



Quarterly Activities Report & Appendix 4C.

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Highlights

FY23 Cash Receipts	Cash Balance	Operating Cash Flow
\$51.6m	\$2.05m	Positive
In receipts from customers YTD	As of 30 June 2023.	QTR + YTD

- Positive operating cashflow of \$0.4m for the quarter and \$2.8m YTD
- 30% EBITDA Growth on prior quarter.
- \$1.5m new assets acquired in KMH with immediate deployment on secured contracts

SSH Group Ltd. (ASX:SSH) (**Company** or **SSH**) is pleased to release its June 2023 Quarterly Activities Report and Appendix 4C.

June FY23 Quarter Financial Position

Description	Q4 FY23	Q4 FY22	Variance
Total Revenue	\$8.8m	\$18.5m	-\$9.7m
EBITDA	\$1.26m	\$-0.08m	+\$1.34m

Positive Financial Results and Developments for the Quarter

The SSH Group is pleased to report further growth in its equipment hire revenue during the June quarter, this growth has contributed to the generation of the Group's second successive quarter of EBITDA exceeding \$1 million. The June quarter's EBITDA represents a healthy 14.8% return on revenue, which is a significant 30% increase compared to the previous quarter (Q3). This growth is particularly noteworthy when compared to the corresponding quarter in FY22, where EBITDA was below break even.

As part of our strategic initiatives, the Group has successfully diversified its revenue streams. By transitioning the business model to encompass a mix of equipment and recruitment revenues, with an emphasis on higher margin operations, SSH has reduced its reliance on revenue from the recruitment vertical.

The decline in Recruitment revenue compared to the prior corresponding quarter in FY22 was primarily due to the expected conclusion of several government contracts as of 30 June 2022. However, with recent leadership changes in the recruitment business (as noted below), the Group is optimistic about the future growth prospects for Recruitment revenue in FY24.

The Group's commitment to effective financial management is evident in the positive cashflows from operations, amounting to \$0.4 million for the quarter. This brings the year-to-date operating cashflow result to an impressive \$2.8 million, without incurring any one-off expenditures during the quarter. It is noteworthy that the Group has achieved positive operating cashflow in five out of the last six reporting periods.

During the quarter, the Group made significant investments in its growth trajectory. \$3.9 million was allocated to capital expenditure for further acquisitions of light vehicle assets in Tru Fleet, as well as the first asset acquisitions in KMH since the business acquisition in May 2022.



The funding for these acquisitions was facilitated through debt facilities in the respective entities. Additionally, several surplus assets were identified and sold, and the proceeds from these sales was primarily used to retire debt funding associated with those assets.

While these investments have reinforced our position in the market and contributed to our growth, they have also led to an increase in the group's net debt position over the quarter.

Overall, SSH Group is pleased with its financial performance and the progress made in diversifying revenue sources. We remain committed to our long-term strategy of achieving steady, profitable growth and creating value for our shareholders.

Operational Update: Machinery Hire (KMH)

Karratha Machinery Hire (KMH) has been successfully integrated into the SSH Group over the last 12 months.

On the 15th of June 2023, SSH Group Ltd released a comprehensive operational update on the performance of Karratha Machinery Hire (KMH) since its acquisition. The update highlighted the positive impact of KMH on SSH Group and showcased its significant contributions over the 12-month period.

Strong EBITDA Performance

Since its acquisition, KMH has demonstrated a robust performance in terms of EBITDA. Notably, it achieved an EBITDA of \$3.1 million, which translated to an impressive 20.7% return on the acquisition price over the 12-month period. Additionally, KMH's EBITDA to revenue ratio stood at a remarkable 53.3% during the same period, demonstrating the company's ability to efficiently convert revenue into earnings.



Robust Profit Before Tax (PBT)

The operational update also revealed that KMH's profit before tax (PBT) was \$0.9 million, delivering a PBT return of 8.8% on hire fleet assets and a net return over revenue of 15.8% for the first 12 months since acquisition. These figures underscored the company's strong financial performance and its ability to generate profits from its core operations.

Debt Reduction and Fleet Investment

One of the most significant achievements of KMH was the substantial reduction of debt within the SSH Group. Through its strong performance, KMH enabled the Group to retire \$2.5 million of the initial debt borrowed to fund the acquisition. This amounted to nearly a quarter (22.0%) of the total funds borrowed for the acquisition, significantly strengthening the Group's financial position.

