



# Quarterly Activities Report & Appendix 4C

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## Highlights

FY23 Cash Flow	Cash Balance	Operating Cash Flow
\$31.5m	\$2m	Positive
In receipts from customers YTD	As of 31 December 2022	for 4 <sup>th</sup> Quarter running

- 15% improvement in Gross Margin % on prior years corresponding quarter.
- Expansion of Tru Fleet's hire business to over \$8 million in site-ready fleet vehicles offered for long-term hire by December 2022.
- Additional funding facility secured to underpin fleet expansion.
- Deferred consideration payment relating to KMH Acquisition Completed from Operating Cashflow and Cash Reserves.
- Bridge Resources launched as Group's dedicated recruitment and staff resourcing business.

SSH Group Ltd. (ASX:SSH) (**Company** or **SSH**) is pleased to release its December 2022 Quarterly Activities Report and Appendix 4C.

## December FY23 Quarter Financial Position

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Revenue from Company operations for the quarter totalled \$10.3m, a slight decrease on the prior quarter as the Company's expansion of the equipment hire businesses has transitioned the Company to lower revenue but higher gross margins than last year's corresponding quarters.

Gross Margin for the December quarter was \$2.6m at 25.4%. Gross Margin percentage increased by 15% on the prior year's corresponding quarter.

Additional operating costs were incurred during the quarter to consolidate the business through the exit of 2 office leases and a reduction in staff head count.

As of 31 December 2022, the Company had a cash balance of \$2m (with a further \$0.5m available in working capital facilities). Operating cashflow was positive by \$2.4m.

During the quarter the final deferred consideration payment relating to the acquisition of Karratha Machinery Hire was made – this was funded via cash reserves (and is included as an investing activity on the quarterly cashflow report).

Capital expenditure for the quarter was \$1.1m relating to further expansion of the Tru Fleet light vehicle fleet. The value of the fleet is now in excess of \$8m. The acquisition of vehicles was funded via lease funding facilities secured over the vehicles acquired.

## SSH Group and Subsidiary Businesses

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## Bridge Resources

Bridge Resources is a dedicated recruitment and staff resourcing business servicing the construction, civil, and resources markets to meet the defined sets of skills, qualifications, and experience required to fill short term and ongoing vacancies and labour needs of its clients.

Launched to the market on Monday 3 October 2022, Bridge Resources has continued to build on the well-established history that SSH Group People (SSH People) has for successfully delivering labour hire and recruitment services to some of Western Australia's most iconic projects and largest mine sites.

Bridge Resources has been established as a dedicated business to focus on expanding the services SSH Group People delivers, and to deliver a broader range of recruitment and staffing solutions to the construction, mining, and civil industries.

Further information on Bridge Resources is available at [www.bridgeresources.com.au](http://www.bridgeresources.com.au).



## Tru Fleet

The Company established Tru Fleet Pty Ltd (Tru Fleet) as a dedicated fleet hire business within the equipment rental market. Tru Fleet is positioned in this market to deliver flexible, reliable, site-ready fleet hire services for the Australian resources, civil and construction markets.

During the quarter the Company expanded the Tru Fleet hire business to over \$8 million in site-ready vehicles offered for long-term hire. The fleet is deployed to customers in the Goldfields, Pilbara, North-West region, and the Perth Metro area.

Headquartered in a large, dedicated depot in Perth, Western Australia, Tru Fleet is ideally located for easy access to all road and rail logistics infrastructure systems that service the Gascoyne, Goldfields, Great Southern, Kimberley, Mid-West, Pilbara, South-West, and Wheatbelt regions across the State.

## Corporate

### KMH Acquisition Agreement Completed

During the quarter the Company advised that the final consideration payable pursuant to the agreement to acquire WA-based Karratha Machinery Hire (KMH) had been paid.

SSH Group acquired 100% of the assets used to conduct the KMH business on 10 May 2022 (**Completion**) for total consideration of \$15,000,000. Full details of the transaction can be found in the ASX announcement dated 20 April 2022. Deferred consideration of \$2,250,000 payable six months following Completion was paid in cash and shares. An Appendix 2A with respect to the settlement of \$562,500 by way of issue of 3,068,698 ordinary shares was released to the ASX.

