

Karratha Machinery Hire - Positive First 12 Months Post Acquisition

Highlights

SSH Group Ltd acquired the Karratha Machinery Hire (KMH) business in May 2022. Over the 12-month period since acquisition KMH has contributed positively to SSH Group performance with:

Strong EBITDA**

- EBITDA of \$3.1m which equates to a 20.7% return on the acquisition price over the 12-month period since acquisition.
- 53.3% EBITDA to revenue over the 12-month period.

Robust profit before tax (PBT)**

- PBT of \$0.9m represents a PBT return on hire fleet assets of 8.8%, and a 15.8% net return over revenue for the first 12 months since acquisition.

Significant reduction in debt and new fleet investment

- KMH performance has enabled the retirement of \$2.5m of the initial debt borrowed to fund the acquisition, which represents nearly a quarter (22.0%) of the funds borrowed for the acquisition.
- In addition, KMH has invested \$1.1m in new assets (representing 9.8% of its current fleet value)

*** Results noted above are taken from unaudited management accounts from 1 June 2022 to 31 May 2023 and cross financial reporting periods.*

Integration into SSH Group

- KMH was a material acquisition for the SSH Group, and these metrics clearly demonstrate a successful first 12 months of integration of KMH into the SSH Group portfolio.
- The acquisition has significantly accelerated the development & growth of the Group's equipment hire offering.

Market Update

SSH Group Ltd. (ASX:SSH) (**Company** or **SSH**) is pleased to provide the market with an update on the strong trading performance of KMH in the 12 months post acquisition.

The transformational acquisition of KMH has accelerated SSH Group's growth in the machinery and equipment hire market, enabling the SSH Group, in conjunction with the Tru Fleet division, to transition the SSH Group into a higher margin yielding business.

In the first 12 months post-acquisition (1 June 2022 to 31 May 2023), the strong performance of the KMH business has enabled SSH Group to retire \$2.5M (22.0%) of the initial debt associated with the acquisition and in addition, has allowed KMH to invest \$1.1m in new assets (representing 9.8% of its current fleet value). Through efficient fleet management, KMH has been able to transition its fleet inventory towards a higher yielding equipment mix.

KMH continued to generate strong EBITDA during the first 12 months under operational control of the SSH Group and has contributed \$3.1m of unaudited EBITDA. This is a solid EBITDA return (for the 12-month period) of 20.7% on the acquisition price (refer ASX announcement 20 April 2022). This EBITDA yields a return of 29.6% on the hire fleet assets deployed and the EBITDA generated by KMH assets is a 53.4% return over the revenue for the 12 months.

Strong margins have seen an unaudited profit before tax (PBT) of \$0.9m, representing an PBT return of 6.2% on the acquisition price, a 8.8% return on fleet hire assets deployed, and a 15.8% net return over the first 12 months of revenue generated.

SSH Group looks forward to providing the market with further updates on the performance of the Group's other wholly owned subsidiaries Tru Fleet and Bridge Resources, and the newly formed partnership with Four Hills Group Pty Ltd, which has entered the market as Four Hills Services.

Authorisation

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.

About SSH Group

SSH Group Ltd manages a portfolio of complementary businesses working with the Australian construction, resources, and energy market sectors.

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.

Caution Regarding Forward Looking Statements

This announcement may contain forward looking statements which involve a number of risks and uncertainties. Forward-looking statements are expressed in good faith and are believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information.

Should one or more risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. The forward- looking statements are made as at the date of this announcement and the Company disclaims any intent or obligation to update publicly such forward looking statements, whether as the result of new information, future events or results, or otherwise.

Further Details

ASX Market Data

www2.asx.com.au/markets/company/ssh

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