

10 May 2021

ASX Release

Seven Group Holdings Limited ("SGH") off-market takeover offer for Boral Limited ("Boral")

SGH today announces a \$6.50¹ cash per share off-market takeover offer ("**Offer**") for all of the ordinary shares it does not own in Boral. The Offer will be made by Network Investment Holdings Pty Limited, a wholly owned subsidiary of SGH.

SGH currently has an interest in approximately 23.18%² of Boral. Given that its interest exceeds 20% and that it has recently utilised its "creep" capacity by acquiring an additional 3% interest, SGH is currently restricted from acquiring further Boral shares on market at this time. As a result, SGH is making a takeover offer to all shareholders.

In making the offer, SGH is seeking to increase its interest in Boral and would be satisfied for the Offer to result in it holding a total interest of around 30% of Boral.

The Offer provides Boral shareholders with the opportunity to sell their shares at a premium to recent trading performance as outlined below.

Summary of the Offer

The consideration under the Offer of \$6.50 per Boral share ("**Offer Price**") is based on the last closing price of Boral shares on ASX at the close of trading today, 10 May 2021.

The Offer Price represents a premium of:

- 54 cents to the average purchase price of interests in Boral shares acquired pursuant to SGH's recent "creep" transaction on 8 April 2021, being \$5.96 per Boral share;
- 18% to the last closing price of Boral shares on ASX on 31 March 2021 of \$5.49, being the trading day prior to the announcement of Boral's current on-market share buy-back on 1 April 2021; and
- 22% to the Boral six month VWAP, being \$5.32 per Boral share.

The Offer provides investors with an opportunity to divest as much of their shareholding in Boral as deemed appropriate, in an orderly manner and without the need to pay brokerage fees, and with the opportunity to receive certain value.

The Offer is not subject to any minimum acceptance condition. The Offer is conditional upon: no material adverse change in relation to Boral or the S&P/ASX 200 index; the receipt of consent of the required majority of existing SGH lenders; no regulatory action and customary no prescribed occurrences in relation to Boral. The Offer conditions are set out in full in the Appendix to this announcement.

The Offer is expected to open on 25 May 2021 and close on 25 June 2021, unless extended (although this is subject to change).

Conflict Management

Under the information sharing and conflict of interest protocol in place between SGH and Boral, SGH's Managing Director & Chief Executive Officer, Ryan Stokes, who is a director of Boral, has advised the Boral Board of his conflict of interest in respect of the Offer and offered to recuse himself from all Boral Board and Committee

¹ The consideration under the Offer will be reduced by the value of any distribution announced, or to which Boral shareholders become entitled, following the date of this announcement.

² On 9 April 2021, it was disclosed to ASX that SGH had an interest in 22.98% of Boral Shares on issue. Since that time, Boral has commenced an on-market share buy-back. To the extent that the buy-back continues, SGH's interest in Boral will continue to increase slightly as a proportion of the total number of Boral Shares on issue. As at the Announcement Date, SGH's interest in Boral was approximately 23.18%, based on Boral's most recent ASX disclosure dated 10 May 2021.

meetings, other than those all Boral directors are required by law to attend to determine a particular matter, for the duration of the Offer Period.

Competing Proposal

SGH currently has an interest in approximately 23.18% of Boral and has no intention of selling its existing interest. As a consequence, SGH believes that the likelihood of a competing proposal emerging for Boral is low.

Bidder's Statement

SGH will lodge a copy of its Bidder's Statement with ASIC, and send a copy to Boral and the ASX, today. The Bidder's Statement will contain detailed information relevant to the Offer, including how to accept. The Bidder's Statement is expected to be sent to Boral's shareholders on or about 25 May 2021 (although this is subject to change).

Advisers

Barrenjoey Capital Partners is acting as financial adviser and Allens is acting as legal adviser to SGH in relation to the Offer.

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 a leading Australian diversified operating and investment group with market leading businesses and investments in industrial services, media and energy. In industrial services, WesTrac Group is the sole authorised Caterpillar dealer in Western Australia, New South Wales and the Australian Capital Territory. WesTrac is one of Caterpillar's top dealers globally (by sales value). SGH owns Coates Hire, Australia's largest nationwide industrial and general equipment hire business. SGH also has an interest of approximately 23.18% in Boral, an international building products and construction materials group. In energy, SGH has a 30.0% shareholding in Beach Energy and has interests in oil and gas projects 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 and The West.

Appendix

Conditions of the Offer

The Offer will be subject to the following conditions:

1 No restraints

Prior to the end of the Offer Period:

- (a) there is not in effect any temporary or final order, decision or decree issued by any court of competent jurisdiction or Public Authority; and
- (b) no action or investigation is announced, commenced or threatened by any Public Authority, the effect of which restrains, prohibits, threatens to restrain or prohibit, or otherwise materially adversely impacts upon, the making of the Offer or the acquisition of any Shares under the Offer.

2 No Material Adverse Change

- (a) Between and including the Announcement Date and the end of the Offer Period, no change, event, circumstance, occurrence or matter occurs, is announced, is disclosed or otherwise becomes known to SGH or the Boral board (whether it becomes public or not) which (whether individually or when aggregated with all such changes, events, circumstances, occurrences or matters) has had or is reasonably likely to have the effect of a diminution in the value of the consolidated net assets of the Boral Group, taken as a whole, of at least \$400 million, as against the consolidated net asset position of the Boral Group as at 31 December 2020, except for any change, event, circumstance, occurrence or matter publicly announced by Boral to the ASX prior to the Announcement Date.
- (b) Between and including the Announcement Date and the end of the Offer Period, the S&P/ASX 200 index is not below 6,500 at any time on any ASX trading day.

