



ASX Release

12 August 2025

## FY25 RESULTS – SGH DELIVERS TARGET EARNINGS GROWTH AND MARGIN EXPANSION

SGH Ltd (ASX:SGH)

- Revenue of \$10.7bn, up 1%
- EBITDA of \$2,046m, up 6%
- EBIT of \$1,537m, up 8%
- Industrial Services EBIT of \$1,396m, up 6%
- WesTrac EBIT of \$639m, up 2%
- Boral EBIT of \$468m, up 26%
- NPAT of \$924m, up 9%
- Statutory NPAT of \$486m, up 5%
- Operating cash flow of \$1,951m, up 49%
- Adjusted Net Debt/EBITDA ratio (leverage) of 2.0x
- Final fully franked dividend of 32cps, total FY25 dividend of 62 cents FF, up 17%
- FY26 guidance: “low to mid single-digit EBIT growth”

*\*All references to financial metrics are on an underlying basis unless stated otherwise.*

SGH announces its results for the year ended 30 June 2025, delivering 8% EBIT growth to \$1,537 million and 93 basis points of EBIT margin expansion to 14.3%. The result was underpinned by the disciplined execution of the SGH operating model across its market-leading Industrial Services businesses.

Revenue increased 1% to \$10.7 billion, and NPAT rose 9% to \$924 million. Strong operational performance and cost discipline supported a 49% increase in operating cash flow to \$1,951 million, enabling a reduction of Net Debt to EBITDA to below 2x.

SGH declared a fully franked final dividend of 32 cents per share, bringing total FY25 dividends to 62 cents per share fully franked, up 17%. The increase contributed to SGH's Total Shareholder Return of 46% for FY25, significantly outperforming the ASX100 annual return of 15%.

### **SGH MD & CEO Ryan Stokes, said:**

*“We are pleased with the result delivered in FY25, which demonstrates the strength of our diversified Industrial Services businesses and the disciplined execution of the SGH Way operating model. Our EBIT growth of 8% was primarily driven by Boral and Westrac and was in line with our guidance, highlighting our ability to deliver growth in variable market conditions.”*

*“Our ability to generate strong cash flows was evident in the result, with our industrial services businesses delivering EBITDA cash conversion over 90%, and a 49% increase in operating cashflow. This supported a 10% reduction in our net debt to EBITDA ratio, achieving our objective of bringing leverage below 2x, while also completing the full acquisition of Boral.”*

*“The result reflects the disciplined execution of the SGH operating model, enabled by the hard work and commitment of our people and their focus on supporting our customers. SGH is carrying operational momentum into FY26, with exposure to attractive long-duration demand thematics and a focus on operational excellence.”*

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## Key Financials

Results (\$m)	FY25	FY24	Change (%)
Revenue	\$10,744	\$10,605	1%
EBITDA	\$2,046	\$1,930	6%
EBIT	\$1,537	\$1,419	8%
NPAT	\$924	\$850	9%
<i>Significant Items Impact</i>	(\$438)	(\$386)	13%
Statutory NPAT	\$486	\$464	5%
Underlying EPS	\$2.27	\$2.31	(2)%
Fully franked dividend per share	62c	53c	17%
Divisional EBIT	FY25	FY24	Change (%)
WesTrac EBIT	\$639	\$625	2%
Boral EBIT	\$468	\$372	26%
Coates EBIT	\$290	\$327	(11)%
<i>Industrial Services Segment EBIT</i>	\$1,396	\$1,323	6%
Energy EBIT	\$132	\$99	34%
Media EBIT	\$42	\$25	66%

### Financial Results

SGH delivered a robust financial result in FY25, with revenue growth of 1% amplified in 8% EBIT growth to \$1,537 million. EBITDA margin of 19.1% and EBIT margin of 14.3% expanded 88 and 93 basis points respectively. The margin growth was driven by operational and cost efficiencies at Boral and Coates, pricing discipline, and growth in equity accounted earnings.

NPAT of \$924 million was up 9%, while statutory NPAT increased 5% to \$486 million, primarily impacted by impairments on equity accounted interests.

Operating cash flow increased by 49% to \$1,951 million, driven by over 90% EBITDA cash conversion across the Industrial Services portfolio. The cash result reflects a focus on improved working capital management and inventory turn.

