

15. DIVIDENDS

	Date of payment	Franked / unfranked	Amount per share \$	Total \$m
DIVIDENDS PAID				
Ordinary shares - Final dividend in respect of 2023 year	13 Oct 23	Franked	0.23	83.6
Total dividends paid				83.6
Ordinary shares - Final dividend in respect of 2022 year	28 Oct 22	Franked	0.23	83.5
Total dividends paid				83.5
SUBSEQUENT EVENT				
Current period interim dividend on ordinary shares proposed but not provided				
Ordinary shares - Interim dividend in respect of 2024 year	12 Apr 24	Franked	0.23	83.6

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

16. DISPOSAL OF BUSINESSES

Disposal of controlled entities

The sale of the following controlled entities to Atlas Copco Sickla Holding AB (Atlas) was completed on 5 December 2023.

AllightPrimax FZCO	Sykes Fleet Services Pty Limited
AllightSykes New Zealand Limited	Sykes Group Pty Limited
Primax USA Inc	

The total consideration for the sale was \$100.8 million, resulting in a net gain on sale of \$32.6 million being recognised in the consolidated statement of profit or loss and other comprehensive income and net cash receipts of \$88.8 million recognised in the consolidated cash flow statement. Included within the gain is \$2.2 million for amounts reclassified from foreign currency translation reserve, offset by transaction costs of \$4.2 million. The results from the operations are included within the Other Investments segment and are immaterial to the Group.

Disposal of one per cent interest in Boral

On 30 August 2023, a wholly-owned subsidiary completed the sale of 11.1 million Boral Limited shares at an average price of \$4.90 per share. This reduced the Group's ownership interest in Boral by one per cent to 71.6 per cent. As the Group continues to retain a controlling interest in Boral, there is no recognition of gains or losses in the Group's earnings as a result of the transaction and the reduction in ownership is reflected as an increase in the non-controlling interest. The net proceeds on disposal of \$54.3 million were received in cash. The difference between the disposal proceeds and the amount transferred to non-controlling interests has been recognised directly in equity.

Discontinued operations

During the prior period, the Group received settlements and deferred consideration in relation to Boral's previously divested businesses.

	Dec 23 \$m	Dec 22 \$m
Profit for the period from discontinued operations		
Net gain on sale of discontinued operations	-	18.9
Profit before depreciation, amortisation, net finance expense and income tax	-	18.9
Depreciation and amortisation	-	-
Profit before net finance expense and income tax	-	18.9
Net finance expense	-	-
Profit before income tax	-	18.9
Income tax benefit	-	1.0
Profit for the period from discontinued operations	-	19.9
Profit for the period from discontinued operations attributable to:		
Equity holders of the Company	-	14.4
Non-controlling interest	-	5.5
Profit for the period from discontinued operations	-	19.9
Cash flows from discontinued operations		
Net operating cash flows	-	(13.6)
Net investing cash flows	-	14.9
Net financing cash flows	-	-
Net cash flows from discontinued operations	-	1.3

Notes to the Consolidated Financial Statements

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
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17. EVENTS SUBSEQUENT TO BALANCE DATE

Other than as outlined below, there has not arisen in the interval between 31 December 2023 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 2023.

Fixed term US dollar notes

During the period, a wholly-owned subsidiary of the Group has agreed funding under a US Private Placement arrangement of 7 to 12 years fully hedged A\$ and US\$ denominated fixed coupon notes, providing net cash proceeds of approximately A\$410 million. The funding was completed on 8 January 2024.

Business acquisition

On 9 February 2024, a wholly-owned subsidiary of the Group entered into an agreement to acquire the business and assets of GTH Equipment Pty Limited.

Business divestment

On 13 February 2024, a wholly-owned subsidiary of the Group entered into a Heads of Agreement over its Indonesian business subject to a number of conditions precedent and due diligence. If satisfied, the business will be sold during 2HFY24.

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 13 February 2024 compared to their market value at 31 December 2023 is outlined below.

	Market value	
	13 Feb 24	31 Dec 23
	\$m	\$m
Listed investments accounted for using the equity method	1,391.4	1,259.3

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 33 of the 2023 Annual Report. There has not been any substantial related party transactions during the period.

Directors' Report

SEVEN GROUP HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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 2023 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 outlined below.

NAME	PERIOD OF DIRECTORSHIP
EXECUTIVE	
Ryan Kerry Stokes AO (Managing Director & Chief Executive Officer)	Director since February 2010 and Managing Director & Chief Executive Officer since July 2015
NON-EXECUTIVE	
Terry James Davis (Chairman)	Director since June 2010 and Chairman since 17 November 2021
Rachel Helen Argaman (Herman) OAM	Director since February 2022
Sally Annabelle Chaplain AM	Director since November 2015
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 of 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	PO Box 745
Sydney NSW 2000	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 32 and forms part of the Directors' Report for the half-year ended 31 December 2023.

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, 14 February 2024

14 February 2024

The Board of Directors
Seven Group Holdings Limited
Level 30, 175 Liverpool Street
Sydney NSW 2000

Dear Board Members

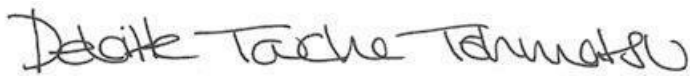
Auditor's Independence Declaration to Seven Group Holdings Limited

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.

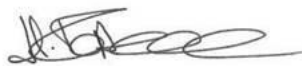
As lead audit partner for the review of the half-year financial report of Seven Group Holdings Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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 2023

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 30 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 2023 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, 14 February 2024

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 2023, 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 2023 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 auditor independence requirements of the *Corporations Act 2001* and 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.

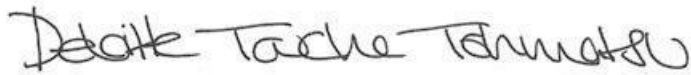
Directors' Responsibilities for the Half-year Financial Report

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 2023 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, 14 February 2024

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
Quay Quarter Tower
50 Bridge 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

Boral
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39 Delhi Road
North Ryde NSW 2113
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Allight
12 Hoskins Road
Landsdale WA 6065
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SGH Energy
Level 4, 160 Harbour Esplanade
Docklands VIC 3008
03 8628 7277