3 Lenders' consent

Prior to the end of the Offer Period, the Facility Agent has provided to SGH, in writing, its binding consent to amendments in respect of the SGH Corporate Loan Facility as are necessary to ensure that the SGH Corporate Loan Facility Borrower is not in breach of its obligations under the SGH Corporate Loan Facility as a consequence of drawdown of funds under the Transaction Facility as necessary to fund payment of consideration under the Offer.

4 No Prescribed Occurrences

Between and including the Announcement Date and the end of the Offer Period, none of the following events occurs (each a **Prescribed Occurrence**):

- (a) Boral converts all or any of its Shares into a larger or smaller number of Shares (under section 254H of the Corporations Act);
- (b) any member of the Boral Group resolves to reduce its share capital in any way, other than in respect of the on-market buy-back of up to 10% of the Shares on issue, announced by Boral on 1 April 2021;
- (c) any member of the Boral Group:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under subsections 257C(1) or 257D(1) of the Corporations Act, other than in respect of the on-market buy-back of up to 10% of the Shares on issue, announced by Boral on 1 April 2021;
- (d) any member of the Boral Group issues shares, or grants a performance right or an option or other incentive right over its shares, or agrees to make such an issue or grant such a performance right or an option or other incentive right (other than to a directly or indirectly wholly owned Subsidiary of Boral);

- (e) any member of the Boral Group issues, or agrees to issue, securities convertible into shares or debt securities; or
- (f) an Insolvency Event occurs in relation to any member of the Boral Group.

Definitions used in Appendix

Announcement Date means 10 May 2021.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.

Bidder's Statement means the bidder's statement to be prepared in relation to the Offer and includes any supplementary or replacement bidder's statement.

Boral means Boral Limited (ACN 008 421 761).

Boral Group means Boral and its Related Entities as at the date of the Bidder's Statement.

Corporations Act means the *Corporations Act 2001* (Cth).

Facility Agent means Australia and New Zealand Banking Group Limited in its capacity as agent under the SGH Corporate Loan Facility.

Insolvency Event means in relation to a person:

- (a) the appointment of a liquidator, provisional liquidator, administrator, statutory manager, controller, receiver, receiver and manager or other insolvency official (whether under an Australian law or a foreign law) to the person or to the whole or a substantial part of the property or assets of the person and the action is not stayed, withdrawn or dismissed within 14 days;
- (b) the entry by the person into a compromise or arrangement with its creditors generally;
- (c) the calling of a meeting to consider, or the passing of, a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the person) or the making of an application or order for the winding up or deregistration of the person other than where the application or order (as the case may be) is set aside or withdrawn within 14 days;
- (d) the person suspends or threatens to suspend payment of its debts as and when they become due;
- (e) the person ceases or threatens to cease to carry on business;
- (f) person is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act;
- (g) the person being deregistered as a company or otherwise dissolved other than on a solvent basis;
- (h) the person executing a deed of company arrangement;
- (i) the person incurs a liability while acting or purporting to act as trustee (or co-trustee) or general partner of a trust or partnership (including a limited partnership) and the person:
 - (i) is not entitled to be fully indemnified against the liability out of the trust or partnership assets (or the trust or partnership assets are insufficient to discharge the liability); and
 - (ii) is unable to discharge the liability out of any other assets (including the proceeds of any insurance claim); or
- (j) anything analogous to those set out in any of paragraphs (a) to (i) inclusive occurs in relation to the person under the laws of a foreign jurisdiction,

and a person shall be Insolvent if any event specified in paragraphs (a) to (j) inclusive occurs in respect of that person.

Offer means an off-market takeover offer to be made by SGH Bidder under Chapter 6 of the Corporations Act to acquire all of the Shares, including as varied or extended in accordance with the Corporations Act.

Offer Period means the period during which the Offer will remain open for acceptance by Shareholders.

Public Authority means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister, ASIC, ASX, the Takeovers Panel and any regulatory organisation established under statute or any stock exchange.

Related Entity means, in relation to a person, any entity that is related to that person within the meaning of section 50 of the Corporations Act or that is in an economic entity (as defined in any approved Australian accounting standard) that is controlled by that person.

SGH means Seven Group Holdings Limited (ACN 142 003 469).

SGH Bidder means Network Investment Holdings Pty Limited (ACN 078 448 512), a wholly owned subsidiary of SGH.

SGH Borrower means a Related Entity of SGH.

SGH Corporate Loan Facility means the unsecured syndicated loan facility provided to SGH Corporate Loan Facility Borrower on the terms of the syndicated facility agreement originally dated 28 September 2011 and most recently amended and restated on 29 December 2020 between, among others, SGH Corporate Loan Facility Borrower, the Facility Agent and the lenders listed therein.

SGH Corporate Loan Facility Borrower means the Subsidiary of SGH that is the borrower under the SGH Corporate Loan Facility.

Shareholder means a person registered in the register of members of Boral as a holder of Shares.

Shares means fully paid ordinary shares in Boral.

Subsidiary has the meaning given to that term in the Corporations Act.

Transaction Facility means a new unsecured syndicated term loan bridge facility for up to \$5.5 billion to be provided to SGH Borrower by Australia and New Zealand Banking Group Limited, Barclays Bank PLC and Westpac Banking Corporation.