### Capital Management and Dividends

SGH has continued to strengthen its balance sheet, with net debt reduced by 3% to \$4.2 billion. Adjusted net debt to EBITDA contracted to sub-2x, achieving SGH's deleveraging target, driven by earnings growth and strong operating cash flow.

The business maintains significant funding headroom, with \$1.9 billion in available liquidity, including \$440 million of uncommitted facilities.

SGH has no corporate bank facility maturities until FY29, with a weighted average maturity of 4.3 years. As at 30 June 2025, 69% of drawn debt was fixed, with an average interest rate of 5.2% and a remaining tenor of 4.8 years. SGH's all-in effective borrowing cost is 5.4%.

A fully franked final dividend of 32 cents per share was declared, bringing total FY25 dividends to 62 cents per share, up 17%. The increase is consistent with SGH's ambition to deliver a stable and growing dividend over time.

### Safety

Two separate workplace fatalities occurred in FY25, involving a Boral employee and a contractor on a Coates site. SGH extends its condolences to the families, friends and colleagues affected. Safety remains the highest priority across all SGH operations as it strives towards an ambition of zero-harm.

SGH delivered meaningful operational safety improvements over the year, with a 38% reduction in LTIFR and a 31% reduction in TRIFR. These outcomes reflect a sustained focus on injury prevention, visible safety leadership, and a culture of accountability embedded across all levels of the organisation.



### **WesTrac**

WesTrac delivered an exemplary FY25 result, with EBIT up 2% to \$639 million on 4% higher revenue of \$6.1 billion, despite a ~\$60m adverse impact from parts pricing primarily associated with currency exchange. The result was supported by growing customer activity, particularly in the WA resources sector, with expansion and fleet replacement activity underpinning demand.

Capital sales grew by 12% to \$2.2 billion, driven by customers' ongoing fleet renewal and the completion of major deliveries. Services revenue was largely flat at \$3.9 billion, with strong underlying parts demand and rebuild activity offsetting ~6% lower average parts pricing.

The business delivered a strong cash performance with EBITDA cash conversion of 110%. Working capital reduced by \$89 million, with working capital to sales improving 253 basis points to 26%, reflecting modest revenue growth and improved inventory turns.

WesTrac continued its focus on sourcing, attracting, and building a robust talent pipeline of skilled technicians, which has seen skilled labour numbers increase nationally. Total chargeable FTE increased 2% to 2,305, with a focus on apprenticeships and skills development through the WA & NSW WesTrac Institutes.

### **Boral**

Boral made significant progress on its Good to Great performance journey in FY25, delivering 26% EBIT growth to \$468 million and expanding EBIT margin by 255 basis points to 13.0%. Revenue was up 1% at \$3.6 billion, with pricing traction, higher concrete volumes, and resilient demand in the commercial and engineering sectors offsetting lower quarries volumes and softer residential and road activity, particularly in regional markets.

Margin improvement was underpinned by pricing discipline across all product lines and execution of optimisation and efficiency programs.

EBITDA cash conversion was robust at 100%. Capex for the year was \$326 million, representing 146% of D&A, including a \$70 million catch-up investment in heavy mobile equipment (HME) to support reliability and operational capacity across the network.

Boral's CEO Vik Bansal will step down from executive responsibilities following the HY26 result. Vik has been instrumental in supporting performance and cultural change at Boral. Under his leadership, the business has delivered rapid earnings growth, margin improvement, and sustained operational momentum. Following the transition, Vik will join the SGH Board as a non-executive director, where he can contribute his operational and industry experience to drive value across SGH.

### **Coates**

Coates delivered a resilient FY25 result in variable market conditions. EBIT of \$290 million was down 9% when normalised for the sale of Coates Indonesia in FY24, while revenue of \$1.0 billion declined 9% on lower customer activity.

The business maintained competitive EBIT margins at 27.8%, supported by disciplined cost control, ongoing workforce and footprint rationalisation, and R&M and transport efficiency gains driven by the hub-and-spoke branch model.

EBITDA cash conversion remained high at 94%, while underlying operating cash flow declined modestly in line with revenue. Time utilisation finished marginally below our benchmark target of 60%, supported by improved fleet management and asset relocation, reflecting the strength of the national network.

