



SGH Ltd

A quality, cyclical industrial

COMPANY OVERVIEW

SGH Ltd (ASX: SGH, formerly Seven Group Holdings) is a leading Australian diversified operating group with market-leading businesses across industrial services, construction materials, equipment hire, energy, and media. Its key assets include:

WesTrac

Sole authorised Caterpillar dealer in Western Australia and NSW/ACT.

Coates Hire

The largest industrial and general equipment rental business in Australia.

Boral

Australia’s leading integrated construction materials company (fully owned since July 2024).

SGH Energy

Holds a 30% stake in Beach Energy plus other oil & gas assets in Australia and the US.

Media

40.2% ownership in Seven West Media, a major multi-platform media company.

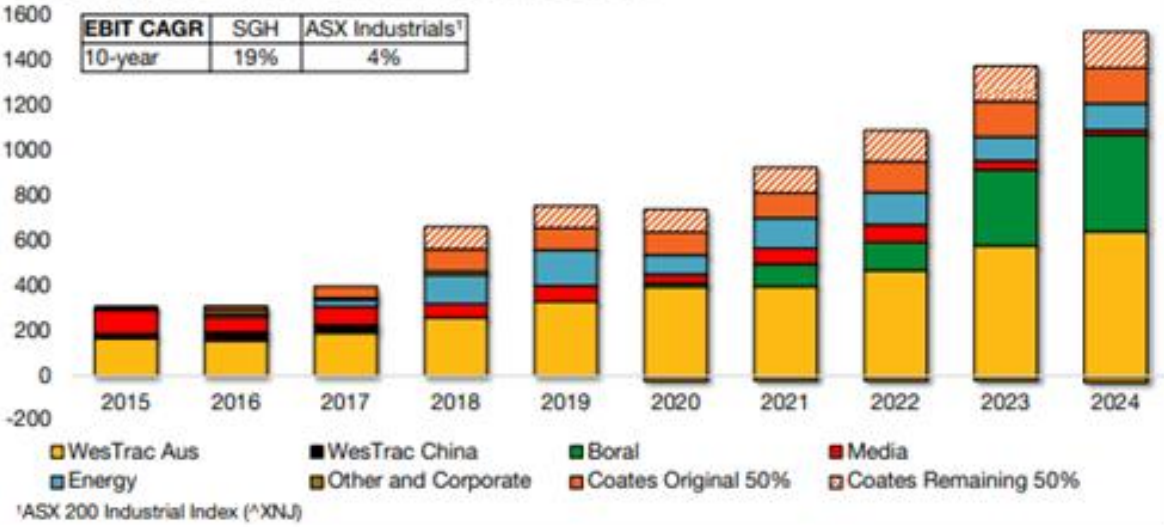
INDUSTRY STRUCTURE & COMPETITIVE POSITION

SGH operates in diverse, essential industries - heavy equipment, construction materials, energy, and media - with strong market positions in each:

- WesTrac** benefits from Caterpillar exclusivity in key territories, giving it durable pricing power and high switching costs for customers. Their key customers are top tier miners, including BHP Billiton and Rio Tinto, which are undergoing a multi-year fleet renewal program.
- Coates** dominates equipment rentals, capturing consistent demand across infrastructure and resources sectors. Utilisation is key in this division, and where we think there is meaningful upside for the business, as the construction cycle begins to improve.
- Boral** leverages scale and integration across construction materials, making it a resilient cash generator. We have seen an impressive turnaround in this business under SGH ownership and believe there is more to come.

The group's diversification helps hedge cyclical downturns in any one segment, making SGH structurally well-placed against market fluctuations.