Moreover, KMH invested \$1.1 million in new assets, which represented 9.8% of its current fleet value. This investment demonstrated KMH's commitment to growth and modernization, allowing the company to enhance its service offerings and meet the evolving demands of the market.

Successful Integration into SSH Group

The operational update emphasized that KMH's acquisition had proven to be a material and successful one for SSH Group. The integration of KMH into the Group's portfolio was evident through the positive financial results and the significant contribution it made to the Group's equipment hire division.

Operational Update: Fleet Hire (Tru Fleet)



The Remarkable Success with Tru Fleet

On the 25th of July 2022, SSH Group Ltd announced the successful organic launch of "Tru Fleet," its site-ready fleet hire business. Over the past 12 months since its market launch, Tru Fleet has

positively contributed to SSH Group's overall performance, achieving impressive milestones, and displaying robust financial results.

Strong EBITDA Performance

Tru Fleet delivered a strong EBITDA result of \$1.57 million during its first 12-months since launch, translating to a pleasing 121% return on the capital contribution from SSH Group Ltd. Furthermore, Tru Fleet's EBITDA to revenue ratio was an impressive 57.6% over the same period, underlining the efficiency and profitability of the business.

Strong EBIT Growth in 2H of FY23

The operational update highlighted Tru Fleet's strong performance during the January 2023 to June 2023 Half Year. During this period, Tru Fleet delivered an EBIT of 23.15% to revenue, leading to an outstanding 240% increase in EBIT from the first half of FY23 to the second half. This rapid growth demonstrates Tru Fleet's ability to adapt, innovate, and optimize its operations to improve performance.

Tru Fleet Asset Value Surge

Tru Fleet's assets grew quickly, reaching a value of \$12.8 million in Company Fleet Assets as of 30th June 2023. This significant increase of 236% in Fleet Asset Value from 30th June 2022 to 30th June 2023 reflects the successful expansion and strategic investments made by Tru Fleet to meet customer demands and market opportunities.

Operational Highlights

Tru Fleet's success was underlined by several noteworthy operational achievements:

1. **New Operating Facility in the Pilbara:** Tru Fleet established a new operating facility in the Pilbara region, further expanding its presence and accessibility to cater to the growing demands of the area.
2. **Interstate Deployment:** Tru Fleet's reach extended across multiple states, with cars deployed in Western Australia (WA), New South Wales (NSW), and Queensland (QLD). This geographic diversification allowed the business to tap into various markets and capitalize on regional opportunities.
3. **Diversification into Light Truck Market:** Tru Fleet strategically diversified its fleet offerings to include light trucks, enabling the business to cater to a broader range of customer requirements in response to industry trends.

The achievements of Tru Fleet over the past 12 months have firmly positioned it as a strong performer within SSH Group Ltd.'s portfolio. The company remains committed to driving further growth, value creation, and operational excellence as it continues its journey of success in the fleet hire business.

Operational Update: Recruitment & Workforce Management (Bridge Resources & SSH Group Safety)

Recruitment & Workforce Management Vertical

In a bid to fortify its path to future growth, SSH Group Ltd.'s Recruitment & Workforce Management Vertical, encompassing Bridge Resources and SSH Group Safety, appointed Mr. Mark Lawton as the new EGM business leader during the quarter. With a proven track record and extensive experience in the recruitment and security industry sectors, Mr. Lawton will lead the division's future development & growth.

Mark Lawton's Professional Summary

Mr. Mark Lawton brings with him a wealth of expertise as an accomplished executive-level manager with an illustrious 20-year career. Throughout his journey, he has exhibited strong leadership in the recruitment and security industry sectors, paving the way for numerous successes.

Expertise in Managing Organisational Change

A hallmark of Mr. Lawton's career has been his proficiency in managing organizational change. His ability to navigate transformations effectively has resulted in achieving material growth for the companies he has served.

The Recruitment & Workforce Management Vertical at SSH Group Ltd eagerly anticipates the positive impact of Mr. Lawton's leadership. As he takes the reins, the division is poised to capitalize on new opportunities, enhance its services, and deliver even greater value to clients and stakeholders.

SSH Group Ltd remains steadfast in its commitment to nurturing talent and fostering dynamic leadership across all its verticals.

Operational Update: Partnership (Four Hills Services)

Partnership Flourishes - Four Hills Services

During the period over the past quarter (FY23 Q4), Four Hills Services has attained Supply Nation certification, a testament to its commitment to excellence and the establishment of robust governance practices.

