



Appendix 4D

31 December 2022

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

SSH Group Ltd
ABN 79 140 110 130

1. Company details

SSH Group Ltd

2. Results for announcement to the market

	31 Dec 22	31 Dec 21	
2.1. Revenue	\$22,775,408	\$51,700,105	Down 56%
2.2. Profit (loss) after tax from ordinary activities	(847,107)	(2,027,095)	Improved 58%
2.3. Net profit (loss) for the period attributable to members	(847,107)	(2,027,095)	Improved 58%
2.4. Dividends	It is not proposed to pay dividends.		
2.5. Record date for determining entitlements to the final dividend.	N/A		

2.6. Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.

Review of operations

During the six months ended 31 December the Group has been able to focus on its core business and operations after a sustained period of growth including its successful IPO in the prior financial year.

The increased focus on operations identified an opportunity to restructure and merge the Safety and Labour Hire divisions into one People Hire division. Both divisions were closely aligned and delivering similar services, so the restructure allowed for the realisation of many procedural and support function efficiencies and resulted in a reduction in many supervisory costs. The Equipment Hire division was expanded to enable the Group to continue to grow margin on a lower revenue base.

Revenue for the period was \$22,775,408 (31 December 2021: \$51,700,105), which was a decrease of \$28,924,697, or 56%. The reduction is due to several contracts in the historical Safety division coming to their natural completion as of 30 June 2022. The Equipment division had not been established by 31 December 2021 so there is no comparative revenue.

Gross Profit for the period was \$5,347,451 (31 December 2021: \$5,626,798). While this represents a decrease in the total amount returned, the Gross Margin percentage has increased by 116% on the prior corresponding period. This Gross Margin percentage increase is due to the Group growing the Equipment Hire division as part of the growth strategy previously outlined.

The Group's normalised EBITDA from operations, excluding one off entries for the period – being non-recurring and restructuring costs - was \$1,808,364 (Normalized 31 December 2021: \$1,739,704).

This represents a 4% increase in EBITDA on prior corresponding period despite the revenue reduction. The non-recurring expenses relate to the Group repositioning and structuring itself for future growth following the completion of a large contract and establishment of its Equipment division. The Group has significantly shifted its operations to higher margin services in stronger markets as part of its strategy for future growth.

The Group has established a light vehicle commercial fleet business during the period (Tru Fleet). Costs of establishment totalled \$162,927, whilst the Group provided \$1,216,879 in working capital to establish operations. The fleet size has grown to 115 cars with a value exceeding \$8 million. Tru Fleet's revenue to December totalled \$926,968 servicing more than 20 clients with an order book exceeding \$2 million. Tru Fleet has now exceeded its minimum efficient scale and as such is expected to contribute to Group EBITDA in future reporting periods.

The Groups cashflow from operations was a positive \$2,980,335 whilst the \$1,687,500 was spent in meeting the deferred consideration payment for the Karratha Machinery Hire acquisition.

The Group's debt position decreased marginally during the period due to working capital facilities with trade debtor funding being partially repaid and scheduled repayments of existing asset financing facilities continuing, whilst borrowings increased to fund light vehicle acquisitions.

Significant changes in the state of affairs

During the period the Group established its commercial fleet hire services (Tru Fleet) to compliment and increase its existing equipment hire offering. Tru Fleet was launched in July with a fleet of 80 light vehicles, expanding to 115 vehicles by 31 December, with an asset value of \$8.6m.

During the period the Group's People Hire division transitioned from SSH Group People into Bridge Resources. On the 1st of October 2022 Bridge Resources officially launched to the market. Bridge Resources also manages the clients of the former Safety division.

The Group has also created a strategic partnership with the Four Hills Group during the reporting period. This strategic partnership, Four Hills Services Pty Ltd, is owned 49% by SSH Group and will bring together the strengths and expertise of both companies to deliver high-quality people and equipment hire services to the construction, civil, and mining sectors of Western Australia. Four Hills Services will spend 10% of its revenue on direct Aboriginal economic impact.

There were no other significant changes to the Group's operations.

3. NTA Backing

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	\$0.023	\$0.1124 ¹

4. Control gained over entities

Name of entity (or group of entities)	nil
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5. Dividend Payment

The company has not paid a dividend.

6. Dividend Reinvestment Plans

The company does not have a dividend reinvestment plan.

7. Details of associates and joint venture entities

The company does not have any associates or joint ventures.

8. Statement of compliance in regards to review

If the accounts are subject to audit dispute or qualification, details are described below

n/a



Daniel Cowley-Cooper

Managing Director

Date: 27 February 2023