SGH 10-year EBIT Growth Composition



Source: Company data

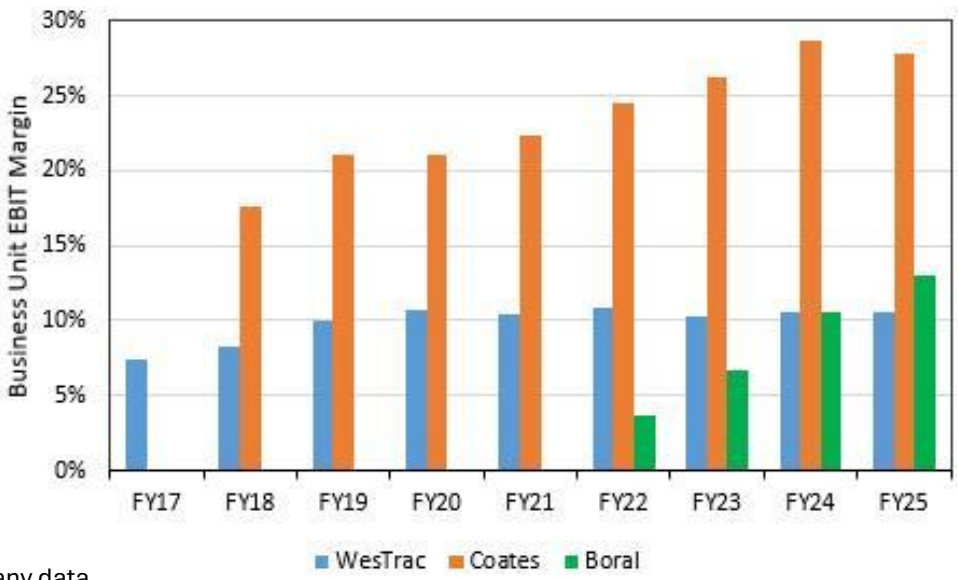
INSIDER ALIGNMENT & SHAREHOLDER VALUE

**Private company ownership dominance:** Private entities (linked to Kerry Stokes and family) control over 50% of the company. They have a sharp eye on financial discipline and through their "owner-operator" model they ensure management of each division is fully aligned and accountable.

STRONG FINANCIAL FUNDAMENTALS: IMPROVING TRAJECTORY

**Revenue growth and diversity:** The company has averaged 10% revenue growth over the last 5 years, a trend we believe can continue over the medium term, although we are expecting lower than trend growth in FY26 before a recovery in FY27.

**Margin trajectory:** The largest improvement has been seen in the Boral business where margins have improved from sub 5% to 13% in a matter of 18 months. Importantly our analysis suggest that they can continue to expand.



Source: Company data

**Strong cash generation:** Notably robust operating cash flow and improved credit metrics post-Boral acquisition. This is a financially disciplined company with a laser focus on capital efficiency that can support higher levels of debt given the strong cash-flow generation.

INVESTMENT THESIS CONCLUSION

- Diversified industrial conglomerate** with leading positions across essential sectors.
- Strong execution** evidenced by consistent revenue, earnings, and cash flow growth, coupled with improving margins and reduced leverage.
- Substantial upside** through Boral integration, margin expansion, and cyclical tailwinds in infrastructure and energy.
- Strong insider alignment**, with the controlling shareholder family’s strategic long-term vision proven to be aligned with minority shareholders.

SGH stands out as a financially disciplined capital allocator – combining diversification, operational strength and aligned ownership. They continue to offer consistent earnings growth in what have typically been cyclical industries.



Information is current as at 18 August 2025. Pie Funds Management Limited (“Pie Funds”) is the issuer and manager of the funds in the Pie Funds Management Scheme and the Pie KiwiSaver Scheme (“Schemes”), the product disclosure statements of which can be found at [www.piefunds.co.nz](http://www.piefunds.co.nz). Past performance is not an indicator of future returns. This information is general only. Please see a financial adviser for tailored advice. The information is given in good faith and has been derived from sources believed to be reliable and accurate. However, neither Pie Funds nor any of its employees or directors gives any warranty of reliability or accuracy and shall not be liable for errors or omissions herein, or any loss or damage sustained by any person relying on such information, whatever the cause of loss or damage. No person, including the directors of Pie Funds, guarantees the repayment of units in the Schemes or any returns of units in the Schemes.