### Annual General Meeting

On 28 October 2022 the Company held its Annual General Meeting. All resolutions put to shareholders were passed on a poll with over 99% of proxy votes lodged in favour of each resolution.

The Managing Director delivered an update on the Company's operational and financial highlights during the year as well as growth strategy plans and market opportunities.

### Additional Information

The SSH Group provides the following additional information relating to expenditure during the quarter and since listing:

1. ASX Listing Rule 4.7C.2: The quarter was included in a period covered by a "use of funds" statement following the SSH's admission to the Official List of ASX on 17 September 2021. Pursuant to listing rule 1.1 condition 3, a comparison of the entity's actual expenditure on the individual items in the "use of funds" statement in the prospectus since the date of admission against the estimated expenditure on those items in the "use of funds" is set out below:

Use of Funds	Prospectus \$	Actual Expenditure to date \$
Site Services Holdings Group Operational Expenditure		
Retire extended short-term payables	1,105,000	1,105,000
Reduce short-term debt	645,000	645,000
Capital equipment purchases	2,500,000	2,500,000
Site Services Holdings Group Operational Expenditure Sub-Total	4,250,000	4,250,000

Corporate and administration costs	-	-
Costs of the Offers and Acquisition	637,414	429,000
Working capital	1,806,586	2,015,000
Total Funds Allocated	6,694,000	6,694,000

As of 31 December 2022 the Company has fulfilled all “use of funds” commitments outlined in the SSH Group Prospectus.

- ASX Listing Rule 4.7C.3: Payments to related parties of the SSH and their associates during the quarter: \$171,125. These payments relate to executive and non-executive directors’ fees and remuneration payments for executive directors as per the Executive Service Agreements.

This release has been authorised in accordance with the Company’s published continuous disclosure policy and approved for release by the Board of SSH Group Ltd.

### ASX Announcements

This Quarterly Activities Report contains information reported in the following announcements released during the December quarter.

16 November 2022	Becoming a substantial holder
16 November 2022	Change in substantial holding
15 November 2022	Section 708A Notice
15 November 2022	KMH Acquisition Agreement Completed
15 November 2022	Application for quotation of securities - SSH
31 October 2022	Quarterly Activity Statement & Appendix 4C
28 October 2022	Results of Meeting
28 October 2022	Annual General Meeting Presentation

### Authorisation

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This announcement has been authorised for release by the Board.

## About SSH Group

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SSH Group Ltd is an Australian-listed Company that operates businesses working with the construction, resources, and civil market sectors within Australia.

### Our Businesses

SSH Group Ltd builds and acquires quality businesses within growth markets that demonstrate scalability and the strong potential for high return on investment. Through our businesses, SSH Group Ltd is committed to improving outcomes for Australian projects and communities.



#### SSH Safety

Suite 8a  
Kewdale Central  
137 Kewdale Road  
Kewdale, WA 6105  
[www.sshgroup.com.au/safety](http://www.sshgroup.com.au/safety)



#### Bridge Resources

Suite 8a  
Kewdale Central  
137 Kewdale Road  
Kewdale, WA 6105  
[www.bridgeresources.com.au](http://www.bridgeresources.com.au)



#### Tru Fleet

100 Daddow Road  
Kewdale, WA 6105  
[www.trufleet.com.au](http://www.trufleet.com.au)



#### Karratha Machinery Hire

Lot 1105 Lambden Rd  
Karratha WA 6714  
[www.karrathamachineryhire.com.au](http://www.karrathamachineryhire.com.au)

## Further Details

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#### ASX Market Data

[www2.asx.com.au/markets/company/ssh](http://www2.asx.com.au/markets/company/ssh)

#### Investor Portal

[www.sshgroup.com.au/investors-media](http://www.sshgroup.com.au/investors-media)

#### Telephone

Registered Office  
SSH Group Ltd  
  
+61 8 9226 2011  
9:00am – 5:00pm (WST)  
Monday – Friday

#### Post

Company Secretary  
SSH Group Ltd  
  
Level 2, 10 Ord St  
West Perth, WA 6005

## Appendix 4C

### Quarterly cash flow report for entities

subject to Listing Rule 4.7B

Name of entity

SSH Group Limited

ABN

Quarter ended ("current quarter")