Supply Nation Certification: A Milestone Achievement

The attainment of the Supply Nation certification is an important milestone for Four Hills Services. This certification recognises the organization's established governance framework further enhancing its reputation in the industry.



Establishing a Strong Presence in the Market

Over the 5 months since its inception, Four Hills Services has established a strong presence in the market. With a substantial hire fleet and tier one customers, the partnership has demonstrated encouraging growth and has established itself as an important new entrant in the industry.

Deployment of Plant Assets

In another significant development, Four Hills Services has successfully deployed its first Plant Assets to the market. This demonstrates the partnership's commitment to diversification and expansion, allowing it to cater to a broader range of customer needs and to seize new opportunities.

Thriving Collaboration

The Indigenous partnership between SSH Group Ltd and Four Hills Services has proven to be a thriving collaboration, driving positive outcomes for both parties. The partnership's ability to flourish in the market within such a short period reflects the strength of its shared vision and values.

Corporate

During the quarter, the Company announced the release of 2,496,756 fully paid ordinary shares from voluntary escrow.

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.

2. ASX Listing Rule 4.7C.3: Payments to related parties of the SSH and their associates during the quarter: \$170,125. These payments relate to executive and non-executive directors’ fees and remuneration payments for executive directors as per the Executive Service Agreements.

ASX Announcements

This Quarterly Activities Report contains information reported in the following announcements released during the June quarter:

- Change of Directors Interest Notice
- KMH Delivers 20.7% EBITDA ROI – 12 Months Post Acquisition

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

Investor Portal

www.sshgroup.com.au/investors-media

Telephone

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Company Secretary
SSH Group Ltd

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Appendix 4C

Quarterly cash flow report for entities

subject to Listing Rule 4.7B

Name of entity

SSH Group Limited

ABN

79 140 110 130

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities	10,450	51,573
1.1 Receipts from customers		
1.2 Payments for		
product manufacturing and operating costs	(7,674)	(38,302)
advertising and marketing	(2)	(77)
leased assets	(154)	(668)
staff costs	(1,476)	(6,495)
administration and corporate costs	(198)	(1,415)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(519)	(1,748)
1.6 Income taxes paid	-	(13)
1.7 Government grants and tax incentives	-	-
1.9 Net cash from / (used in) operating activities	427	2,855

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	entities	-	-
	businesses	-	(1,688)
	property, plant, and equipment	(3,819)	(13,324)
	investments	(71)	(135)
	intellectual property	-	-
	other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	businesses	-	-
	property, plant, and equipment	1,266	2,437
	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	(2,624)	(12,710)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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)
3.5	Proceeds from borrowings	5,041	16,445
3.6	Repayment of borrowings	(2,303)	(9,881)
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	2,738	6,559

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	1,509	5,346
4.2	Net cash from / (used in) operating activities (item 1.9 above)	427	2,855
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,624)	(12,710)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,738	6,559
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,050	2,050

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	2,050	2,050
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)	2,050	2,050

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	170
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	28,507	23,869
7.2	Credit standby arrangements	-	-
7.3	Debtor Funding Facility	5,000	2,920
7.4	Total financing facilities	33,507	26,789
7.5	Unused financing facilities available at quarter end		97

Consolidated statement of cash flows	Total Facility at Quarter End \$A'000	Amount Drawn at Quarter End \$A'000
<p>7.6 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 data-bbox="239 674 1434 1666" style="border: 1px solid black; padding: 10px;"> <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 Group has recently increased its facility with Nab to fund additional equipment for Karratha Machinery Hire, whilst agreeing a facility with Caterpillar Finance for additional equipment. Assets financed under these agreements will be fixed for the period of the loans at interest rates prevailing at the time of the loan inception.</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 \$2.4m 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 \$5m, at 30 June the company had access to approx. \$0.1m of funding over invoices that had not been drawn down but \$2.1m in overall facility head room.</p> </div>		

Consolidated statement of cash flows		Current quarter \$A'000
8.	Estimated cash available for future operating activities	
8.1	Net cash from / (used in) operating activities (item 1.9)	427
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,050
8.3	Unused finance facilities available at quarter end (item 7.5)	97
8.4	Total available funding (item 8.2 + item 8.3)	2,147
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A Cashflow positive
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 July 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.