The year-end hire fleet value reduced slightly to \$1.85 billion on an original cost basis, with investment levels aligned to long-term demand and utilisation objectives, consistent with SGH's disciplined approach to capital allocation.

Coates launched the Grow30 strategy in late FY25, focused on capturing incremental market share from Australia's \$1.7 trillion infrastructure and construction pipeline through improved sales execution. The



strategy targets high-growth sectors such as renewables, utilities, defence, and residential construction, with a focus on building specialist capability and improving customer alignment.

Key initiatives underway include elevating Portable Buildings and Traffic into nationally managed solutions offerings, executing tailored regional growth plans, and investing in sales systems and customer engagement to enhance responsiveness and service delivery.

## Energy

Beach Energy (30% SGH) delivered production of 19.7 MMboe in FY25, up 9% on a 64% uplift in the Otway Basin and a 91% uplift in the Bass Basin. Revenue rose 13% to \$2.0 billion, supported by higher production, stronger commodity pricing, and five LNG cargoes executed from Waitsia. Underlying NPAT increased 32% to \$451 million, underpinned by higher sales and an 18% reduction in operating costs per barrel.

Beach enhanced its financial and operational resilience in FY25, reflected in a reduction of free cash flow breakeven oil price to below US\$30 per barrel. The business also advanced its decarbonisation efforts, commissioning the Moomba CCS project and injecting more than one million tonnes of CO<sub>2</sub> in FY25.

Development progressed across SGH Energy's direct interests in Crux (15.5% SGH) and Longtom (100% SGH) through the year. Construction of the Shell-operated Crux project continued, with \$238 million (SGH share) invested in FY25. Crux will supply backfill gas to the existing Prelude FLNG facility, with first gas targeted for 2027.

At Longtom, SGH Energy is working with Amplitude Energy to progress commercialisation options for the offshore Victorian gas field. The focus is on restarting production utilising existing infrastructure to meet growing East Coast gas demand.

## Media

Seven West Media (SWM) (40% SGH) maintained its position as Australia's #1 total TV network for the fifth consecutive year. SWM revenue declined 4%, reflecting a softer advertising market, partially offset by a higher share of total TV advertising revenue. Operating expenses were reduced by 3%, helping to protect margins. Digital growth remained strong, with continued audience uplift across 7plus, video-on-demand, and live streaming platforms.

SGH's investment in China Media Capital continued to generate robust returns. As at June 2025, SGH had received US\$122 million in cumulative capital returns and realisations from its US\$100 million investment. SGH realised \$19 million from CMC in FY25, with further realisations expected in FY26.

## Outlook

SGH's FY26 focus remains on disciplined execution of the SGH Way operating model, with an emphasis on driving operational excellence through sales effectiveness, operating leverage, cadence, and innovation.

At WesTrac, growth is expected to continue in services, supported by rebuild demand, partly offset by a reduction in capital sales as major deliveries moderate.

At Boral, positive operating momentum has carried into FY26, with earnings growth expected to be driven by an improving go-to-market strategy, customer service differentiation, and ongoing cost efficiencies.

At Coates, near-term market conditions remain mixed, and the business is well placed to capture an expected medium-term uplift in rental demand.

Beach is expected to deliver production of 19.7mmboe – 22.0 mmboe in FY26.

SGH enters FY26 with operational momentum and clear strategic priorities. The Group expects to deliver low to mid single-digit EBIT growth in FY26, supported by the margin improvements achieved in FY25 and robust customer activity across core market exposures.



*More detailed information regarding SGH's FY25 results can be found in our FY25 Results Presentation and the FY25 Annual Report. The Company's Annual General Meeting will be held on 13 November 2025. The closing date for the receipt of nominations from persons wishing to be considered for election as a director is 24 September 2025.*

*This release has been authorised by the Board of SGH.*

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SGH Ltd (ASX:SGH) is an Australian diversified operating company, with market leading businesses across industrial services, energy, and media. SGH owns WesTrac, Boral and Coates. WesTrac is the sole authorised Caterpillar dealer in WA and NSW/ACT. Boral is Australia's leading integrated construction materials business. Coates is Australia's largest equipment hire business. SGH has a ~30% shareholding in Beach Energy, and wholly owns SGH Energy. SGH has a ~40% shareholding in Seven West Media.

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