79 140 110 130

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	14,104	31,557
1.2	Payments for		
	product manufacturing and operating costs	(9,076)	(22,744)
	advertising and marketing	(29)	(44)
	leased assets	(171)	(288)
	staff costs	(1,747)	(3,768)
	administration and corporate costs	(268)	(902)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(389)	(789)
1.6	Income taxes paid	-	(13)
1.7	Government grants and tax incentives	-	-
1.9	Net cash from / (used in) operating activities	2,424	3,009



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	entities	-	-
	businesses	(1,688)	(1,688)
	property, plant, and equipment	(1,142)	(5,374)
	investments	-	-
	intellectual property	-	-
	other non-current assets	-	-
2.2	Proceeds from disposal of:		
	entities	-	-
	businesses	-	-
	property, plant, and equipment	541	816
	investments	-	-
	intellectual property	-	-
	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2,289)	(6,246)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(5)	(5)
3.5	Proceeds from borrowings	1,120	4,115
3.6	Repayment of borrowings	(2,487)	(4,215)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(1,372)	(105)
Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,241	5,346
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,424	3,009
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,289)	(6,246)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,372)	(105)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,004	2,004

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
5.	Reconciliation of cash and cash equivalents at the end of the quarter to the related items in the accounts (as shown in the consolidated statement of cash flows)		
5.1	Bank balances	2,004	2,004
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,004	2,004
Consolidated statement of cash flows		Current quarter \$A'000	
6.	Payments to related parties of the entity and their associates		
6.1	Aggregate amount of payments to related parties and their associates included in item 1		171
6.2	Aggregate amount of payments to related parties and their associates included in item 2		-
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.			

Consolidated statement of cash flows		Total facility at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.	Financing facilities Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.		
7.1	Loan and asset finance facilities	23,498	17,870
7.2	Credit standby arrangements	-	-
7.3	Debtor Funding Facility	8,000	2,359
7.4	Total financing facilities	31,498	20,229
7.5	Unused financing facilities available at quarter end		560
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <div> <p>Through its Subsidiaries SSH Group Machinery Hire Pty Ltd and Complete Equipment Australia, the Company has drawn loans from NAB, which funded the acquisition of Karratha Machinery Hire. The loans are amortising monthly over a five-year period. A \$9m equipment loan is fixed at 5.9%, whilst a \$2m Business markets loan is subject to floating interest rates for the period of the loan.</p> <p>The Company has a number of finance lease/hire purchase agreements, secured only over light vehicles funded. Interest charges are fixed at the time of entry into the arrangement. The facility is provided by Toyota Financial Services Limited, Nissan Financial Services and Daimler Financial Services. The Company has access to a further \$5.6m in its facilities to fund further vehicle acquisitions which is sufficient to meet current capex forecasts.</p> <p>Through its subsidiary Site Services Enterprises Pty Ltd (as trustee of the Company's unit trusts), the Company has an agreement with National Australia Bank for an advance against all trade receivables owed by its customers, (Debtor funding facility). The agreement secures the debtors to National Australia Bank, interest charges are variable linked to BBSY rates plus an agreed margin.</p> <p>Funding is available based on total debtor balances and cannot exceed 80% of the debtor book. The total limit of the facility is \$8m, at 31 December the company had access to \$559,500 of funding over invoices that had not been drawn down.</p> </div>		

Consolidated statement of cash flows		\$A'000
8.	Estimated cash available for future operating activities	
8.1	Net cash from / (used in) operating activities (item 1.9)	2,424
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,004
8.3	Unused finance facilities available at quarter end (item 7.5)	560
8.4	Total available funding (item 8.2 + item 8.3)	2,564
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A - Positive net operating cash flow
Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	<div>N/A</div>	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	<div>N/A</div>	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	<div>N/A</div>	
Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.		

### Compliance statement

This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A. This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023

Authorised by: The SSH Group Ltd Board of Directors

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g., Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.